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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

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

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

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

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

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

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<td>Robertson, NSW</td>
<td>LP</td>
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### Members of the House of Representatives

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<tbody>
<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
<td>IND.</td>
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<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
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<tr>
<td>Wilson, Mr Richard James</td>
<td>O' Connor, WA</td>
<td>LP</td>
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<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
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<tr>
<td>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
<td>LP</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
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**PARTY ABBREVIATIONS**

ALP—Australian Labor Party; LP—Liberal Party of Australia; NATS—The Nationals; IND—Independent; NATSWA—The Nationals WA; CLP—Country Liberal Party; AUS—Katters Australia Party; AG—Australian Greens; PUP—Palmer United Party

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing  
Clerk of the House of Representatives—D Elder  
Secretary, Department of Parliamentary Services—C Mills  
Parliamentary Budget Officer—P Bowen
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<tr>
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<tr>
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<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Josh Frydenberg MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Alan Tudge MP</td>
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<tr>
<td>Minister for Infrastructure and Regional Development (Deputy Prime Minister)</td>
<td>The Hon. Warren Truss MP</td>
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<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
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<td>Senator the Hon. Brett Mason</td>
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<td>Minister for Employment (Leader of the Government in the Senate)</td>
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<td>The Hon. Luke Hartsuyker MP</td>
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<tr>
<td>Minister for the Arts (Vice-President of the Executive Council)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
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<tr>
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<tr>
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<td>The Hon. Steven Ciobo MP</td>
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<td>The Hon. Barnaby Joyce MP</td>
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<tr>
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<td>Senator the Hon. Richard Colbeck</td>
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<td>Assistant Minister for Education</td>
<td>The Hon. Christopher Pyne MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Education</td>
<td>The Hon. Sussan Ley MP</td>
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<td>The Hon. Kevin Andrews MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services (Manager of Government Business in the Senate)</td>
<td>Senator the Hon. Mitch Fifield</td>
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<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon. Marise Payne</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon. Concetta Fierravanti-Wells</td>
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<tr>
<td>Minister for Communications (Parliamentary Secretary to the Minister for Communications)</td>
<td>The Hon. Malcolm Turnbull MP</td>
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<tr>
<td>(Parliamentary Secretary to the Minister for Communications)</td>
<td>The Hon. Paul Fletcher MP</td>
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<tr>
<td>Minister for Health</td>
<td>The Hon. Peter Dutton MP</td>
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<tr>
<td>Minister for Sport</td>
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<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon. Fiona Nash</td>
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<td>Title</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon. David Johnston</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
<td>Senator the Hon. Michael Ronaldson</td>
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<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon. Stuart Robert MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Defence</strong></td>
<td>The Hon. Darren Chester MP</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon. Greg Hunt MP</td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for the Environment</em></td>
<td>Senator the Hon. Simon Birmingham</td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon. Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon. Michaelia Cash</td>
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<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon. Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td><em>Parliamentary Secretary to the Minister for Finance</em></td>
<td>The Hon. Michael McCormack MP</td>
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<tbody>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td><strong>Hon Bill Shorten MP</strong></td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
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<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
<td><strong>Deputy Leader of the Opposition</strong></td>
<td><strong>Hon Tanya Plibersek MP</strong></td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td>Senator Claire Moore</td>
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<tr>
<td>Shadow Minister for Women</td>
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<tr>
<td>Manager of Opposition Business (Senate)</td>
<td>Senator the Hon Don Farrell</td>
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<tr>
<td>Shadow Minister for the Centenary of ANZAC</td>
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<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon Matt Thistlethwaite MP</td>
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<tr>
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<td><strong>Senator the Hon Penny Wong</strong></td>
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<tr>
<td>Shadow Parliamentary Secretary for Trade and Investment</td>
<td>Dr Jim Chalmers MP</td>
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<tr>
<td><strong>Deputy Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Stephen Conroy</td>
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<td>Shadow Minister for Defence</td>
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<tr>
<td>Shadow Assistant Minister for Defence</td>
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<td>Shadow Minister for Tourism</td>
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<tr>
<td>Shadow Minister for Regional Development and Local Government</td>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Development and</td>
<td>Allanah MacTiernan MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Western Australia</td>
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<tr>
<td>Shadow Parliamentary Secretary for External Territories</td>
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<td><strong>Shadow Treasurer</strong></td>
<td><strong>Hon Chris Bowen MP</strong></td>
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<td>Shadow Assistant Treasurer</td>
<td>Hon Dr Andrew Leigh MP</td>
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<td>Shadow Minister for Competition</td>
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<td>Shadow Minister for Financial Services and Superannuation</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Shadow Treasurer</td>
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<td><strong>Senator the Hon Kim Carr</strong></td>
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<tr>
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<td>Hon Sharon Bird MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Tony Zappia MP</td>
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<tr>
<td>Shadow Minister for Communications</td>
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Tuesday, 24 June 2014

The SPEAKER (Hon. Bronwyn Bishop) took the chair at 12:00, made an acknowledgement of country and read prayers.

MOTIONS

Address by the Prime Minister of Japan

Mr PYNE (Sturt—Leader of the House and Minister for Education) (12:01): I move:

That:

(1) the House invite the Honourable Shinzo Abe, Prime Minister of Japan, to attend and address the House on Tuesday, 8 July 2014, at 10.50 am;

(2) unless otherwise ordered, at the sitting of the House on Tuesday, 8 July 2014:

(a) the proceedings shall be welcoming remarks by the Prime Minister and the Leader of the Opposition and an address by the Prime Minister of Japan, after which the sitting of the House automatically shall be adjourned; and

(b) the provisions of standing order 257(c) shall apply to the area of Members' seats as well as the galleries;

(3) a message be sent to the Senate inviting Senators to attend the House as guests for the welcoming remarks by the Prime Minister and the Leader of the Opposition and address by the Prime Minister of Japan; and

(4) any variation to this arrangement be made only by an action by the Speaker.

On 8 July, Tuesday week, at 10.50 am the Prime Minister of Japan will be attending the parliament to address a joint sitting of the Senate and the House of Representatives. We envisage that that will take an hour or so and other invitations may be issued to members for the rest of the day. We are very much looking forward to the Prime Minister of Japan visiting Australia and we are privileged and honoured that he will accept our invitation to address the parliament on 8 July at 10.50 am.

Mr BURKE (Watson—Manager of Opposition Business) (12:02): The opposition supports the motion, welcomes the opportunity that Prime Minister Abe will be addressing the parliament and provides full support for this. It is a great thing for this parliament when we have leaders of other countries come and address us. We look very much forward to it, and I have no doubt that this would be the best of the resolutions moved by the Leader of the House today.

The SPEAKER: I thank the Leader of the House and the Manager of Opposition Business for such an accord of welcome being made on this occasion. The question is that the motion be agreed to.

Question agreed to.

BUSINESS

Consideration of Legislation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (12:03): I move:
That, in relation to proceedings on the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2], the Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Carbon Tax Repeal) Bill 2013 [No. 2], the Ozone Protection and Synthetic Greenhouse Gas (Import Levy) (Transitional Provisions) Bill 2013 [No. 2], the Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Carbon Tax Repeal) Bill 2013 [No. 2], the True-up Shortfall Levy (General) (Carbon Tax Repeal) Bill 2013 [No. 2], the True-up Shortfall Levy (Excise) (Carbon Tax Repeal) Bill 2013 [No. 2], the Climate Change Authority (Abolition) Bill 2013 [No. 2], the Customs Tariff Amendment (Carbon Tax Repeal) Bill 2013 [No. 2], the Excise Tariff Amendment (Carbon Tax Repeal) Bill 2013 [No. 2], the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 [No. 2], and the Clean Energy Finance Corporation (Abolition) Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

1. the resumption of debate on the second readings of the bills being called on together;
2. at the conclusion of the second reading debate (a) one question being put on any amendments moved to motions for the second readings by opposition Members and then without delay, (b) any necessary questions being put on amendments moved by any other Member, and (c) one question being put on the second readings of the bills together;
3. if the second readings of the bills have been agreed to, messages from the Governor-General recommending appropriations for any of the bills being announced together;
4. the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 20 minutes at which time any questions necessary to complete the detail stage being put;
5. at the conclusion of the detail stage, one question being put on the third readings of the bills together; and
6. any variation to this arrangement to be made only by a motion moved by a Minister.

The government is determined to remove the carbon tax and we are very disappointed, as I think the Australian public are, that Labor insists, with their Green allies, that the carbon tax not only remain in place but actually increase on 1 July. There was an election last year. That election very clearly was a referendum on the carbon tax. As you pointed out, Madam Speaker, many times over the previous few years, when you were not the Speaker, the carbon tax or an emissions trading scheme claimed most of those proponents of it in high office and last year in September another one was defeated, this time the Prime Minister, Kevin Rudd, and before him Julia Gillard.

The government therefore feels that the parliament is well aware of the position of the government and the opposition. There has been a long, drawn-out debate on a matter that has already been decided by this House and has been rejected by the Senate, and we are insisting on our changes. Our reforms bill does not require a weeklong or longer debate as occurred the first time. So we will on Thursday debate the clean energy legislation and pass the clean energy legislation, and we have put this debate management motion to ensure that that can be done on Thursday.

I should inform members that in the interests of allowing some debate on not only this bill but also the Minerals Resource Rent Tax it would be very unlikely, in fact well-nigh impossible, that the House will rise at the usual time on Thursday.

The SPEAKER: I call the member for Blaxland.

Mr BUTLER (Port Adelaide) (12:05): It is Port Adelaide, Madam Speaker.

The SPEAKER: I am sorry but you are two peas in a pod.
Mr BUTLER: I have been called much worse—not a bad bloke to be compared to, certainly better than most in this place, Madam Speaker, but it is a low bar.

Honourable members interjecting—

Mr BUTLER: Well, it is called show business for the ugly for a very good reason. Of course, the member for Sturt thinks himself much better looking than the average.

It will not surprise the House that we do not support this gag, the first in a series of gags to shut down debate over some incredibly important pieces of legislation. We have heard 90 seconds of justification from the Leader of the House about the need to gag this debate on nine or 10 incredibly important pieces of legislation, on the basis that everyone apparently is well aware of the government's position. But the important thing for this House, for the Australian parliament, for the Australian community, is that there be a chance to deal with all of the very different and complex arguments around this package of bills from the parliament.

The last time this House dealt with these bills was more than six months ago, before Christmas 2013. In a very fast-moving area of policy there have been significant developments which it is important that members of the House on both sides of this debate get a chance to canvass, because these bills rest on a couple of myths that the Prime Minister particularly, but the government more broadly, seeks to perpetuate in the area of climate change policy. The first myth—and we heard this time and time again; we saw chief business adviser Maurice Newman write about this in *The Australian* only yesterday—is that the jury is out on climate change, that this area of science is not settled. I can point to numerous quotes from the Prime Minister where he has said that he does not accept that the science on this is settled. We heard this back in December when I had to sit in this chamber and listen to countless speeches from members of the government to say that the science on this matter is some­how not settled. Well, over summer we had that hotbed of left-wing conspiracy, NASA, come out and confirm that fully 97 per cent of climate scientists who regularly publish in this area agree with the conclusions of the Intergovernmental Panel on Climate Change that the climate is changing through global warming and it is doing that as a result of human activity, particularly the burning of fossil fuels and changes in land use. That deserves further debate by this House.

What we have also heard, from the Prime Minister down in the coalition parties, and again just yesterday in the op-ed pages of *The Australian* newspaper from Maurice Newman, is that to the extent there might have been some global warming—not that that is conceded, but to the extent that there might have been some global warming—it has all stopped and actually, if anything, it might be getting cooler now since the late nineties. Maurice Newman yesterday went as far back as September 1996, saying: 'It's all stopped, nothing to worry about here. It's all getting cooler anyway.'

Again, that hotbed of left-wing conspiracy, NASA, over the course of summer confirmed that the 20 hottest years on record in the world are all since 1990. NASA confirmed that 13 of the 14 hottest years on record are all since 2000, that period when Maurice Newman, the Prime Minister and many others would have us believe that, to the extent we had cause for concern, it has all disappeared, it has all just seeped away into the sands, nothing to worry about. Well, this House needs to debate that and the degree to which this is actually something to worry about.
The other thing that has happened since the House last got a chance to debate this package of bills, and the area of climate change policy more broadly, is the very significant developments internationally. It is only a few weeks ago that the Prime Minister conducted a very extensive overseas trip clearly with one of the objectives being to take the temperature—forgive the pun—of other countries as we move into a range of international meetings this year: the leaders summit being called by Ban Ki-moon in September; the G20 meeting in November which will be chaired by Australia; leading into the UN conference in Paris next year. After luxuriating in the warm embrace of the Canadian Conservatives, who share the views of the Australian Prime Minister in this area, the Prime Minister just let it slip to some journalists in Australia that he was going to build a coalition—a coalition of the unwilling—who together would fight the Americans, the Chinese, the Europeans, anyone who thought that the international community should build towards strong climate action next year. He even went so far as to name the members of this coalition of the unwilling.

The New Zealand Prime Minister and the UK Prime Minister were named as members of this coalition who would join the warm embrace between the Canadian and Australian prime ministers to battle climate action wherever it might emerge, from wherever it might emerge. Unfortunately, the New Zealand Prime Minister—a political soul mate, apparently, of the Australian Prime Minister—was caught completely unawares and went out straight away to confirm New Zealand's commitment to take strong action on climate change and to be a responsible, constructive part of the international developments that will emerge over the next couple of years. The UK Tory Prime Minister, who has been a well-known leader in the area of climate change policy domestically and internationally, was also forced to dissociate himself from this coalition of the unwilling, nipped in the bud. I think the House of Representatives would like to debate this issue and the way in which the Australian Prime Minister has portrayed Australia's efforts in this area on the global stage.

The Prime Minister also said in Canada, it was reported, that Australia is just one of many nations walking away from emissions trading schemes—a falsehood that repeats a falsehood that Joe Hockey, the Treasurer, made on the projects program some months ago. It is important that the House of Representatives debate this point because it goes squarely to the question of whether Australia should be a part of these international negotiations. What we have seen over the last six months is particularly the US and China start to make moves, long overdue, to lead the process into Paris next year. China only last week started its seventh pilot emissions trading scheme, a scheme that will now cover more than 200 million people in China. Two weeks ago South Korea, our third largest export partner, imposed a tax on imported thermal coal of $20 a tonne as part of its introduction into an emissions trading scheme, which will be the second largest emissions trading scheme in the world, starting on 1 January 2015. And, as people well now, the US President announced a few weeks ago the Clean Power Plan, which will impose emissions reduction conditions on existing power plants in America over the next little while—

Mr Taylor: Direct action.

Mr Butler: Direct action, it's piped up—and the Prime Minister, with straight face, amazingly, tried to compare the plan to the dressed-up slush fund we see at the centre of their direct action policy. No carrot, no stick; all we see is a dressed-up slush fund.
There are many, many elements of this policy area that members on this side of the House at least are very keen to talk about because this is a fast-moving, complex area of policy. The member for Sturt is right: the government's position is well known about this; the opposition's position is well known about this. We take the view that, as soon as possible, Australia should move to an emissions trading scheme that places a legal cap on carbon pollution and then lets business work out the cheapest and most effective way to operate within that cap. That is the central argument we will be making in this place and in the other place as the government presents these repeal bills.

But the gag is completely out of order because these last six months have been an important six months for Australia's domestic policy considerations and for Australia's place in the world. For that reason, we oppose this gag motion from the member for Sturt.

Mr BANDT (Melbourne) (12:15): The government have been caught out on global warming and so is seeking to gag debate. Since this issue was last debated in this parliament, the world has moved and the Australian population has moved. People understand that there is now an urgent need to tackle global warming. Because this government have been caught out without any effective policy that will work at all and because members of this government have been exposed as the science-denying shills for the fossil fuel sector that they are, they are now seeking to gag debate.

Since this set of bills was last brought before the parliament, we know that the world is moving towards exactly the kinds of trading schemes that are about to be repealed. Our Prime Minister came out and said, 'No, the world's moving the other way and no-one is taking them up,' but could not point to one country for which that is the case. In fact, within a matter of months we are going to be trading with Korea, which will have an emissions trading scheme. Provinces in China will have an emissions trading scheme. The President of the United States has urged action, including amongst his own states, to move towards putting a price on pollution. But this government has been caught out, so it is now in a rush to remove the only effective action, which in the last year drove down pollution in our energy sector by five per cent.

The government have also been caught out because now, for the first time, after people have had the opportunity to witness the government in action and test the veracity of their claims, the Australian public realises that, just as the government said one thing and did another on education, just as they said one thing and did another on health, and just as they said one thing and did another on pensions, they are saying one thing and doing another on climate. What they intend to do will not make electricity cheap again in this country. People know the reasons that power bills have gone up. This will not make electricity cheap again. What it will do is say to polluters, who at the moment are finally paying for some of the cost of their pollution, 'We don't mind; you can now go back to polluting for free.' That is the fundamental difference between the measures being repealed here and the government's sham of a policy. Under the arrangement that we have at the moment, polluters pay and we use some of that money to give compensation to households. Under the government's proposal it is the other way around: polluters get money and the households pay—the households of Australia will pay to give money to big polluters to keep on polluting. People are realising this. It is slowly dawning on the population that they were misled at the election, so the government are trying to ram through these bills and gag debate on the issue of our time.
People have also been realising, since this matter was last before this parliament, that the extreme weather events that we are witnessing in this country are influenced by global warming. People do not want the angry summers that we have seen. Australia has experienced the hottest day, the hottest month and the hottest year on record—we do not want that to become the new normal. We do not want to go into every summer wondering where the next bushfire will be and where the heatwave will strike and wondering if it will affect us or those close to us. People realise something is going on and they want action. That is why, this week—no coincidence that it is coming at the same time as the gag—polls have been published that show that, for the first time, more people want to keep the price on pollution than support the government's attitude. So the government, in the face of public opinion, is now rushing to repeal an infrastructure that is working.

Not only that—we heard a bit about the price on pollution—but the government is bundling up other bills in this motion. It is bundling up the repeal of the Climate Change Authority, which advises Australia on the state of the science and what action we should take. The government intends to repeal the Clean Energy Finance Corporation, which is actually working, returning money back to the government and driving down pollution. It is building wind farms and solar farms. The government did not say anything about that in this motion to suspend standing orders, but, of course, it just wants everything off the table so that it can deliver for big mining and the fossil fuel sector that put it in office. We should not support this gag.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (12:20): I move:

That the question be now put.

The SPEAKER: The question is that the motion be put.

The House divided. [12:25]

(The Speaker—Hon. Bronwyn Bishop)

Ayes ................. 82
Noes ................. 55
Majority ............. 27

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET

Anders, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Keenan, M

CHAMBER
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CHAMBER
Question agreed to.

The SPEAKER (12:32): The question now is that the motion moved by Mr Pyne be agreed to.

The House divided [12:32]

(The Speaker—Hon. Bronwyn Bishop)

Ayes ...................... 81
Noes ...................... 55
Majority ................... 26

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambharo, T
Goodenough, IR
Hartseyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Kelly, C
Laundy, C
Marino, NB
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DJ
Keenan, M
Landry, ML
Ley, SP
Matheson, RG
McNamara, KJ
Nikolic, AA
O’Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Question agreed to.

Consideration of Legislation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (12:33): I move:

That, in relation to proceedings on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 [No. 2], so much of the standing orders be suspended as would prevent the following from occurring:

1. at the conclusion of the second reading debate, not including a Minister speaking in reply, or 75 minutes after the commencement of the second reading debate, whichever is the earlier, a Minister being called to sum up the second reading debate and then without delay the immediate question before the House to be put, then any question or questions necessary to complete the second reading stage of the Bill to be put;

2. if the second reading has been agreed to the Bill then being taken as a whole during consideration in detail for a period not exceeding 20 minutes at which time any questions necessary to complete the remaining stages of the bill being put without further debate or delay; and
(3) any variation to this arrangement to be made only by a motion moved by a Minister.

The opposition insists on calling the last motion, the debate management motion, the gag. I should explain to them that we now call it the 'debate management motion'—a term which I invented, if I dare take the credit for it. We are debating a debate management motion on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 for the same reasons we had for voting on the carbon tax, which is that we have already passed these bills through the House of Representatives. They have been rejected by the Senate and the government is insisting on the abolition of the minerals resource rent tax. We want to have less tax; Labor wants more tax. Labor wants the carbon tax to rise; we want the carbon tax to be abolished. Therefore, on Thursday we will give the House of Representatives the opportunity to debate the minerals resource rent tax for a period of time. Knowing that Labor is unlikely to change its position—certainly the government will not—there will be no point in delaying the House for days of debate. We have already had that debate and therefore I recommend this debate management motion to the House.

Mr BURKE (Watson—Manager of Opposition Business) (12:35): Welcome to 'anything but the budget' week, because that is what is going on here. This is the government's attempt to talk about anything but the budget during the course of this week. This legislation could have been debated in previous weeks. Let's not forget the number of times this parliament has run out of legislation in previous times because the Leader of the House cannot manage a government program. Now they try to make sure that, for the course of this week, they have debate on as many different issues as possible for one reason—and one reason only—and that is to try to avoid their own backbench from having to make speeches defending the budget.

We will have, in a moment, another resolution that this will become relevant to—to have all the debate held on the one occasion, to make sure that speeches on cuts to lower-income families and on cuts to pensioners are limited. The strategy that the government is employing here is cumulative, with the different resolutions that are in front of us. This one is to make sure that the mining tax is being debated at the exact same time that the cuts to family payments, cuts to the pension and increasing the pension age to 70 are being debated. In doing that the government is making sure that $13.4 billion worth of cuts will only have three hours of debate. This week, the government is going to be spending $63.8 million a minute in cuts. They are spending $63.8 million in cuts every minute for debate in this chamber.

Those opposite are adopting a very clear strategy, trying to make sure their backbenchers are not caught by their own constituents defending cuts to pensions and family payments. We just had a speech from the Leader of the House saying that they are about cutting taxes, when they have just brought in a budget where the first measure to go through the parliament was an increase in income tax. The same people opposite want to increase petrol tax. The same people opposite want to make sure, with their budget and these budget measures, that this parliament makes a direct attack on the cost of living of the exact same people they made commitments to.

The reason they are gagging debate with these resolutions is to try to protect their own back bench from the fact that this is a budget, and a government, of broken promises. Those opposite do not want to have to come into the chamber and make speeches defending the fact that, even though it was said there would be no cuts to education, there are cuts to education; that, even though it was said there would be no cuts to health, there are cuts to health; that,
even though it was said there would be no changes to pensions, there are changes to pensions; and that, even though they promised there would be no new taxes, there are new taxes. So the strategy adopted by the government this week is to pile into one week—in the same parliament that in previous weeks has run out of legislation completely—as many different issues as possible, all of which have to reach their conclusion by Thursday, to try to ensure those members opposite can somehow go back to their electorates and dissociate themselves from this budget.

Those here should not believe for one minute they are going to be able to escape the reality: their constituents are going to know exactly what they have done in this chamber. Those opposite should not believe for one minute that the pensioners in their electorates will not know exactly what they have done. They may be able, through these motions, to avoid having to make speeches on these issues. They may, through these gag motions, avoid the scrutiny of putting up an argument. But they will not be able to avoid the scrutiny of coming in here and voting. During this week, even though the debate will have been gagged—even though the Leader of the House will have done his best to protect those behind him from having to defend, in speeches, the words of the budget—they will have to come in here and make a decision about whether or not they intend to vote to shift the pension age to 70, regardless of what they tell people in their electorates. They will have to vote to force people into a situation where, year on year, the real buying power of the pension becomes less and less.

I see one of the members opposite right now waving to people in the galleries, but the member for Reid will not be waving to his constituents about the way he will be voting this week. I would not be surprised if the member for Reid is one of the people who uses these debate management motions to avoid coming in here to make speeches defending these budget measures. He will avoid coming into this chamber to make speeches defending what is, by every single analysis, a budget of broken promises.

The purpose of the resolutions the Leader of the House has brought here today is absolutely transparent. When was the last time we had debate management motions on bill after bill, all introduced in this way? Their strategy is absolutely transparent. It did not need to be this way. I do have some sympathy for the back bench and the situation they have been put in. I understand that this is their strategy, because it is not only difficult for them to come in here and defend the budget measures because they break promises, it is not only difficult for them to come in here and make speeches to defend this budget because it is unfair, but it is also difficult to expect the back bench to come in and defend a budget that even their front bench could not get the details of right. Even their front bench, when interviewed, could not get the details of this right. So we end up with the poor public servants trying to work out what on earth this government wants to do. Is it the budget as it was agreed to by cabinet or is it the budget as it is claimed to be by the ministers in interviews, or even by the Prime Minister when he comes here to the despatch box?

We end up with billions of dollars—$13.4 billion worth—of cuts, all aimed squarely at hitting lower- and middle-income earners. They are all aimed squarely at hitting pensioners and making sure the real buying power of the pension goes down year after year, at every six-month increment. Those opposite come in here and claim that is not a cut because, even
though it does not keep pace with buying power for the products that pensioners buy, they want to pretend that somehow they have kept their promises.

A motion like this in this chamber will mean, by definition, that people will lose the democratic right to stand up for the people who elected them. While those opposite might not be willing to come in and defend their constituents, on this side of the House we are here for the people we represent. We are in here on this side of the House saying we want to be able to stand in the chamber and defend the people this government wants to hurt. This government has come into this chamber wanting to hurt people in a range of ways, but it is particularly aiming at—targeting squarely—the people who can least afford it, make no mistake.

We are asked what was in the mining tax bills. It is as though the Leader of the House has never heard of the schoolkids bonus. It is as though the Leader of the House thinks the schoolkids bonus is not directly under attack in the issue we are debating right now. It is part of this bill. It is part of the legislation that is now being gagged. It is something that people in every electorate represented by those opposite and on this side of the House rely on for the expenses of looking after their kids and for the extra expenses that come at the beginning of a school year and halfway through. The people represented by those opposite might find they have no local member of parliament to stand up for them, but those on this side will stand up for the people we represent.

I say: we will be the ones standing up for the seats represented by those opposite us. Your constituents will not miss that fact. The pensioners in the electorates represented by those opposite will not miss the fact that, when it came to the crunch, people on this side of the House defended them and people on that side of the House did not. People on this side of the House were willing to come in to make speeches and defend people when they were being hurt; people on that side were willing to keep mindlessly inflicting pain, squarely aimed at those who could least afford it.

The SPEAKER: Before I call the honourable member for Melbourne, I would remind the House that the suspension motion relates to the minerals resource rent tax repeal, and it would be helpful for each speaker to at least mention that fact.

Mr BANDT (Melbourne) (12:45): People have twigged that this government and its budget take the axe to the young, the old, the sick and the poor, and let Gina Rinehart and her like off the hook. Today this government is coming in here and saying, 'We want people under 30 to spend six months of every year without any income at all'; 'We want people who have put in and worked all their lives to now work for an extra three years until they drop, and they won't have the same kind of pension to rely on that they thought they might have before'; and 'We are going to ask those who can least afford it to now pay to go to the doctor, even if it means that they might not go. That's alright, we don't mind deterring them, because we want them to pay'. At the same time as it is doing that, the government is coming in here and saying, 'We are now going to repeal the one measure that is on the books at the moment that has a chance of giving this country some revenue security.'
We hear the government say that there is a budget crisis. There is a crisis—a revenue crisis. At the moment, the amount of revenue that this government is raising is less than it was under its fabled predecessor, John Howard—so much so that if we started raising revenue as a proportion of GDP at the same level as we did under John Howard's government, we would have between an extra $10 billion and $30 billion a year. That means that you do not have to cut schools or hospitals. That means that you do not have to say to people, 'You now have to pay to go and see the doctor.' It means saying to young people, 'You do not have to spend six months of every year without any income at all.'

It is becoming increasingly clearer to the Australian population that we have a clear choice. You can have a budget and a set of legislation for the one per cent or you can have a budget for the 99 per cent. This government is doing what the people who paid for it to get elected wanted it to do, which is deliver for the one per cent. It is coming in here saying, 'We will repeal the mining tax'—something that that arch-Marxist former Treasury secretary, Ken Henry, thought was a good idea. Why do we not take the opportunity to secure the benefits of a once-in-a-generation mining boom to set this country up for a time when the rest of the world tells us to stop digging? That time may come sometime soon.

There is every risk that if we agree with this debate management motion and then subsequently move to repeal the bills, we are going to find ourselves waking up in 15 years time to find that this country is a hollowed out, uneducated quarry. If we really want to address the revenue crisis in this country, if we really did say, 'Maybe we can ask those wealthy multinational mining companies that send 83 per cent of their profits overseas to pay a little bit more instead of sick people having to pay more to go and see the doctor', we could find ourselves balancing this country's books and doing it in a much fairer way.

If we allow this motion to pass, we have lost the opportunity to fix and increase the mining tax. I hear those opposite shouting out, 'It doesn't raise any revenue!'. You know that is not true. It does raise revenue, but it does not raise anywhere near enough. There are some problems with the mining tax that we have pointed out many times: the rebate for state royalties, the rate of the tax, the problems that allow write-downs by the mining companies—all of those things were pointed out at the time by the Greens. We said at the time that we were worried that it would not raise enough revenue. If you, members of the government, think it is not raising enough revenue, let us fix it and increase it. The only reason for repealing the mining tax is delivering for the likes of Gina Rinehart. This government has a clear choice: do you want to deliver for the likes of Gina Rinehart, or do you want to deliver for the people? The Australian Greens know squarely where we stand, and we will be opposing this gag.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (12:49): I move:

That the question be now put.

The SPEAKER: The question is that the question be now put.

The House divided. [12:54]

(The Speaker—Hon. Bronwyn Bishop

Ayes .....................80
Noes .....................54
Majority ...............26
AYES

Alexander, JG  Andrews, KJ
Andrews, KL  Baldwin, RC
Billson, BF  Briggs, JE
Broad, AJ  Broadbent, RE
Brough, MT  Buchholz, S (teller)
Chester, D  Christensen, GR
Ciobo, SM  Cobb, JK
Coleman, DB  Coulton, M (teller)
Dutton, PC  Entsch, WG
Fletcher, PW  Frydenberg, JA
Gambaro, T  Gillespie, DA
Goodenough, IR  Griggs, NL
Hartsuyker, L  Hawke, AG
Henderson, SM  Hendy, PW
Hogan, KJ  Howarth, LR
Hunt, GA  Hutchinson, ER
Irons, SJ  Jensen, DG
Jones, ET  Keenan, M
Kelly, C  Landry, ML
Laundy, C  Ley, SP
Marino, NB  Matheson, RG
McCormack, MF  McNamara, KJ
Morrison, SJ  Nikolic, AA
O'Dowd, KD  O'Dwyer, KM
Pasin, A  Pitt, KJ
Porter, CC  Prentice, J
Price, ML  Pyne, CM
Ramsey, RE  Robert, SR
Roy, WB  Ruddock, PM
Scott, BC  Scott, FM
Simpkins, LXL  Smith, ADH
Southcott, AJ  Stone, SN
Sudmalis, AE  Sukkar, MS
Taylor, AJ  Tehan, DT
Truss, WE  Tudge, AE
Turnbull, MB  Van Manen, AJ
Varvaris, N  Vasta, RX
Whiteley, BD  Wicks, LE
Williams, MP  Wilson, RJ
Wood, JP  Wyatt, KG

NOES

Albanese, AN  Bandt, AP
Bird, SL  Bowen, CE
Brodtmann, G  Burke, AE
Burke, AS  Butler, MC
Butler, TM  Chalmers, JE
Champion, ND  Chesters, LM
Clare, JD  Claydon, SC
Collins, JM  Conroy, PM
Danby, M  Dreyfus, MA
Elliot, MJ  Ellis, KM
Question agreed to.

The SPEAKER (13:02): The question now is that the motion moved by Mr Pyne be agreed to.

The House divided [13:02]

(13:02)

(The Speaker—Hon. Bronwyn Bishop)

Ayes .................80
Noes .................54
Majority ............26

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambîro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Kelly, C
Laundy, C
Marino, NB
McCormack, MF

NOES

Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
MacTiernan, AJGC
McGowan, C
Neumann, SK
O’Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakou, M
Wilkie, AD

Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
Marles, RD
Mitchell, RG
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thomson, KJ
Watts, TG
Zappia, A

Alexander, JG
Andrews, KJ
Andrews, KL
Baldwin, RC
Billson, BF
Briggs, JE
Broad, AJ
Broadbent, RE
Brough, MT
Buchholz, S (teller)
Chester, D
Christensen, GR
Ciobo, SM
Cobb, JK
Coleman, M (teller)
Dutton, PC
Entsch, WG
Fletcher, PW
Frydenberg, JA
Gambîro, T
Gillespie, DA
Goodenough, IR
Griggs, NL
Hartsuyker, L
Hawke, AG
Henderson, SM
Hendy, PW
Hogan, KJ
Howarth, LR
Hunt, GA
Hutchinson, ER
Irons, SJ
Jensen, DG
Jones, ET
Keenan, M
Kelly, C
Landry, ML
Laundy, C
Ley, SP
Marino, NB
Matheson, RG
McCormack, MF
McNamara, KJ
AYES

Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliott, MJ
Fenney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
MacTiernan, AJGC
McGowan, C
Neumann, SK
O'Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
Marles, RD
Mitchell, RG
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thomson, KJ
Watts, TG
Zappia, A

Question agreed to.
Consideration of Legislation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (13:03): I move:

That, in relation to proceedings on the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

(1) the resumption of debate on the second readings of the bills being called on together;

(2) at the conclusion of the second reading debate, not including a Minister speaking in reply, or 45 minutes after the resumption of the second reading debate, whichever is the earlier, a Minister being called to sum up the second reading debate and then without delay (a) one question being put on any amendments moved to motions for the second readings by opposition Members, (b) any necessary questions being put on amendments moved by any other Member, and (c) one question being put on the second readings of the bills together;

(3) if the second readings of the bills have been agreed to, a message from the Governor-General recommending an appropriation for the Trade Support Loans Bill 2014 being announced;

(4) the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 20 minutes at which time any questions necessary to complete the detail stage being put;

(5) at the conclusion of the detail stage, one question being put on the third readings of the bills together; and

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

The Trade Support Loans Bill 2014 is one of the signature items in the government's budget. We are very proud of it and we are grateful to give the opportunity to young people—apprentices and trainees—to be able to borrow from the taxpayer in order to be able to complete their apprenticeship or their traineeship in the same way that students at university are able to borrow from the taxpayer to get a higher education qualification. The debate has been continuing in the House of Representatives for some time. There are a list of speakers that have already spoken. There are a few speakers left. The government regards this as an important measure to pass this week through the House of Representatives. In order to ensure that that is the case we are moving this debate management motion which will allow another 45 minutes of debate on the Trade Support Loans Bill 2014 but will also ensure that the government can continue to move its program through the House of Representatives in the efficient, methodical and calm manner in which we have been doing since the election.

Ms BIRD (Cunningham) (13:06): What a very, very strange way to show you are very proud of a piece of legislation—to gag it! It is an extraordinary position to take. The Leader of the House says to us that the bills before us are such a centrepiece of the government's budget that they do not want it discussed in this House. Extraordinary! We are not opposed to the bill. We have some very good points that we would like to put to the minister for him to consider in the implementation of these bills. We have several more speakers. The Leader of the House might like to know that the members who are going to speak on this side of the House are actually raising the voice of their constituents. Their constituents have contacted them, asking them to put on the record some of the issues that they would like the minister to look at in implementing the bill. But, just as importantly, there are 18 more speakers on the government side—outrageous!

I think the one thing we have learnt from this is that the Leader of the House is not doing the numbers on the backbench. I think that is pretty clear, because they have got nothing
positive in the budget to talk about. These poor backbenchers on the government side have
got to do their newsletters and send them out to their electorates. They need to find something
good to say about the budget and have something they can promote and say, ‘I was in the
parliament talking about what a great initiative this was.’ They have lost their one opportunity.
The trade support loans bills might have given them the chance to make an on-the-record
comment—‘I am a champion for skills and trades’—and the opportunity to put a little video
up on their Facebook page: ‘Here's me in the parliament defending apprentices, talking about
a great government initiative out of the budget.’ It might have given them the chance to get on
their Twitter feed and say: ‘Have a look at me in the parliament, putting the voice of the
people, my constituents, on the record about this great initiative out of the budget.’ They have
been gagged—outrageous! The Leader of the House clearly has no leadership ambitions.
Quite clearly, the one thing we have got from this is that he has no leadership ambitions. The
backbench will be very cranky, Leader of the House. You have denied them the opportunity
to get their nice little video up on Facebook and to get the good story into their newsletters
about their opportunity to talk on these bills before the House.

As I indicated in my speech on the second reading—and sadly many of my colleagues both
in the opposition and the government have been denied the opportunity to talk on these
bills—there are some issues of concern that are being raised by apprentices, their employers,
local businesses, and some things they would like the government to consider in the
implementation of the bill. For that reason, I moved a second reading amendment, to give the
opportunity for members of the parliament to put on the record, for the minister's
consideration, some of those matters that have been raised with them. Sadly, for all those
local constituents who have taken the opportunity to talk to their
members of parliament, about some of the implications of this bill that they want considered, their
members of parliament have been gagged by this government.

I will give the House a few examples from my colleagues of the sorts of comments that
their constituents wanted them, as their elected representative—with the right, one would
think, to speak in this parliament—to put on the record. The member for Fowler, for example,
has in his seat some of the expanding residential areas of south-west Sydney, where there is
very high youth unemployment. For many of the young people in his area, the Tools For Your
Trade program that is being abolished in order to establish this Trade Support Loans scheme
was a really important support to young apprentices. He made the point to me—and would
have liked to have done it in the House—that, as the father of two sons, Nicholas and
Jonathan, who went on and completed apprenticeships, he has a very good understanding of
the challenges that that provides and the importance of government support.

The member for Canberra wanted to record the views of a constituent who emailed her
about her son, who is an apprentice carpenter. He is in his third year of his apprenticeship. He
has already committed to a number of financial burdens. For example, he has a work vehicle
and is currently paying off a $7,000 loan for that. He used the Tools For Your Trade program
to get air compressors, a generator, an industrial heavy-duty troweller, nail guns, ladders, laser
levels and so forth. He used the money to pay for his fuel, as he travels about 1,200
kilometres per week. When he is away from home, it assists with rental costs.

They are very good examples of the sorts of purposes for which the Tools For Your Trade
money was useful. The point I am making is that, while it is fine to provide additional support

CHAMBER
such as the trade support loans, it should never be at the cost of those direct grants being paid to apprentices. It is not good enough to say that a debt is a reasonable replacement for income support as was provided through the Tools For Your Trade program. The member for Canberra's parent of an apprentice is very cranky.

The member for Charlton had an example brought to his attention of a first-year apprentice hairdresser who works in Bonnells Bay. She started in November last year. She studies at a great local TAFE, Tighes Hill campus in Newcastle. As you could well appreciate, she has had to buy a lot of equipment: clippers, scissors, thinners, uniforms and books for TAFE. Those expenses add up. She said that good, high-quality kit can cost anything between $300 and $1,000. She received the first $800 reimbursement under the Tools For Your Trade program but is not going to get the future payments that she quite reasonably expected that she was signing up for. She is particularly angry about this. She makes the point that she is trying to save up for a car, is struggling to get on her feet financially and she has now had, in effect, nearly $3,700 ripped out of her pocket. Other examples have been brought to the member's attention, particularly when he visited NovaSkill, a local education training provider in the Hunter.

The member for Kingsford Smith has been contacted by a gentleman called Paul Byrne, from Amdel Services Pty Ltd. He is an electrical contractor from Maroubra who employs a number of apprentices. He wanted to train some of his electricians to be upskilled ready for the NBN rollout. He is very angry that the Tools For Your Trade scheme has been abolished and he said: 'This will result in our company not being able to claim the finalising grant. Considering this year I will have outlaid over 40 grand in training fees to Intercom and TAFE New South Wales, this could be the straw that breaks the camel's back.' He also feels that the abolition of that scheme has been a very unfair outcome of the proposal to introduce the trade support loans.

We had an opportunity to ask some questions at the second reading. I wanted the opportunity for my colleagues to pursue the examples they had so the minister could hear the detail of them and consider the proposals in the second reading amendment—in particular: what is going to happen with young apprentices under the age of 18; and what supports and assurances will the government put in place when apprentices undertake a debt as opposed to receive a grant? There were examples of those sorts of circumstances to be raised in the House. This is an important initiative for young people, but it must be done in a way that supports and protects those young apprentices.

It is quite legitimate that all members of this House who had these issues raised with them should be able to raise them in this place. It is not appropriate to gag this debate. I think it is particularly poor that not only do I have to get up and defend my own colleagues and their right to participate in the debate around this issue but I also have to stand here to protect the rights of the backbench of the government to get up and talk about the issues that they would like to raise—to get a good little clip of themselves saying something nice about the government. It does not happen often in this place. Let's face it: the poor government members are denied so many opportunities to talk about good initiatives. With the best intention in the world, we were keen to offer them that opportunity and the terrible Manager of Government Business has just ripped it away from them. It is outrageous.

Mr Pyne interjecting—
Ms BIRD: I will acknowledge the interjection by the Manager of Government Business. It is cruel and heartless.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (13:16): I move:

That the question be now put.

The DEPUTY SPEAKER (Mr Craig Kelly): The question is that the question be now put.

The House divided. [13:20]

(The Deputy Speaker—Mr Craig Kelly)

Ayes ...................... 78
Noes ...................... 56
Majority ................... 22

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Keanan, M
Laundy, C
Marino, NB
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP

Andrews, KJ
Baldwin, RC
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Landry, ML
Ley, SP
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Question agreed to.

The DEPUTY SPEAKER (13:27): The question now is that the motion moved by Mr Pyne be agreed to.

The House divided. [13:28]

(The Deputy Speaker—Mr Craig Kelly)

Ayes .................78
Noes ....................56
Majority ...............22

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK

Andrews, KJ
Baldwin, RC
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
AYES

Coulton, M (teller)  
Entsch, WG  
Frydenberg, JA  
Gillespie, DA  
Griggs, NL  
Hawke, AG  
Hendy, PW  
Howarth, LR  
Hutchinson, ER  
Jensen, DG  
Keenan, M  
Laundy, C  
Marino, NB  
McCormack, MF  
Morrison, SJ  
O'Dowd, KD  
Pasin, A  
Porter, CC  
Price, ML  
Ramsey, RE  
Roy, WB  
Scott, BC  
Simpkins, LXL  
Southcott, AJ  
Sudmalis, AE  
Taylor, AJ  
Truss, WE  
Turnbull, MB  
Varvaris, N  
Whiteley, BD  
Williams, MP  
Wood, JP

Dutton, PC  
Fletcher, PW  
Gambaro, T  
Goodenough, IR  
Hartsuyker, L  
Henderson, SM  
Hogan, KJ  
Hunt, GA  
Irons, SJ  
Jones, ET  
Landry, ML  
Ley, SP  
Matheson, RG  
McNamara, KJ  
Nikolic, AA  
O'Dwyer, KM  
Pitt, KJ  
Prentice, J  
Pyne, CM  
Robert, SR  
Ruddock, PM  
Scott, FM  
Smith, ADH  
Stone, SN  
Sukkar, MS  
Tehan, DT  
Tudge, AE  
Van Manen, AJ  
Vasta, RX  
Wicks, LE  
Wilson, RJ  
Wyatt, KG

NOES

Albanese, AN  
Bandt, AP  
Bird, SL  
Bowen, CE  
Brodman, G  
Burke, AE  
Burke, AS  
Butler, MC  
Butler, TM  
Chalmers, JE  
Champion, ND  
Chesters, LM  
Clare, JD  
Claydon, SC  
Collins, JM  
Conroy, PM  
Danby, M  
Dreyfus, MA  
Elliot, MJ  
Ellis, KM  
Feeney, D  
Ferguson, LDT  
Fitzgibbon, JA  
Giles, AJ  
Gray, G  
Griffin, AP  
Hall, JG (teller)  
Hayes, CP  
Husic, EN  
Jones, SP  
King, CF  
Leigh, AK  
Macklin, JL  
MacTiernan, AJGC  
Marles, RD  
McGowan, C

CHAMBER
Question agreed to.

Rearrangement

Mr PYNE (Sturt—Leader of the House and Minister for Education) (13:28): I seek leave to move that government business take priority over standing order 43 until government notice No. 5 is completed.

Leave not granted.

Mr PYNE: In which case, I move:

That so much of the standing orders be suspended as would prevent the member for Sturt from moving forthwith:

That government business have priority over members’ statements for this sitting.

This simply allows us to suspend the 90-second statements until the final debate management motion is completed. Should that take about 10 or 15 minutes it will allow about 15 minutes for 90-second statements before question time.

Mr BURKE (Watson—Manager of Opposition Business) (13:29): I want to draw to the attention of the House that what we have in front of us here is yet another attempt by the Leader of the House—

The DEPUTY SPEAKER (Mr Craig Kelly): The shadow minister will resume his seat. The call is given to the Leader of the House.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (13:30): I move—

Mr Burke: Mr Deputy Speaker, on a point of order—

The DEPUTY SPEAKER: The Leader of the House has the call.

Mr Albanese interjecting—

Mr PYNE: No, it has to be put now, it does not have to be put before 1.30. I move:

That the question be now put.

Mr Albanese: Mr Deputy Speaker, it is past 1.30. Standing order 43 kicks in automatically at 1.30. Standing orders have not been suspended and it kicks in at 1.30.

The DEPUTY SPEAKER: I appreciate the assistance of the member for Grayndler. I have taken advice from the clerk. The clerk’s instruction is that the motion should be put.

Mr Albanese: That is wrong.
The DEPUTY SPEAKER: I therefore put the motion. All those of that opinion say aye, against no. Division required. Ring the bills for one minute.

Mr Burke: It has got to be four minutes. There has been debate.

The DEPUTY SPEAKER: I have again taken advice from the clerk and one minute is correct. The question is that the question be now put.

The House divided. [13:32]

(The Deputy Speaker—Mr Craig Kelly)

Ayes .................... 79
Noes ..................... 55
Majority ............... 24

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambare, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Landry, ML
Ley, SP
Mathesons, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coultou, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Keenan, M
Laundry, C
Marino, NB
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP
Question agreed to.

The **DEPUTY SPEAKER (Mr Craig Kelly)** (13:35): The question now is that the motion moed by Mr Pyne be agreed to.

The House divided. [13:39]

(The Deputy Speaker—Mr Craig Kelly)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>80</th>
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</thead>
<tbody>
<tr>
<td>Noes</td>
<td>55</td>
</tr>
<tr>
<td>Majority</td>
<td>25</td>
</tr>
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**AYES**

Alexander, JG  
Andrews, KL  
Billson, BF  
Broad, AJ  
Brough, MT  
Chester, D  
Ciobo, SM  
Coleman, DB  
Dutton, PC  
Fletcher, PW  

**NOES**

Albanese, AN  
Bird, SL  
Brodtmann, G  
Burke, AS  
Butler, TM  
Champion, ND  
Clare, JD  
Collins, JM  
Danby, M  
Elliot, MJ  
Feeney, D  
Fitzgibbon, JA  
Gray, G  
Hall, JG (teller)  
Hussey, EN  
King, CF  
Macklin, JL  
Marles, RD  
Mitchell, RG  
O'Connor, BPJ  
Owens, J  
Perrett, GD  
Ripoll, BF  
Rowland, MA  
Snowdon, WE  
Thomson, KJ  
Watts, TG  
Zappia, A  

Andrews, AP  
Bowen, CE  
Burke, AE  
Butler, MC  
Chalmers, JE  
Chesters, LM  
Claydon, SC  
Conroy, PM  
Dreyfus, MA  
Ellis, KM  
Ferguson, LDT  
Giles, AJ  
Griffin, AP  
Hayes, CP  
Jones, SP  
Leigh, AK  
MacTiernan, AJGC  
McGowan, C  
Neumann, SK  
O'Neil, CE  
Parke, M  
Plibersek, TJ  
Rishworth, AL  
Ryan, JC (teller)  
Thistlethwaite, MJ  
Vamvakou, M  
Wilkie, AD  

**CHAMBER**
AYES

Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Landry, ML
Ley, SP
Marino, NB
McCormack, MF
Morrison, SJ
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Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Keenan, M
Laundy, C
Macfarlane, IE
Matheson, RG
McNamara, KJ
Nikolic, AA
O’Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robert, SR
Raddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Marles, RD
Mitchell, RG
O’Connor, BPJ

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
MacTiernan, AJGC
McGowan, C
Neumann, SK
O’Neil, CE

CHAMBER
Question agreed to.

Rearrangement

Mr PYNE (Sturt—Leader of the House and Minister for Education) (13:41): I move:

That, in relation to proceedings on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

1. the resumption of debate on the second readings of the bills being called on together;
2. at the conclusion of the second reading debate, not including a Minister speaking in reply, or 3 hours after the resumption of the second reading debate, whichever is the earlier, a Minister being called to sum up the second reading debate and then without delay, (a) one question being put on any amendments moved to motions for the second readings by opposition Members, (b) any necessary questions being put on amendments moved by any other Member, and (c) one question being put on the second readings of the bills together;
3. if the second readings of the bills have been agreed to, messages from the Governor-General recommending appropriations for the bills being announced together;
4. the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 30 minutes at which time any questions necessary to complete the detail stage being put;
5. at the conclusion of the detail stage, one question being put on the third readings of the bills together; and
6. any variation to this arrangement to be made only by a motion moved by a Minister.

This is the last of the debate management motions that I will be moving today to ensure that we have a smooth running of the House from now until Thursday evening.

Obviously the Minister for Social Services and the government want to pass this important budget legislation and move it into the Senate by the end of this week. This will allow for a debate on the budget measures and consideration in detail. I commend the motion to the House.

Ms MACKLIN (Jagajaga) (13:42): Labor opposes this move by the Leader of the House to gag this debate on legislation which contains the most brutal cuts to our social safety net that Australia has ever seen: cuts to the age pension, cuts to the carer payment, cuts to veterans' pensions, cuts to the disability support pension. What this gag motion is all about is protecting each and every one of those members opposite from having to come in here and defend these outrageous cuts that are going to hurt millions of Australians. Millions of Australians are going to be hurt by these budget bills. They will hurt 3.2 million Australian
pensioners who will have their pension cut by around $80 a week within the next 10 years. Imagine what $80 a week means to somebody who is living on around $20,000 a year—that is exactly what these budget bills do.

Of course, what the government wants to do as a result of this gag motion today is make sure that debate is cut short so that people opposite are not required to come in and support these outrageous changes. The people of Australia know that these cuts are unfair. They are unfair on the most vulnerable people in this country—

**Mr Pyne:** Mr Deputy Speaker—

**Ms MACKLIN:** What do you mean? I've only been going for three minutes!

**The DEPUTY SPEAKER (Hon. BC Scott):** The member for Jagajaga will resume her seat. The Leader of the House.

**Mr PYNE (Sturt—Leader of the House and Minister for Education) (13:44):** I move:

That the question be now put.

**The DEPUTY SPEAKER (Hon. BC Scott):** The question is that the question be now put.

The House divided. [13:48]

(=The Deputy Speaker—Hon. BC Scott)

Ayes .......................81
Noes .......................53
Majority .................28

AYES

Alexander, JG Andrews, KJ
Andrews, KL Baldwin, RC
Billson, BF Briggs, JE
Broad, AJ Broadbent, RE
Brough, MT Buchholz, S (teller)
Chester, D Christensen, GR
Ciobo, SM Cobb, JK
Coleman, DB Coulton, M (teller)
Dutton, PC Entsch, WG
Fletcher, PW Frydenberg, JA
Gamboro, T Gillespie, DA
Goodenough, IR Griggs, NL
Hartseyker, L Hawke, AG
Henderson, SM Hendy, PW
Hogan, KJ Howarth, LR
Hunt, GA Hutchinson, ER
Irons, SJ Jensen, DG
Jones, ET Joyce, BT
Keenan, M Kelly, C
Landry, ML Laundy, C
Ley, SP Macfarlane, IE
Marino, NB Matheson, RG
McCormack, MF McNamara, KJ
Morrison, SJ Nikolic, AA
O'Dowd, KD O'Dwyer, KM
Pasin, A Pitt, KJ
Porter, CC Prentice, J
Question agreed to.

The DEPUTY SPEAKER (Hon. BC Scott) (13:52): The question now is that the original motion be agreed to.

The House divided [13:54]

(The Deputy Speaker—Hon. BC Scott)
Ayes ...................... 82  
Noes ...................... 56  
Majority ................... 26

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CHAMBER
Question agreed to.

STATEMENTS BY MEMBERS

Budget

Mr FEENEY (Batman) (13:56): The Abbott government has demonstrated since its election that it does not care about the welfare of everyday Australians. The Abbott government's cruel and irresponsible policies will hit local communities hard. Pensioners, low-income earners and families with school-aged children will be particularly hard hit.

Before the election, Tony Abbott promised elderly Australians that there would be no changes to pensions. Come the budget, this promise was forgotten. The changes made to pensions will mean that more people are likely to be bumped off the pension or incur a lower rate of pension. Making ends meet is already a tough job for many pensioners, and these harsh measures will make it near impossible in the future. In Batman, this will mean over 24,000 pensioners will be worse off.

This situation is made even more dire by the unfair GP tax. This ideological tax affects the most vulnerable people in our nation—low-income earners, the elderly and the sick. Everyday Australians should not have to pay for the Prime Minister's phoney economic crisis. Eighty-seventeen per cent of doctor consultations in Batman are currently bulk-billed. The new GP tax will force those residents who have relied on bulk-billing services in the past to now fork out to see a doctor. This new tax will cost the residents in Batman over $6 million a year.

The Abbott government's decision to cut the schoolkids bonus betrays the young people of Batman and their families. (Time expired)
Banks Electorate: Pakistani Australian Women Association

Mr COLEMAN (Banks) (13:57): Today I rise to commend a group that is doing great work in my electorate and across the St George area in Sydney—the Pakistani Australian Women Association, or PAWA. PAWA advocates for South Asian women and their families on issues affecting them and our local community. It provides social support to women to a number of programs, links them with local services and offers networking opportunities with other communities and organisations.

PAWA has delivered many great programs and events in our area to help support the Pakistani-Australian community. This has included organising a cultural food fair, which was the culmination of a permaculture education project run by local residents to learn about sustainable gardening and cooking in a safe and social environment. Other activities have included establishing a fund to assist victims of domestic violence, providing social support services to victims of domestic violence and their families, participation in a cultural diversity day, organising volunteers to visit detainees at Villawood Immigration Detention Centre and a number of other activities, including launching the Green Corner at Rockdale City Library.

In recent meetings, PAWA has raised with me its concerns about the lack of Urdu translators in our area and the need for services for victims of domestic violence. I will be working with the organisation to address both of these important matters. I congratulate PAWA on its ongoing activities.

Budget

Mr WATTS (Gellibrand) (13:59): Before the last federal election the then Leader of the Opposition promised Australians:

We offer real solutions that will help the forgotten families of Australia with cost of living pressures.

Unfortunately, less than 12 months on, those opposite have already forgotten Australian families. Despite their election promises, in the budget the Abbott government cut $7.5 billion in family payments. These cuts will mean that a single parent on $55,000, with two children, will be around $6,000 worse off. Some of these family payment cuts being advanced by the government are truly extraordinary. The most ridiculous cut being advocated by the government is their proposal that family tax benefit B should be removed for families and children aged over five years old. It is as though the government think kids get cheaper as they get older. The only way this policy will not hit families' budgets is if their kids do not grow up. This might be good for families in Neverland, but for the rest of Australia it is Peter Pan stuff.

The SPEAKER: In accordance with standing order 43, the time for members' statements has concluded.

STATEMENTS

Greste, Mr Peter

Mr ABBOTT (Warringah—Prime Minister) (13:59): I want to make it very clear that the Australian government respects the legitimacy of the Egyptian government and its legal system, but we are shocked and dismayed by the Greste decision. We understand and support the Egyptian government's crackdown on extremist groups, including the Muslim
Brotherhood, but we fail to see how this is helped by a very harsh sentence that has been directed to people who were reporting on the brotherhood, not supporting it.

Some weeks ago, I spoke to the Acting President of Egypt, Mr Mansour. Over the weekend I spoke to the newly elected President of Egypt, President al-Sisi. I want to assure the House that the Australian government will continue to make intercessions at every level with the Egyptian government and elsewhere to try to ensure that Peter Greste and his colleagues are swiftly released.

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:01): Like all Australians, I and Labor are appalled by the grievous decision dealt to Peter Greste last night. Our first thoughts today must be for Peter Greste and the entire Greste family. The family was shocked by the totally devastating news. Peter's parents, Juris and Lois, have won a nation of admirers for their optimism and stoicism through this ordeal. His brothers Mike and Andrew have been strong and were among the throng in an Egyptian courtroom yesterday to hear their worst fears confirmed.

All the Grestes should know that the Australian parliament will stand with them however long it takes to resolve the decision about their beloved son and brother. We believe fundamentally in the freedom of journalists to be able to do their work. It was Thomas Jefferson who said that liberty depends on the freedom of the press, and that cannot be limited without being lost. No journalist should be imprisoned for doing their job—for reporting the news. As long as Peter Greste and more than 200 journalists around the world languish in jail the freedom of us all is diminished.

I agree with the Prime Minister on the need for a calm approach. Moments like this stir something elemental in the spirit of all free people. These are times when passions run high but the best interests of Peter and his two colleagues will not be served by inflammatory rhetoric. It is a time for diligent, calm and focused diplomacy. That is what Australia owes the Greste family. It is the duty of all us—what we owe to a fellow Australian unjustly imprisoned far from home.

This morning I wrote to the Prime Minister to advise that Labor will be taking an entirely constructive and bipartisan approach to this most important situation. I say to the members of the government, on behalf of the Labor Party: we are ready and willing to assist your every effort. We will do what we can to assist.

I also recognise that for all our fine words, Peter Greste is still in jail in Egypt. The real challenge is to bring him home.

QUESTIONs WITHOUT NOTICE

Migration

Mr MARLES (Corio) (14:03): In the budget, the Prime Minister cruelly cut the non-contributory family visa, which will remove the ability of low-income Australian families with overseas parents to ever be permanently reunited. Why is the Prime Minister punishing low- and middle-income Australian families?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:04): I thank the Prime Minister for the opportunity to respond to the question from the member for Corio. Next year's migration program has been set to ensure that we focus on skilled
migration. We are ensuring that more than two-thirds of the intake for next year will be for skilled migrants because the best way to ensure the cohesion of our society through our migration program is to focus on skilled migration. One of the great achievements of the Howard government was to ensure that we reversed the low level of skilled intake that we had under the Hawke and Keating governments, which fell to less than 30 per cent. It went to as high as 70 per cent under the Howard government.

I note that that was one of the things that the previous government did not change. If only they took that approach to other immigration policies of the Howard government. But on the matter that the member has raised, it is true: we have decided to increase the number of places available for the contributing parent scheme. We have done that by reducing the number for the non-contributing parent visa scheme, because under our migration program we invite people into the country who are able to come and to pay their way. We maintain a program—

Mr Burke: I rise on a point of order. The question was specifically about the people who do not have to pay $50,000.

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

Mr MORRISON: I was saying, in my answer to the specific question put to me, that we have increased the number of places for the contributing parents scheme, and we have reduced the number of places for the non-contributing scheme.

Ms Plibersek: To zero!

Opposition members interjecting—

Mr MORRISON: It has not gone to zero, at all, as opposition members who are interjecting know. They know little about these matters. Under our program we ensure that we encourage people to come to Australia the right way, we stop people who are trying to come the wrong way—something the previous government could not do—and we ensure that there is a program that is fair and balanced and continues to build on the success of Australia's immigration program.

Carbon Tax

Ms LANDRY (Capricornia) (14:06): My question is to the Prime Minister. Will the Prime Minister explain how scrapping the carbon tax will benefit constituents in my electorate of Capricornia? When is the carbon tax scheduled to increase?

Mr ABBOTT (Warringah—Prime Minister) (14:06): I thank the member for Capricornia for her question. I can assure her that scrapping the carbon tax will indeed be good for the people of Capricornia. It will certainly help the mining industry because the carbon tax is designed to make the price of coal prohibitive. It will certainly help the trucking industry, because under members opposite there was going to be an extra carbon tax hit on the trucking industry from 1 July. It will help the cattle industry, because abattoirs are some of the businesses hit hardest by the carbon tax. But, above all else, it will help the households of Capricornia by giving them a $550 a year bonus. That is what scrapping the carbon tax will do. The carbon tax is a nine per cent impost on power prices.

Ms Macklin interjecting—

The SPEAKER: The member for Jagajaga will desist.
Mr ABBOTT: It is a $9 billion handbrake on our economy, as well as being a $550 a year hit on the households of Australia. That is why it must go—

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth will desist.

Mr ABBOTT: and that is why, if this parliament is serious about helping the struggling families of this country, it will get rid of this carbon tax this week. Without the carbon tax, the aluminium industry will be 60 per cent bigger; the iron industry will be 20 per cent bigger. Without the carbon tax our cumulative GDP by 2050 will be one trillion dollars greater. Without the carbon tax, our gross national income per person will be nearly $5,000 a year higher by the middle of this century. That is why abolishing the carbon tax is a massive economic reform. If we are serious about reforming our economy we will get rid of the carbon tax and we will get rid of the carbon tax this week.

Only one thing stands in the way of getting rid of the carbon tax and that, of course, is the federal opposition and its leader. Not only does the Labor Party want to keep the carbon tax, they want it to go up. They want it to go up on 1 July by five per cent. How shameful. This is the Leader of the Opposition—

Ms Macklin: Six thousand dollars is shameful!

The SPEAKER: The member for Jagajaga will desist.

Mr ABBOTT: who said, before the election, that he wanted to terminate the carbon tax. I say to the Leader of the Opposition: be the terminator. Do not be the vacillator. Do not be the procrastinator. Do not be the fabricator. Be the terminator and get rid of this toxic tax this week. You are the only one standing in the way of Australian—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs is warned.

Mr ABBOTT: families earning $550 a year more.

Migration

Ms ROWLAND (Greenway) (14:09): My question is to the Prime Minister. Why is the Prime Minister punishing Australians who need care by abolishing the carer visa? What advice does the Prime Minister give to Australians in need of care whose only available carer lives overseas?

Opposition members interjecting—

The SPEAKER: The cacophony on my left will cease.

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:09): I am pleased that those opposite have discovered the immigration program. I am pleased that they decided to raise these matters in the House today. What those opposite do not seem to understand—

Mr Perrett: It's the butcher, not the block!

Mr MORRISON: You have asked your question; you could give courtesy to the response. You have asked the question; you might learn something.

Mr Dreyfus interjecting—
The SPEAKER: The member for Isaacs has been warned. One more utterance and he will leave.

Mr MORRISON: Under the family program there are a range of visas that have waiting lists that range from four years to 16 years. One of the cruellest things you can do to people in the immigration program—

Mr Bowen: Your solution is to abolish them!

The SPEAKER: The member for McMahon is warned.

Mr MORRISON: is ask them to make an application when you know there is no possibility that they are going to see their case heard and determined, and a visa possibly granted. So what the government has decided to do is not keep charging people for visa applications, when the waiting list on these visas is so long that we would start to work through the backlog of claims that the previous lot were unable to work through.

Mr Marles interjecting—

The SPEAKER: The member for Corio will cease.

Mr MORRISON: That is why the current claims for a number of family visas have been suspended until we can work through the backlog. This will enable us to get through the backlog more quickly and address the applications that are already in the system before we start inviting other applications. We are not going to go out and not be fair dinkum with people. We are not going to tell them, 'Make an application and pay your money and your visa's going to get processed.' So until we can get over the backlog that the ill administration of the previous government was responsible for, we will deal with people in an up-front way.

Carbon Pricing

Mr BRUCE SCOTT (Maranoa—Deputy Speaker) (14:11): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister inform the House how repealing the carbon tax will benefit my electorate of Maranoa?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:12): I thank the honourable member for his question. Maranoa is one of the biggest electorates in Australia, and so a carbon tax on transport, as proposed by Labor, will add massively to the cost of doing business in Maranoa.

Mr Perrett: Does anybody drive in the bush?

The SPEAKER: The member for Moreton is warned.

Mr TRUSS: The trucking industry has estimated that Labor's carbon tax will add half a billion dollars a year—

Mr Perrett: Are there any private cars out there?

The SPEAKER: One more utterance and you will leave.

Mr TRUSS: to the cost of transport across the nation. But it is not just the big industries that are affected by the carbon tax. It affects every aspect of our lives. For instance, in Maranoa, the Western Downs council owns the Carinya Aged Persons Hostel in Miles and the Tarcoola Retirement Hostel in Tara. Their electricity bill is estimated, with carbon tax, to be
$127,000—a bill for the small towns of Tara and Miles to pay. It is $127,000 because of Labor's carbon tax.

Labor also said their carbon tax was not going to apply to agriculture. But the Australian Farm Institute has done some work on the impact of the increase in energy costs on inputs for the farm sector, and the carbon tax is already costing beef producers $2,000 a year. It is about $5,000 a year for grain growers and $9,000 for cotton production. So the reality is that farmers, who are supposed to be exempt from the carbon tax, are already paying dearly for this imposition by the Labor Party.

The facts are that if, as the Prime Minister just said, parliament does not repeal the carbon tax this week it goes up from $24.15 a tonne to $25.40 a tonne—an increase applied automatically as a result of Labor's legislation. Labor told us that this was the way for Australia to pay a fair share of the cost of dealing with global carbon emissions. But what is fair about Australia paying $25.40 per tonne when New Zealand pays $3.71 a tonne, or Europe $8.00 a tonne? Our carbon price next week is going to be three times the price of Europe's and seven times the price of New Zealand's, and, of course, our carbon tax is much more invasive than any other carbon tax around the world. It applies to much more of our economy, so the impact on Australia from Labor's carbon tax is affecting our competitiveness and our ability to provide jobs and opportunities for the people in Australia. This $9 billion hit on jobs must go, and the parliament needs to respond to that in the few days that are left.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:15): My question is to the Prime Minister. If the government gets its way, seniors will receive their last seniors supplement payment this Thursday. This is worth more than $800 a year to the seniors. Why should seniors suffer because of the Prime Minister's unfair budget?

Mr ABBOTT (Warringah—Prime Minister) (14:15): The seniors of Australia are very sensible people, and they know that governments, like businesses and like families, simply cannot continue to live beyond their means; that governments, like families and like businesses, should not be in the business of trying to deliver a cash splash with borrowed money. That is what the seniors of Australia understand.

The seniors of Australia, I believe, understand that this government was elected to deal with the debt and deficit disaster that members opposite created—a debt and deficit disaster embracing the six biggest deficits in Australia's history, $123 billion of prospective cumulative deficits over just four years, a debt projected to peak at $667 billion and an interest bill of $1 billion every single month just to pay the interest on Labor's existing borrowings. That is what the seniors of Australia understand. They understand that unless remedial action was taken, every single Australian would be saddled with a Commonwealth debt bill the equivalent of $25,000 per man, woman and child.

Opposition members interjecting—

The SPEAKER: There will be silence on my left!

Mr ABBOTT: That is the debt burden that members opposite saddled this country with. The seniors of Australia get it, unlike members opposite.

Mr Brendan O'Connor interjecting—
The SPEAKER: The member for Gorton will desist!

Mr ABBOTT: They realise that they cannot keep living beyond their means, and that is why I am confident that the seniors of Australia—and the people of Australia generally—appreciate that this government had to take some tough decisions. We really did have to take some tough decisions, and some of those tough decisions involved saying no more cash splashes with borrowed money.

Budget

Mr PALMER (Fairfax) (14:17): My question is to the Prime Minister. Has the Prime Minister considered spending $8 billion covering blackspots on the internet to save $36 billion, saving another $20 billion by scrapping paid parental leave, saving another $2.5 billion by scrapping Direct Action and buying our submarines rather than developing them to save another $20 billion? Why does the government want to penalise its people? Why don't you do your job?

The SPEAKER: The Prime Minister has the call and will ignore the last part of the question.

Mr ABBOTT (Warringah—Prime Minister) (14:18): I will say this much for the member for Fairfax: at least he is coming up with some ideas, unlike the Leader of the Opposition over there. They are not very good ideas, but nevertheless there are some ideas at least coming from the member for Fairfax, unlike the Leader of the Opposition, who is all complaint and no solution.

Mr Burke interjecting—

The SPEAKER: The member for Watson will desist!

Mr ABBOTT: I can assure the member for Fairfax that we will be keeping our commitments. And to the best that I can recall the rest of his question, all of the things that he asked us to do would be in breach of our election commitments, so we will not be doing them.

Carbon Pricing

Mr SUKKAR (Deakin) (14:19): My question is to the Minister for the Environment. I refer to the list of liable entities released by the Clean Energy Regulator last week that shows the carbon tax hit Victorians with $1.5 billion of additional costs in 2013-14. Will the minister inform the House how removing the carbon tax will ease cost-of-living pressures for Victorian businesses and families?

Mr HUNT (Flinders—Minister for the Environment) (14:19): Thank you very much, Madam Speaker, and, in particular, thank you to the member for Deakin. I remember during the last campaign walking with the now member for Deakin through Ringwood, Blackburn and Mitcham, where he went from shop to shop and house to house—

Opposition members interjecting—

The SPEAKER: There will be silence on my left!

Mr HUNT: campaigning to reduce electricity prices for Victorian families and for the families of Deakin.

Ms Butler interjecting—

The SPEAKER: The member for Griffith will desist!
Mr HUNT: Yesterday we learnt a very interesting thing. We learnt that, after all of the discussion from the members of the opposition, we would never be able to reduce electricity prices. The Tasmanian regulator has ruled that electricity prices—

An honourable member: What about Victoria?

Mr HUNT: I will come to that. The Tasmanian regulator has ruled that electricity prices will go down by 7.8 per cent in Tasmania. In Victoria, it is the same thing, because Victoria is an unregulated environment. In recent days, we have had commitment from the private sector—and if you had listened you would have got to this point—from AGL, from Origin and, indeed, from Energy Australia, that all of them would pass on the full cost savings from the carbon tax repeal as of 1 July.

Ms Butler interjecting—

The SPEAKER: The member for Griffith will desist!

Mr HUNT: So all three major electricity retailers in Victoria—in addition to the regulated states of New South Wales, with regard to gas, and Queensland, Tasmania and the ACT, with regard to electricity—are going to pass on—

Mr Burke interjecting—

The SPEAKER: The member for Watson will desist!

Mr HUNT: all electricity savings back to consumers. So when the opposition gives this feigned impression of concern about the cost of living, we can actually reduce electricity prices right now. We can reduce electricity prices for families in Deakin and in Victoria. However, if we were not about to repeal the carbon tax—

Ms Butler interjecting—

The SPEAKER: The member for Griffith is warned!

Mr HUNT: Victoria has just been slugged with $1.5 billion of carbon tax over the last year, $3 billion of carbon tax over the last two years and, in particular, within that is over $1.3 billion of electricity taxes in the year just finished. If we do not to repeal the carbon tax, then Victorians will pay an additional $1.3 billion in electricity taxes, and so will Victoria's firms. That is why in the last 24 hours we have had the Minerals Council call for the carbon tax to be repealed immediately, we have had the Australian Industry Group call for the carbon tax to be repealed—

Opposition members interjecting—

The SPEAKER: There will be silence on my left.

Mr HUNT: from small manufacturers and we have had the Business Council of Australia make this point: the carbon tax is one of the highest in the world and is imposing unnecessary costs on many businesses which cannot be passed on to consumers.

If you care about lower electricity prices, get out of the way; and, if you care about profitable businesses, just this once, Bill, just say yes.

Ms Butler interjecting—

The SPEAKER: The member for Butler has been warned. One more utterance and she will leave. The choice is yours.
Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:22): My question is to the Prime Minister. No matter what the Prime Minister says this week, 280,000 Commonwealth seniors health card holders will each lose more than $800 a year because of the Prime Minister's billion-dollar cut to the seniors supplement, which is found on page 193 of the document that dare not speak its name. Why should Australian seniors have to pay for the Prime Minister's dishonesty?

Mr ABBOTT (Warringah—Prime Minister) (14:23): It is true that some very tough decisions were made in this budget. It is tough that some tough decisions were made in this budget and it is true that some of those decisions impact on seniors. That is absolutely true, and I wish that members opposite had not run up the debt and deficit disaster that made these decisions necessary. I really do.

Opposition members interjecting—

Mr ABBOTT: I really do wish that members opposite had been more capable of running the economy.

Mr Husic interjecting—

The SPEAKER: The member for Chifley is warned.

Mr ABBOTT: I really wish that members opposite actually kept their promises to deliver a budget surplus, but they never did. They put our country into a perilous economic position, and it was up to this government to take the necessary action to rectify the situation.

Opposition members interjecting—

The SPEAKER: The Prime Minister will resume his seat. The opposition has asked its question; the least you can do is listen to the answer. There are people listening to this broadcast and people in the gallery who wish to hear the answer. There is a general warning issued, and people will give due courtesy to people when they are speaking. The Prime Minister has the call.

Mr ABBOTT: The seniors of this country have seen enough of life to understand that governments, like families and businesses, just cannot keep living beyond their means, and that is what the government was doing under members opposite. They were running up debt and deficit for our children and grandchildren to pay because members opposite were incapable of saying no.

Mr Burke interjecting—

The SPEAKER: The member for Watson will remember there is a general warning.

Mr ABBOTT: Members opposite were incapable of governing for a day, let alone a week, month or year without taxing and spending, without borrowing and spending. Members opposite were absolutely addicted to spending, and that is why under members opposite the Commonwealth's debt levels were projected to rise to $25,000 per man, woman and child. The seniors of this country are common-sense people. They understand that the last thing government should be doing is delivering cash splashes with borrowed money. It should not have happened under members opposite and certainly will not be happening under this government.

Opposition members interjecting—

CHAMBER
The SPEAKER: I remind you of the general warning.

Education

Mr IRONS (Swan) (14:25): My question is to the Minister for Education. Will the minister inform the House how the government's higher education reforms are fair for both students and taxpayers? Why is fairness important?

Opposition members interjecting—

The SPEAKER: There will be silence on my left, and that includes the member for Kingsford-Smith.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:26): I thank the member for Swan for his question because he, like all members on this side of the House, cares about fairness in higher education—

Ms Butler interjecting—

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

The member for Griffith then left the chamber.

Mr PYNE: for both students and taxpayers. The higher education reforms proposed by the government will deliver fairness for students and for taxpayers. They will do that because, at the moment, taxpayers are funding 60 per cent of the cost of a student's education at university and students are paying 40 per cent. Our reforms, when passed by the House and the Senate, will rebalance that contribution to 50-50. In most people's books, 50-50 is a very fair deal, especially when you consider that the students can borrow every single dollar of their share upfront from those very same taxpayers who are paying the other 50 per cent and at the best interest rates that they will ever get on a loan in their lives, and then they will go on to earn a million dollars more on average than those taxpayers who do not have a higher education qualification. So it is a very fair deal.

Greater leaders than this one understood that in the past—Paul Keating, for example. When he was the Prime Minister he said:

There is no such thing, of course, as 'free' education - somebody has to pay.

In systems with no charges, those somebodies are all taxpayers. This is a pretty important point. A free higher education system is one paid for by the taxes of all, the majority of whom have not had the privilege of a university education. Ask yourself if you think that is a fair thing.

I agree with Paul Keating. I think Paul Keating was right. He knew a little bit about fairness. I am asked about fairness, and today it—it has, remarkably, gone unnoticed by the opposition—the fourth anniversary of the Gillard coup against Kevin Rudd. On 24 June four years ago to this day, Bill the Knife sunk it into Kevin Rudd and made sure that he was no longer the Prime Minister.

The SPEAKER: I say to the Minister for Education please refer to people by their correct titles.

Mr PYNE: I withdraw. The Leader of the Opposition did not know much about fairness four years ago today. Four years ago he was not very fair to Kevin Rudd, and then three years later he was not very fair to Julia Gillard.

CHAMBER
Mr Burke: Madam Speaker, I rise on a point of order. Do you really think this is directly relevant?

The SPEAKER: There is no point of order.

Mr Burke interjecting—

The SPEAKER: The member will resume his seat. He has erred sufficiently on points of order. The minister has the call.

Mr PYNE: I am talking about fairness—fairness to students, fairness to taxpayers and fairness to former Labor prime ministers. This man did not show much fairness to Kevin Rudd or to Julia Gillard. It wasn't shootout at the O.K. Corral; it was shootout at the Huang Hou!

Mr Burke interjecting—

The SPEAKER: I would say to the Manager of Opposition Business that he has erred so badly with calling points of order in the last few days that I am very loath to give him the call on points of order unless he improves his game. We will move on to the next question.

Budget

Ms MACKLIN (Jagajaga) (14:30): My question is to the Prime Minister. A self-funded retiree couple with $75,000 of income will be more than $1,600 worse off a year because of the Prime Minister's budget. This includes the Prime Minister's cuts to the seniors supplement, concessions, and the new GP and petrol tax. Why should Australians who have worked their whole lives to support themselves have to pay for the Prime Minister's dishonesty?

The SPEAKER: I call the honourable the Prime Minister. I would add that when members add gratuitous comments at the end of their question it opens up the breadth of the question for answers.

Mr ABBOTT (Warringah—Prime Minister) (14:30): The people of Australia elected this government to tackle Labor's debt and deficit disaster. That is exactly what we are doing. We are tackling Labor's debt and deficit disaster, and one of the reasons why there is a debt and deficit disaster which this government has to handle is that members opposite persisted in unaffordable spending sustained by borrowed money.

Mr Dreyfus interjecting—

The SPEAKER: I remind the member for Isaacs that he is warned!

Mr ABBOTT: I accept that there are some payments that were made by the former government which are not going to be continued by this government. I absolutely accept that. We were up-front pre-election that there were payments that would not be paid by this government that had been paid by the previous government. The point we made again, again and again is that the Australian government cannot continue to live beyond its means. It did live beyond its means under members opposite. That is why members opposite intended to saddle our children and our grandchildren with unsustainable debt, with debt and deficit stretching out as far as the eye can see. That will end under this government.

The SPEAKER: The Prime Minister will resume his seat. The member for Jagajaga on a point of order—which is not simply repeating the question.
Ms Macklin: No, I have no intention of repeating the question, Madam Speaker, I am just going to tell the Prime Minister this was a Howard government—

The SPEAKER: The member will resume her seat! The member will resume her seat immediately! The member for Jagajaga has already been warned. She knows that was a breach of the use of standing orders and will remove herself under standing order 94(a).

The member for Jagajaga then left the chamber.

**Economy**

Mrs WICKS (Robertson) (14:32): My question is to the Minister for Small Business. Will the minister outline to the House how the government's economic action strategy will deliver a strong and prosperous economy?

Mr BILLSON (Dunkley—Minister for Small Business) (14:33): It is a pleasure to receive a question from the member for Robertson and to reassure her and the communities of Gosford, Somersby and Terrigal that this government is focused on their future and building opportunity for their lives and for their children's lives. That is why we have implemented an economic action strategy.

We did not create this trajectory of debt and deficit that Labor just wanted to add to and make worse and worse to limit our options for the future and to pass on to future generations a great burden they showed no interest in tackling when in government. We have been left the problem, but we are dealing with it. We are dealing with Labor's legacy. That is $667 billion worth of debt. As the Prime Minister has outlined, that is $25,000 for every man, woman and child. That is the trajectory Labor left us, and all the opposition leader can do is smirk about that legacy. This is a legacy that is limiting our economic prospects for the future and undermining the possibilities that the citizens of our nation can look forward to. That is why we have got our economic action strategy—to tackle the debt and the deficit left behind by Labor and to build the foundations for a strong and prosperous economy for a safe and secure future. That is why we have got $1 billion worth of debt servicing costs every month just to pay for Labor's legacy. We need to tackle that debt. We need to put incentive back into the system.

There was a former Labor Prime Minister in this place, and I was going to say that it was one that the opposition leader backed, but frankly that would not give you much help, would it? That would not give you much guidance. It was not Prime Minister Rudd; it was Prime Minister Gillard. She stood in this place and she said:

If you are against cutting company tax, you are against economic growth. If you are against economic growth, then you are against jobs.

Labor even claimed that they had cut company tax. They did not. We are aiming to implement a reduction in company tax, because we know it is important to restoring incentive. Labor also went out there and said they would appoint a cabinet minister for deregulation. Instead they gave us an avalanche of 21,000 new and amended regulations. They gave us a carbon tax they promised they would not implement. Our economic action strategy is about repairing the harm and hardship that Labor created, tackling the legacy that we did not make but we are left to repair, making sure our citizens have better prospects for the future.

My message to Labor is: just get out of the road; let us get on with this important task. Let us restore the 519,000 jobs lost in small business under the Labor administration. At some
stage, Leader of the Opposition, listen to Prime Minister Gillard, listen to these words; listen to even what the other Prime Minister you supported at one stage, Kevin Rudd, had to say about the importance of red tape reduction. Help us by simply doing nothing other than getting out of the road so this side of the parliament can get on with the repair plan, the economic action strategy the nation is crying out for, to rebuild opportunity and strength in our economy so we can be proud of what we leave for our kids.

**Paid Parental Leave**

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:36): My question is to the Prime Minister. Earlier today the Prime Minister referred to an $800 payment to seniors as a 'cash splash'. Instead of targeting seniors who have worked hard all their lives, shouldn't the Prime Minister scrap his unfair $22 billion Paid Parental Leave cash splash?

Mr ABBOTT (Warringah—Prime Minister) (14:36): I do not know what the Deputy Leader of the Opposition has got against the women of Australia. I really do not know what she has got against the women of Australia. Why does she think—

*Mr Husic interjecting*

_The SPEAKER:_ I remind the member for Chifley that he is warned!

Mr ABBOTT: that a system which is right for public servants is somehow wrong for other people in the Australian workforce? I do not wish to be personal, but members opposite, and indeed members on this side of the House, if they take parental leave, get paid at their wage. What is wrong with that? Why is it right for the member who asked the question to get parental leave at her wage and wrong for the rest of Australia to get it? I want a system which is fair. I want the same system which applies—

*Ms Plibersek interjecting—*

_The SPEAKER:_ The member for Sydney has asked her question and will remain silent!

Mr ABBOTT: to public servants to apply to people right around Australia.

*Ms Plibersek interjecting—*

_The SPEAKER:_ I said: the member for Sydney will remain silent!

Mr ABBOTT: That is why the government's fair dinkum Paid Parental Leave scheme is a watershed reform. It is good for families, it is good for businesses, it is good for the economy and it should be implemented by this parliament.

**Employment**

Mr WOOD (La Trobe) (14:38): My question is to the Assistant Minister for Employment. Will the minister update the House on how the government is supporting young job seekers?

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (14:38): I thank the member for his question. Let me say that he is a member that is really concerned about the interests of young people. Let me inform the House that there is nothing that supports young job seekers more than a strong economy. That is why we handed down a budget in this House that is going to clean up the mess that we inherited from the members opposite, that is going to invest for the future and that is going to invest in infrastructure, creating tens of thousands of jobs. We will be repealing the carbon tax and repealing the mining tax. There is no substitute for a strong economy when it comes to
creating jobs for young people. We simply cannot allow our young people to drift into the despair of lifelong welfare. Work is good for young people and work is good for the community. In addition to building a strong economy, we will be implementing a range of programs targeted at getting more people into work. We have announced the Job Commitment Bonus, a bonus to encourage young people to get and keep a job and, in doing so, to stay off welfare. We have also announced relocation assistance, to encourage young people to be able to move to where the jobs are and to provide the financial support that they need to move to where the jobs are.

We are introducing a new, revamped Work for the Dole program that is going to give young people the very basic skills that they need to get back into the workforce. Regrettably, as I get around the country, employers are telling me that so many young people who present at the gates of their business lack the very basic skills that they need to get by in the workforce. Work for the Dole has the ability to impart those skills to young people, to allow young people to demonstrate the benefits that they can bring to a workplace and what they can achieve if they are given a chance. We will also be introducing trade support loans to support young people into apprenticeships, and we will be introducing measures that will encourage young people to either be earning or learning. If they are not doing that, we will be requiring them to be participating in our Work for the Dole program. It is bit rich for members opposite to feign concern for young people when, on their watch, the youth unemployment rate increased by almost three per cent. On their watch, youth unemployment increased by 55,000. It has been 195 days since the shadow minister asked me a question, so he is clearly not concerned about the interests of young people. We are about creating opportunities for young people. You opposite are about standing in the way.

DISTINGUISHED VISITORS

The SPEAKER (14:41): I would like to advise that we have some distinguished guests with us today. Firstly, we have the Hon. Peter McGauran, the former member for Gippsland and Minister for Agriculture, Fisheries and Forestry in the Howard government, on the floor of the House. We make him most welcome. We have with us Mr Paul Neville, the former member for Hinkler. We also have with us the Hon. Jim Short, the former member for Ballarat and then senator for Victoria. We make you both welcome. I would also like to acknowledge the presence in the House of the members of the National Imams Consultative Forum who are meeting today with the government to discuss how we can continue to work together to tackle radicalism and violent extremism. We make you most welcome.

Mr ABBOTT (Warringah—Prime Minister) (14:42): On indulgence—and I suspect the Leader of the Opposition will want to join me—it is good to have all of our distinguished former members here in the House today, but it is particularly good to have the members of the Imams Council here in the House today. We are all determined to build a more inclusive and more cohesive society. We are all determined to build a country which is a beacon of hope and optimism for people from right around the world. I welcome and I cherish your contribution to that.

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:42): On indulgence, I seek to join the Prime Minister to acknowledge all of our distinguished guests. It is lovely to see Paul Neville here. I too wish to acknowledge the Imams Council of Australia. Muslim
Australia is a fundamental part of the tapestry of Australia. Muslims in Australia make a great contribution to our multiculturalism and to the progress and success of us as a nation. Tolerance, be it Christian, Muslim, Jewish or any other faith, is a fundamental part of who we are, and we welcome freedom of speech and we welcome protection from hate speech. Welcome here.

QUESTIONS WITHOUT NOTICE

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:43): My question is to the Prime Minister. Within 10 years, pensioners will end up $4,000 a year worse off because of the Prime Minister's cuts to pension indexation. Pensioners will also have to pay for the Prime Minister's cuts to pension concessions, the new GP tax and the higher petrol tax. Why should pensioners, who have worked hard their whole lives, be forced to pay for this Prime Minister's dishonesty?

The SPEAKER: The Prime Minister has the call. I repeat: the tag line broadens the nature of the question considerably.

Mr ABBOTT (Warringah—Prime Minister) (14:44): As the pensioners of this country understand, this government inherited a debt and deficit disaster, thanks to the incompetence and the untrustworthiness of members opposite. We said that we would not change pensions, and pensions do not get changed until after the next election. They do not get changed until after the next election.

What we propose to do after the next election is to apply the same indexation to pensions as members opposite applied to family tax benefit. If it is right for members opposite to apply this particular indexation to family tax benefit, how can it be somehow grievously wrong to do it for the pensions? Let me repeat for the benefit of members opposite and for the benefit of people right around Australia who members opposite are seeking to deceive: the pension goes up every six months every year. When members opposite changed the indexation method that applies to the family tax benefit, no less a person and no less a guardian of ethics and morality than the member for Jagajaga herself said in this House:

The removal of the link to earnings ensures that government expenditure on—this particular social security benefit—is more sustainable in the long term.

That is what Jenny Macklin, the member for Jagajaga, said. She said that they were changing indexation to make that particular social security benefit 'more sustainable in the long term'. The difference between this government and members opposite is that we want the pension to be sustainable.

Mr Laurie Ferguson: So you lied.

Mr ABBOTT: There are no pie-in-the-sky promises from this government. There are no cash splashes with borrowed money from this government. What there is from this government is decent, sensible, prudent government, and I think that pensioners of Australia understand that.

The SPEAKER: The member for Werriwa will withdraw his comment.

Mr Laurie Ferguson: I withdraw.
Terrorism

Mr HOGAN (Page) (14:47): My question is to the Minister for Foreign Affairs. Will the minister advise the House on what action the Australian government is taking to strengthen counter-terrorism cooperation with partner countries?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:47): I thank the member for Page for his question. As I indicated to the House yesterday, the government is deeply concerned by the dire situation in Iraq and Syria and the brutal actions of terrorist groups, including the Islamic State of Iraq and the Levant, ISIL. This is an offshoot of al-Qaeda but it seems that it is so savage that even al-Qaeda is distancing itself from this group. Of the 150 Australian citizens that I have previously mentioned, we believe that more than 100 of them are actively engaged with extremist groups in Syria and Iraq at this time. The conflict has also attracted the citizens of a number of other countries. We are aware that a disturbingly large number of people from the Middle East, the United Kingdom, Europe, the United States and also from our region, Indonesia, Malaysia and the Philippines, are also in or are travelling to Syria and Iraq to join the fighting. The Syrian-Iraq conflict is now a growing threat to global security and is one of the most serious challenges to Australia's domestic security for some time.

The Australian government condemns terrorism in the strongest possible terms. We are taking a whole-of-government approach to this threat. A range of government agencies, including our intelligence agencies, are involved in tracking extremists, monitoring those who are seeking to engage with these groups, and that includes activities like recruitment and facilitation and fundraising. We are working closely with a number of other nations to counter the threat of people who have been radicalised and who have trained as terrorists. We are taking a leadership role within the UN Security Council as chair of the Al-Qaida Sanctions Committee, helping coordinate the efforts of all nations confronted with the terrorist threat.

The government has recently renewed 83 terrorist listings in accordance with Security Council resolutions on combating terrorism. We are seeking to expand our counter-terrorism cooperation with countries in our region, including Indonesia, Malaysia and the Philippines. Recalling that a number of the convicted Bali bombers trained with al-Qaeda, we are building on the strong counter-terrorism relationship that was forged with Indonesia in the aftermath of the Bali bombings, including intelligence sharing, border and transport security and law enforcement, for this cooperation has already foiled a number of terrorist plots and saved many lives.

ISIL is a listed terrorist organisation. It is important that no Australian engages in any way with this group renowned for its extreme brutality. There are significant penalties, including imprisonment of up to 25 years, for a range of terrorist offences, and I will continue to cancel the passports of those suspected of being a threat to Australia's security. Our nation is built on tolerance and respect for others. We will not hesitate to take action against those who are a threat to national security.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:50): My question is to the Prime Minister. I refer the Prime Minister to his new tax on petrol—a surprise tax that he did not warn anyone about before the last election, including seniors and pensioners. Why is the
Prime Minister forcing Australians to pay more to fill up their cars? And why should Australians pay for this Prime Minister's dishonesty?

Mr ABBOTT (Warringah—Prime Minister) (14:51): It is true that in the budget this government resumed fuel excise indexation. That is absolutely correct. It is a Labor tax that this government has resumed because of the revenue situation that we found ourselves in, because of the debt and deficit disaster that we inherited.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition has asked his question and will listen to the answer in silence. I remind him there is a general warning. He is not immune from leaving under standing order 94(a).

Mr ABBOTT: Thanks to fuel excise indexation, the average family will pay about 40c a week more for fuel this year. Obviously, I wish it were otherwise. I really do wish it were otherwise, but the fact is there is no painless way to fix Labor's debt and deficit disaster.

Opposition members interjecting—

The SPEAKER: Those on my left!

Mr ABBOTT: At least under this government Labor's debt and deficit disaster is being fixed. Members opposite refused to admit there was a problem. As far as they were concerned, we could keep borrowing $1 billion a month just to pay the interest on the borrowings indefinitely, and that is the problem. We understand that government cannot continue to live beyond its means. Members opposite think that we can go on forever borrowing, spending, taxing, spending and running up unsustainable debt for our children and our grandchildren to repay.

Mr Shorten interjecting—

The SPEAKER: You will put down the props.

Mr ABBOTT: The government have explained honestly and clearly what we will do to deal with Labor's debt and deficit disaster. If the Leader of the Opposition is to have any political integrity whatsoever, he should now tell us how he will deal with the debt and deficit disaster that he helped to create.

National Security

Mr HOWARTH (Petrie) (14:53): My question is to the Minister for Immigration and Border Protection. Will the minister please inform the House of actions the government is taking to protect our borders?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:54): I thank the member for Petrie, who is in this place for many reasons. He is a fine local member, but another reason he is here is that he is part of a party and a coalition that went to the last election and made a commitment that they would stop the boats. That is what we are doing. That is why he, like all members on this side, can look their constituents in the eye and say that we are doing what we said we would do and we are getting the results we said we would get. They know two things: they know that Labor started the boats and they know that the coalition is stopping the boats. That is what our constituents know.

Border protection, as we on this side of the House all know, is not just about stopping the boats. Border protection goes right across the field of threats and issues that need to be
countered and addressed at our borders. This government is doing everything within its means to address the many threats to our interests and to enforce our laws as they apply to the border. Our border agencies are on high alert, as the Prime Minister has said, to address the very serious threat of returning jihadists to Australia. For some months now we have been—

Mr Marles: Madam Speaker—

Mr MORRISON: You're kidding!

The SPEAKER: On a point of order I call the member for Corio, and he just should not repeat questions.

Mr Marles: Madam Speaker, this is on relevance. We can hardly trust—

The SPEAKER: This is not—

Mr Marles: this minister stopping them from coming in.

The SPEAKER: Resume your seat!

Mr Marles interjecting—

The SPEAKER: The member will remove himself under standing order 94(a) for the same reason as the member for Jagajaga. The standing orders will not be abused in that way.

The member for Corio then left the chamber.

Mr MORRISON: Only those opposite would think that trying to stop jihadists from entering Australia had nothing to do with the question about how we need to protect our borders. That explains a lot about where those opposite sit on these issues.

We are taking steps. There are 10 national security alerts that we have every single day and 30 million passengers have come through our airports—going out or coming in—over the course of this year. So being on high alert is where our border agencies are. It has been a difficult job for them because the previous government ripped more than $700 million out of the Australian Customs and Border Protection Service. We have reinvested in this budget over $700 million into the Australian Customs and Border Protection Service and in the establishment of the Australian Border Force. We have also invested $88 million in advance screening, which was announced by the coalition in opposition. We are enforcing our laws. We have already cancelled or rejected over 100 visas on the basis of character grounds and that ranges from criminality to even more serious threats to that. In addition, there has been a 20 per cent increase in field actions on illegal workers that has resulted in a more than 12 per cent increase in the location of illegal workers. There has been a more than 18 per cent increase in amphetamine type substance detections at our ports.

They are the results you get when you take border protection seriously, when you invest in it and when you back the people who are tasked to do these jobs. So we are stopping the boats, but we are going to stop a lot more than that.

Budget

Dr CHALMERS (Rankin) (14:57): My question is to the Prime Minister. The Prime Minister is today ramming legislation through the parliament that will mean a single income family with two kids earning $65,000 a year will be $6,000 a year worse off. Why is the Prime Minister trying to hide his unfair budget that will hurt Australian families?
Mr ABBOTT (Warringah—Prime Minister) (14:58): I do accept that there are changes in the budget. Obviously, there are changes in the budget. There have to be changes in the budget to ensure that we address the debt and deficit disaster that members opposite created. The member who asked this question I believe used to work for the member for Lilley.

Government members interjecting—

The SPEAKER: Silence on my right.

Mr ABBOTT: Why were members opposite incapable of delivering on the four years of surpluses that they claimed to deliver in the 2012 budget?

Mr Sukkar interjecting—

The SPEAKER: The member for Deakin will desist!

Mr ABBOTT: Why, indeed?

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin has asked his question. He will listen in silence.

Mr ABBOTT: The problem is that members opposite—

Dr Chalmers interjecting—

The SPEAKER: Are you anxious to leave the chamber?

Mr ABBOTT: simply could not be trusted with public money. That is the problem. The member has asked me about a single income family with two children. I can inform the member who asked me the question about a single income couple with two dependent children aged from six to 13. When one of them earns $60,000, this couple will continue to get in 2016-17 $8,348 from the taxpayer.

The difference between the members opposite and this government is that under this government benefits are sustainable because they are being paid from a budget that is back in balance, and not from a budget which is simply out of control. That is the problem with the member for Rankin: he obviously was not much good at advising the member for Lilley because the member for Lilley was incapable—utterly incapable—of delivering us a balanced budget, let alone a surplus. This government will undo the damage created by its predecessor to the enduring benefit of every single Australian.

Budget

Mr EWEN JONES (Herbert) (15:00): My question is to the Minister for Social Services. Will the minister please confirm, for my seniors and for seniors throughout the country, that the energy supplement will continue to be paid to pensioners and that pensions will continue to go up every year?

Mr ANDREWS (Menzies—Minister for Social Services) (15:01): I thank the member for Herbert for his question and commend him on the fine representation of the people of Townsville and surrounding areas that he brings to this House. I can confirm for him, and for his pensioners, that the energy supplement will continue to be paid to pensioners and, indeed, to all current recipients of the energy supplement—that is, $361 for singles and $542 for couples. In addition, as the member asked, the pension will continue to increase in March and September of each year and so too will the pensioner supplement continue to be paid. That is worth some $1,635 for singles and $2,464 for couples. Of course, that does not stop the ALP
from misleading about these things. First of all, we had Senator Cameron claiming that pensioners in the future would not receive a payment they do not even get.

_Opposition members interjecting—_

_The SPEAKER:_ There will be silence on my left.

_Mr ANDREWS:_ That was from Senator Cameron. But now we have other members—

_Ms MacTiernan interjecting—_

_The SPEAKER:_ The member for Perth will desist.

_Mr ANDREWS:_ of the opposition. On Sunday, the member for Batman put out a tweet.

_Honourable members interjecting—_

_Mr ANDREWS:_ Yes, he put out a tweet along with a poster in which claimed he that pensioners will lose money. He said that pensioners would lose $350 a year if single and $530 if a couple. I looked carefully at this poster. And who is it authorised by? It is authorised by Jenny Macklin. Ah! The member for Jagajaga has authorised this poster. It is simply wrong. This is another misleading claim from the opposition. First of all—

_Opposition members interjecting—_

_The SPEAKER:_ The minister will resume his seat. I have said there is a general warning. The next person to break it will leave the chamber immediately—no matter if it is the Leader of Opposition.

_Mr ANDREWS:_ This is wrong. Firstly, the rates are over a year old or 18 months out of date. Secondly, pensioners are not losing the energy supplement; they will continue to be paid it. The opposition cannot even get their basic information right. And then I saw that it had been retweeted by the former member for Eden-Monaro. Remember the former member for Eden-Monaro, Dr Kelly? He has retweeted it. What is he doing now? He is an adviser to the Leader of the Opposition. So I say to the member for Jagajaga that she should correct her colleagues about the facts; the Leader of the Opposition should reprimand his staff; the member for Batman should correct the record and not seek to mislead older Australians; and the Australian Labor Party should stop misleading pensioners.

_Budget_

_Mr BOWEN (McMahon) (15:04):_ My question is to the Prime Minister, who promised before the election that he would, 'reduce cost of living pressures'. Why is the Prime Minister today ramming legislation through the parliament which will see a single-income family, earning $65,000 per year with two kids, be around $6,000 a year worse off?

_The SPEAKER:_ Before I call the Prime Minister, that does seem to be a remarkably similar to a question we had earlier today. Indeed, the question has been dealt with, but if the Prime Minister wishes to answer it for a second time he may.

_Mr ABBOTT (Warringah—Prime Minister) (15:04):_ I am very happy to inform the Shadow Treasurer that the single-income couple with two dependent children aged between six and 13 where one of the couple is earning $60,000 will continue to receive $8,348 from the taxpayer in social services benefits. It is very important that we continue to be a generous society, but we can only be a generous society if we have a sustainable budget. The tragedy is that thanks to the incompetence and the untrustworthiness of members opposite—
Mr Pat Conroy interjecting—

The SPEAKER: The member for Charlton.

Mr ABBOTT: we faced a debt and deficit disaster.

Honourable members interjecting—

Mr ABBOTT: I can hardly hear myself think because of the caterwauling from members opposite—

The SPEAKER: The Prime Minister will resume his seat. I have said there is a general warning. I think I have been most generous to many of you, but if there is another break that person will leave.

Mr ABBOTT: We can only continue to have a generous social security system if we have a sustainable budget. Unfortunately, thanks to members opposite—

Ms Chesters interjecting—

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

The member for Bendigo then left the chamber.

Mr ABBOTT: we had a debt and deficit disaster. We had debt and deficit stretching as far as the eye can see. It had to end.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton will join her!

The member for Charlton then left the chamber.

Mr ABBOTT: Even with the changes that this government has made, even with the changes that members opposite are denouncing as cruel and immoral, we still only get to balance in four years time. That indicates the scale, the absolute scale, of the debt and deficit disaster which members opposite created. I say again to the Leader of the Opposition that this government has had the integrity and the decency to say to the Australian people exactly how we are going to deal with Labor's debt and deficit disaster. We have told the Australian people how we will fix the problem the Leader of the Opposition created. Now the Leader of the Opposition needs to tell us how he will fix the problem that he and his colleagues did create.

Budget

Mr MATHESON (Macarthur) (15:08): My question is to the Minister for Justice. Will the minister inform the House how the budget will help make the streets of my electorate of Macarthur safer and address the previous government's under-investment in community safety?

Mr KEENAN (Stirling—Minister for Justice) (15:08): I thank the member for Macarthur for that question. I was very pleased to join the Prime Minister in the Macarthur electorate several weeks ago to announce that we will be spending $350,000 from our Safer Streets Program for 20 mobile CCTV cameras for Campbelltown City Council. As the member knows, as a veteran of 25 years in the New South Wales Police Force before coming to this place, CCTV does two very important things.

Ms Rowland: Why did you cut them in Blacktown?
The SPEAKER: The member for Greenway will leave the chamber under standing order 94(a).

The member for Greenway then left the chamber.

Mr KEENAN: Firstly, it acts as a deterrent for people to do the wrong thing in places where it has been placed. Secondly, if people have been doing the wrong thing where CCTV is present, it helps police to catch the perpetrators. As I have moved around the country and spoken to police officers about the utility of CCTV, they have given me numerous examples where it has helped them to catch people who have been doing the wrong thing. It saves them time and it also can save the court time because it is very hard for somebody to say they have not committed a crime if it is there in black and white on CCTV footage. The commitment we made to Macarthur is part of our $50 million Safer Streets Program, which we announced in October 2012 and which we were very pleased to deliver in this budget.

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton will desist.

Mr Albanese: What about Marrickville?

The SPEAKER: And so will the member for Grayndler.

Mr KEENAN: We have made 150 individual commitments over 60 electorates all around the country.

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton will remove himself under standing order 94(a).

The member for Gorton then left the chamber.

Mr KEENAN: This $50 million is being provided from the criminal Confiscated Assets Account—money which, when Labor was in government, they froze. Previous governments of all political persuasions have spent proceeds of crime money on fighting crime, with the exception of the Labor government, when, in their frantic search for savings to prop up the budget they had destroyed, froze proceeds of crime money and refused to spend it on crime fighting initiatives. The member for Lilley has been suspended from the services of the House, but I hope he got a chance to write a thank-you note to Tony Mokbel, 'Thanks, Tony, for helping me prop up the budget bottom line that we had so destroyed.'

Opposition members interjecting—

Mr KEENAN: This is exactly what you did. You took the money from criminals to prop up you dodgy budget bottom line.

Opposition members interjecting—

Mr Albanese: Madam Speaker, I rise on a point of order. The member should withdraw.

The SPEAKER: You can address that point of order slightly more, Member for Grayndler.

Mr Albanese: Madam Speaker, we object, on this side of the House, to the suggestion that we are associated with criminals. It should be withdrawn.

The SPEAKER: I accept the point of order in that the standing orders say one is not permitted to reflect on another member. Indeed, that could be construed that way. I would ask the minister to withdraw.
Mr KEENAN: To assist the House, I withdraw. The point I was making was that they were taking money directly from criminal activities to prop up their dodgy budget bottom line and that is exactly what history will record.

The SPEAKER: The minister will withdraw without qualification.

Mr KEENAN: I withdraw, Madam Speaker. I am not sure how else you could characterise freezing proceeds of crime spending which had always been used by governments of both political persuasions to fund crime fighting initiatives all around the country, a practice which only ceased under the previous Labor government.

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will leave in one minute if she is not quiet.

Mr KEENAN: We will use proceeds of crime to fight crime. That is exactly what previous governments have done—something Labor could not manage in their six years in office.

Mr Abbott: After 21 well-answered questions, I ask that further questions be placed on the Notice Paper

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Migration

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (15:12): In response to the question put to the Prime Minister by the member for Corio, I can confirm that the non-contributory parent visa planning outcome for next year is 1,500 places. A suggestion was made by those opposite that there were no places in that program next year. There are 1,500 places in that program next year.

AUDITOR-GENERAL’S REPORTS

The SPEAKER (15:13): I present the following Auditor-General’s Audit performance audit reports for 2013-14: No. 49, Management of physical security—Australian Crime Commission, Geoscience Australia, Royal Australian Mint and No. 50, Cyber attacks—securing agencies ICT systems across agencies.

Ordered that the reports be made parliamentary papers.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:14): A document is presented as listed in the schedule circulated to honourable members. Full details of the document will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Environment

The SPEAKER (15:14): I have received a letter from the honourable member for Port Adelaide proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s failure to protect Australia’s natural environment.

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

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

Mr BUTLER (Port Adelaide) (15:14): Last night we received the second decision in just a fortnight from the World Heritage Committee of UNESCO to reflect on this government’s environmental record and it is high time for this House to debate what has emerged in nine short months to be an appalling record on our protection of the natural environment. Recently—and I think I had occasion to say this this morning—the Prime Minister in his new habit of modest self-deprecation, talking about himself, started to describe himself as a conservationist. Up there with his self-description as the best friend pensioners have ever had and the best friend that Medicare ever had, he started to talk about himself as a conservationist.

He road-tested this new self-deprecating moniker in Canada. We had occasion earlier this morning to talk about his trip to Canada and to other places to test the temperature of other nations as we build to the Paris Conference on Climate Change next year. As I said, he luxuriated in the warm embrace of the Canadian Prime Minister in a bout of climate scepticism and, after that experience, he let it be known quietly to Australian journalists that he was going to build a coalition. He was going to set about building a coalition of the unwilling to start to fight the Americans, the Chinese, the French, the Brits, the Germans, the Koreans, all those other nations who had indicated an intention, domestically and internationally to start to build the mood for change, to start to build momentum for climate action.

So confident was the Prime Minister that he would be able to do this that he even let it be known to these Australian journalists who the members of this coalition for the unwilling would be. He let it be known that New Zealand will join and that United Kingdom would join. The problem was of course that he did not actually go and consult with the UK Prime Minister or the New Zealand Prime Minister, and the New Zealand Prime Minister had to admit only hours later that he was caught completely unawares about this new coalition of the unwilling announced by Prime Minister Abbott to Australian journalists in the warm embrace of the Canadian Prime Minister. The New Zealand Prime Minister confirmed that they were still committed to taking strong action on climate change in New Zealand domestically and to being a responsible partner in the lead-up to the Paris conference. The UK Prime Minister and his spokespeople also confirmed and touted their strong record—a Tory government this is, Madam Speaker—on climate change domestically, within Europe and internationally.

After seeing this road-testing, this new moniker of conservationist over in Canada and here, I think, in parliament as well, the Australian people could see clearly what was what. The Australian people are wise people and they judge their leaders and their politicians on their actions not on words, and this Prime Minister is no more a conservationist than John Howard was a Communist. The United Kingdom Independent newspaper got much closer to the truth earlier this year when in February they asked a question on the lips of so many Australians. On 4 February they asked:

Is Tony Abbott's Australian administration the most hostile to his nation's environment in history?

This question has been on the lips of so many Australians for the last nine months.

It must be said that the last nine months have been nine months of unwinding environmental protections and unwinding programs that are targeted at the conservation of
Australia's beautiful natural environment and extraordinary biodiversity. In Australia, it must be said, a continent with a beautiful natural environment but extraordinary natural resources as well, there is often a fine line between being the Minister for the Environment and being the Assistant Minister for Resources. For too long over this nine-month period this minister, this Prime Minister and this government have been way, way on the wrong side of that fine line.

I have had occasion to talk about a number of the decisions that this government has made in these nine short months and I want to go through a few of them before I address the one that was reflected in the decision of the World Heritage Committee last night. Very quickly, the government decided to delist the Murray below Darling as a Threatened Ecological Community, a decision that had been based on the advice of the Threatened Species Scientific Committee that had been working on this matter for some years, a decision based on a groundless scare campaign that had been run in the Murray-Darling Basin.

They have also decided in the budget to cut almost $500 million from the Landcare program, a program that results from the merger of the old Landcare program and Caring for Our Country, two programs that deliver extraordinary outcomes particularly to Australia's land sector through revegetation and a whole range of other programs led by farmers and conservationists across our continent. This cut has been made in spite of a clear promise made last year that the Landcare budget would not be cut.

We have seen the rolling back of management plans for the world's largest system of marine reserves, an extraordinary reform driven, as so many of these reforms were over the last few years, by my friend the Manager of Opposition Business, and, again, the decision has been based on the most groundless scare campaign. All around the country, and particularly in Queensland, we saw these scare campaigns about the interruption that these reserves would have to recreational fishing, notwithstanding that off the Queensland coast these reserves were several hundred kilometres away.

Again, we have seen so many different ways in which this government in nine short months has started to attack clean energy programs. We saw again from the member for Higgins over the course of the last 24 or 36 hours, the brazenness, the openness with which backbenchers are now quite happy to talk down the very clear commitments that the minister, his parliamentary secretary and other spokespeople within the coalition parties made in the lead-in to the election campaign about the bipartisan nature of the core components of Australia's clean energy program. Quite openly the backbenchers do not even bother to background journalists anymore. They quite openly and brazenly talk down the government's quite clear commitments made before the election campaign to continue Australia's proud record on clean energy. And I do not have time to address the debacle that is the solar roofs plan.

Mr Frydenberg: What about the pink batts?

Mr BUTLER: The minister says that he will mention that because he has no record of his own in environmental protection to talk about. It is going to be a very long 10 minutes for this minister to try and talk about environmental protection over nine very short months.

This government is not content just to shut down environmental programs. It is also intent on shutting down community voices. We have seen this in so many different forums. This
government is absolutely committed to shutting down strong, independent, expert and community voices. One of the first decisions that this government took was to entirely defund, from a Commonwealth perspective, the Environmental Defenders Offices. This was a program that endured right through the Howard government. These offices are made up essentially of volunteers who provide legal advice to community groups who wish to object to developments in their community. What did this government do? It completely defunded them because the last thing this government wants—the last thing this Prime Minister wants—is a strong, independent, community voice voicing opposition to something that this government wants.

This fortnight, in the World Heritage Committee, we have seen the culmination of a couple of very serious problems that this government has around environmental protection. I am sure the member for Watson will address one of these issues in far more detail than I have time to. Last night, we saw the World Heritage Committee dismiss out of hand one of the most bizarre applications we have ever seen from the Commonwealth of Australia, a country that has been a responsible, leading citizen of the World Heritage system for the 40 years since it became only the seventh nation to join the World Heritage convention. It is a bizarre application to delist 70,000 hectares, which rightly has been dismissed out of hand by the World Heritage Committee, and it follows on from a decision by the World Heritage Committee only last week which called on this government to postpone and to hold back on the handover of environmental protection powers to state and local governments because it might impact on the Great Barrier Reef. This government has not even bothered to respond to that decision by the World Heritage Committee. There has been no response that I have seen to the World Heritage Committee's call to postpone the handover of environmental protection powers to state and local governments. Instead, what we saw was this government persisting in bringing forward legislation in blatant disregard of the committee's recommendation—an ultimate decision to push legislation through to hand over the environmental protection powers. It is the culmination of an appalling record on environmental protection.

Mr HUNT (Flinders—Minister for the Environment) (15:24): Let me begin with two words: pink batts. If you want to define the record of environmental incompetence under the previous government, just start with two words: pink batts. It was a $2 billion catastrophic failure. There were over 100,000 roofs that had to be fixed. There were over 200 house fires. What we also saw during that time was a $500 million bill just to fix their own program. It was a $500 million bill just to fix the roof. That was the reality. These are not our figures; these are Labor's own budget figures. This is the level of incompetence that we saw. They may have airbrushed history, but those of us who have watched with interest the passage of the royal commission have witnessed a litany of catastrophically foolish ignorance with regard to the inevitable consequences of a dumb design. It was a dumb design and you know it, and it came, sadly, with the most catastrophic of human consequences.

Let me run through the litany: pink batts, Green Loans, Green Start, 'cash for clunkers'. We loved 'cash for clunkers'! It summarised the entire ALP approach to the environment. This is not to mention the citizens' assembly. That was another beauty. That was, in fact, the climate policy they had before they had the carbon tax, and it was the policy they took to the 2010 election. Then there was the wondrous carbon tax, but I will come back to that in a minute, because let us just remember Green Loans. Green Loans was another signature policy which
ended up at an average cost of $100,000 per $1,000 loan. It may sound extraordinary, but the average price per loan distributed was about $100,000. They spent $100 million. They issued just over—just over, I will concede that—1,000 loans. Therefore, the program, on average, cost $100,000 each for loans which were just over $1,000 each. It is a level of incompetence rivalled and surpassed only by the Home Insulation Program.

Then we go from Green Loans to 'cash for clunkers'. This was, of course, the signature program. It was going to be a giant. It was going to transform the automotive sector—except that it never happened. They were so moved by the beauty and the glory of the 'cash for clunkers' program that, in the end, it collapsed. In the end—

A government member: It crashed.

Mr HUNT: it crashed. In the end, they could not even bring it to bear.

The citizens' assembly, of course, was going to be the parliament you have when you are not having a parliament. This was because, leading into the 2010 election—members of this House may remember—the policy was: 'There will be no carbon tax under a government I lead; instead, there will be a citizens' assembly under a government I lead.' They did not have the citizens' assembly; they did introduce a tax for which they had no mandate. Then they went to the last election, as everybody knows, pledging to terminate that tax.

So what is the consequence? The consequence is that we now know that Australians have faced just over $15.4 billion in taxes over the last two years which they pledged we would never have. If this tax is not repealed, they are set to face an additional $550 a year of household costs over and above that which they would ordinarily face. This is, again, in breach of an election promise from last year. And the litany goes on, whether it is the Solar Homes and Communities Plan, which crashed, or the Green Car Innovation Fund, which was going to be a multimillion-dollar program. They took $400 million out of it one day and then they took $400 million out of it another day. The effect was nothing. The effect was a grandly announced program which ended up being slashed and destroyed.

What we saw throughout the last government was a very simple pattern: grand announcement and then catastrophic failure. Let me just remind the House of some of these grand announcements. There was the Renewable Energy Demonstration Program, which they were going to keep. They then slashed $135 million and $65 million from it. In the Green Car Innovation Fund, I pointed out a $400 million cut then another $400 million cut. The National Solar Schools Program, one of their signature initiatives—gone. Retooling for climate change, at $37 million—gone. The Carbon Capture and Storage Flagships Program was a beauty; it was going to be an absolute corker. They sunk $420 million from it, and then there was another $60 million, and then the Carbon Capture and Storage Institute was a catastrophic failure. One of their favourites was the Solar Flagships Program, which was allocated $1½ billion five years ago. You would remember that then Prime Minister Rudd made a grand announcement. But, in five years, how many watts of energy have been introduced? Zero, nix, nada—not one. It is a $1½ billion program that, to date, has produced precisely nothing. However, Ian Macfarlane is going to make sure that the contracts that are being delivered under the ARENA program will deliver real value for money.

This brings me to the comparison with what we are doing. We have set out four areas—clean air, clean land, clean water, and heritage protection. In terms of clean air, we will get rid
of a carbon tax which does not work, which had a 0.1 per cent decrease in emissions for a $7½ billion tax in year one. Instead, we will directly focus on cleaning up power stations. We will not give brown coal power stations $5½ billion to do nothing. We will clean up waste coalmine gas, we will clean up waste landfill gas, we will capture methane emissions and we will encourage energy efficiency and improvement in the land sector. We are already delivering, in terms of clean air, a supercomputer for the Bureau of Meteorology—which was meant to have been funded by the previous government but was not—to monitor what this country is doing, to deliver forecasts of a much higher standard, and to deliver early warnings for cyclones, bushfires and floods.

In terms of clean land, we have already passed through the Senate—and I thank the opposition for their help on this—a half a billion dollar Green Army program. This will put 15,000 young Australians into paid training over the coming years. It will ensure that we improve our local environment. It will clean up riparian areas. It will allow us to engage in revegetation, the removal of blackberries, the planting of native species, the installation of boardwalks, the recovery of mangroves, the recovery of foreshore areas—real work which actually provides real environmental outcomes at a local level, delivering what local communities want, with training that leads to certificates, employment and a sense of self-worth. That is what we are delivering through the Green Army.

We are also delivering $2 billion in natural resource funding as set out at page 27 of the portfolio budget statement. There will be $1 billion for the National Landcare Program. There will be a small grants program, to be announced before the commencement of August, as both the Minister for Agriculture and I had committed to. We are delivering half a billion dollars for the Green Army. In addition to that, there is Working on Country funding and a $40 million Reef Trust to deal with the highest priority threats to the reef. This is exactly what we are doing.

In terms of clean water, we have completed the work of the Murray-Darling Basin agreement. The parliamentary secretary, Simon Birmingham, has done a brilliant job in helping complete the work of three governments and protecting the Murray-Darling Basin for the long run—along with what we are doing for the Reef Trust and coastal river recovery initiatives which will help the Torrens, Swan, Yarra and Tamar rivers and the Tuggerah Lakes.

I want to deal with some of the claims made in relation to World Heritage. As members opposite would know, in 2011, under their watch, the World Heritage Committee raised questions about the status of the reef—and in 2012 and 2013. This year they made a finding that there had been significant work and progress. They made a finding that they were moving towards a positive outcome. In other words, after three years of failure, we have had the most significant improvement yet in the findings of that body. In relation to the decision last night, we had a mandate; we took it to the people and we were given that mandate. We then took it to the international body. We accept the umpire's decision, as does the Tasmanian government. Yes, there is disappointment in that, but let me be clear: we accept the umpire's decision there. Do you accept the umpire's decision in terms of the Australian people and the carbon tax? If you do, get out of the way! (Time expired)

Mr BURKE (Watson—Manager of Opposition Business) (15:34): There have been questions in the parliament for some time as to whether we had an energy minister or an
environment minister. I was wondering during the MPI speech we have just had from the minister whether he might name a single living thing. With 1½ minutes to go, he said the word 'reef'—so there was a moment in his speech where he named a living thing. But what we have seen from the environment minister is that, every time he has stood up, he has wanted to answer energy questions. He has not wanted to talk in any way about what is core business for an environment minister—certainly one of his predecessors, Robert Hill, regarded it as a core business—and that is to actually take a level of responsibility for the environment of Australia and its conservation.

What happened last night is no small deal. What happened overnight at the World Heritage Committee cannot in any way be simply overlooked. What happened at the World Heritage Committee last night was that Australia made an application to join the ranks of Oman and Tanzania, the only two countries that have sought the de-listing of an area of natural heritage. In doing so, they had an extraordinary response from the World Heritage Committee. I was watching it online last night. We had a speech from Colombia and a speech from Germany. But the speech from Portugal was extraordinary—and I quote:

The justifications presented for the reduction are to say the least feeble. Accepting this de-listing today would be setting an unacceptable precedent impossible to deny in similar circumstances in the future. If this committee cares for conservation according to responsible engagement of states parties to the convention when they submit their nominations, we cannot accept this requested delisting.

Last night the chair, having heard three speeches opposing what the Australian government was wanting to do, then asked if any of the representatives on the World Heritage Committee wanted to amend the draft recommendation to in any way support Australia's position. And there was silence.

Algeria, Colombia, Croatia, Finland, Germany, India, Jamaica, Japan, Kazakhstan, Lebanon, Malaysia, Peru, the Philippines, Poland, Portugal, Qatar, the Republic of Korea, Senegal, Serbia, Turkey and Vietnam are all doing more to protect the environment of Australia than the Australian government. All of them are doing more to protect the environment of Australia than Australia's own environment minister.

And let us not forget the significance of the Tasmanian Forestry Agreement and the way it came together. Because let's face it: both sides of politics for years played the same game with Tasmanian forestry and Tasmanian conservation. John Howard did it in 1996 and we, the Labor Party, did it on occasions, that is, they sat down and did deals directly with NGOs, to trade for election pamphlets that they then took to the election that stated that certain areas would be put into conservation and other areas would not. Instead, for the first time the then government decided—it did not work to political advantage, that is true, but it was the right thing to do—to sit down and to say to the forestry sector: 'If you reach an agreement with the environmental sector, we will back it in.' There were times during that process when we were bagged by the Greens. Please do not tell us that the Greens were backing us the whole way through that, because anyone who looked at the news knows that that is not true. We said that if the parties reach an agreement, we will back it in. That is exactly why it happened and for very good reason.

Those who understand modern forestry industries understand that you need your export markets, which, increasingly, require certification. The key to certification has been saved for export markets for Tasmanian timber, because the World Heritage Committee had a level of
responsibility that the Australian government did not have. It had a level of responsibility of ensuring that the long-term interests of the Tasmanian timber industry to keep that agreement in place did remain in place. That is why the forestry industry themselves wrote to the World Heritage Committee pleading to reject what the Australian government were trying to do. They had done the right thing by the Australian environment. The tallest flowering plants in the world get protected, the forestry industry gets protected out of this and the political game that the government tried to play is at an end. (Time expired)

Mr CRAIG KELLY (Hughes) (15:40): I am pleased to make my contribution to this MPI about protecting Australia's natural environment. I would like to start by suggesting that the most important part of our natural environment is the air that we breathe, because we all have to breathe that air. I would also like at this time to explain how the carbon tax not only damages exports, the economy and job creation; it actually damages our natural environment through damaging the air that we breathe.

To start with, we all know that the carbon tax increases electricity prices. That is what it is designed to do. We know that those on the other side are quite happy to see electricity prices increase because it gives them that warm inner glow. They believe that it will stop the seas from rising, will stop fires and floods and will prevent bad weather. But it also has an effect in New South Wales of increasing electricity prices for consumers. In 2012-13, 24,888 families had their electricity disconnected. In the last six months it has actually got worse. In the first half of this year, in New South Wales alone, 25,900 families had their electricity disconnected simply because they could not afford to pay those increasing bills. That is 25,900 families in New South Wales alone that are seeing their electricity cut off because the electricity prices are too high.

So what happens in parts of Sydney as we move into winter, when the temperatures fall in many parts of Sydney to zero or below, if people have their electricity cut off? They have to find alternative ways to warm their home. One way in which they can warm their home is to burn wood. Today on the radio in Sydney people are advertising wood for sale, for delivery. If you go to almost any garage in Western Sydney, there, piled up at the petrol station, are bags of timber, all cut up, which you can take home and burn. Of course, if you are fortunate enough to live next to some bushland, it is quite easy to go to the bush and collect a bit of wood to take home, to burn to keep your house warm. That is what we see happening.

When people burn wood, yes, you release carbon dioxide. But you also release, of much greater concern, particulate matter. That is the dust, soot and the particles that come out. While we know that CO2 makes plants grow, particulate matter is deadly. The World Health Organization has designated particulate matter as a carcinogen. It is our deadliest form of air pollution because it actually penetrates deep into the lungs and the bloodstream. Our most eminent scientists have told us that it causes lung cancer, heart disease, premature death and asthma in children. A Danish study in 2003 found there were simply no safe levels of particulate matter and that, for every 10 micrograms per cubic metre of increase in PM10, lung cancer rates increased 22 per cent. It is even worse for the smaller particulate matter 2.5. For every 10 micrograms increase, that study found a 36 per cent increase in lung cancer. A more recent study done earlier this year, reported in the British Medical Journal, estimated that an annual exposure of PM2.5 of just five micrograms per cubic metre is linked to a 13 per cent increase in heart disease.
So we are making electricity dearer, we are forcing people to burn wood, because that is all they can afford—they cannot afford to turn on their heater—and that is releasing particulate matter in Western Sydney. It is of particular concern in Western Sydney because of the unique nature of our topography. We know that particulate matter gets trapped in there for days and days. In fact, over the last few years we have seen a significant and dangerous increase in particulate matter in Western Sydney. In fact, last year in Liverpool we were above the World Health Organization's recommended standard of PM10. We were also above the World Health Organization standard of PM10. This is simple. The major component of that particulate matter as measured by ANSTO is people burning wood from their fireplace. There is a clear link. As we increase electricity prices through the carbon tax we find more people burning wood to keep themselves warm and we are getting more particulate matter in the atmosphere. That is causing death and disease; it is harming the environment. That is why the carbon tax must go.

Ms PARKE (Fremantle) (15:45): Providing appropriate environmental protection is one of the Australian government's core responsibilities and, sadly, it is already emerging as one of the Abbott government's starkest failings. As I have said before, the national government is in the best position—indeed, the only position—from which to have holistic regard to the health of Australia's forests, rivers and oceans; our rainforests, temperate coastland and deserts; and the incredible but fragile cornucopia of flora and fauna that our ancient continent supports. The Australian government is also charged with the serious responsibility of leading our engagement with other nations and in multilateral fora that exist to ensure the planet we all share is properly protected.

Unfortunately, the abdication of this core responsibility is fast becoming a dominant theme in the coalition's approach to government. Those opposite seem to believe that our environment is an endlessly resilient and endlessly exploitable resource whose welfare can be left to the enlightened custody of those whose primary interest is profit, and, in many cases, whose long-term connection to Australia is tenuous. I am not someone who believes that farmers and miners and commercial fishers are ignorant or ambivalent when it comes to the environment—in fact, I know that workers and business owners are often acutely aware that sustainable economic activity only exists on a foundation of vigorous and high-standard environmental regulation. They know, as any sensible person knows, that an effective and robust system of environmental protection requires that government applies its resources, its scope of oversight and its regulatory mechanisms to guarantee the conservation and wellbeing of our natural world.

The greatest harm to the environment is currently being done through the coalition's approach when it comes to climate change—which itself represents the greatest danger to both our environment and our economy. Climate change, for those of a rational mind, is the ideal prism through which to see once and for all the false dichotomy that regards the environment and the economy as opponents or competing interests. It reminds me of the Simpsons episode that features a Troy McClure documentary titled 'Man versus Nature: The Road to Victory!' Is that the road we're on now? Is it really possible that a government led by a self-proclaimed conservationist is set on tearing down the environmental protection framework of the last 30 years en route to a victory against nature, against sharks, against the Beelar Wetlands and the Great Barrier Reef and the Tasmanian forests? Is that the kind of
road-building Prime Minister we now have? Only the most dangerously foolish of fools could take the view that degrading the environment, threatening the climate and taking species to the brink of extinction is justified by some localised, limited economic benefit—especially in a country like ours that is particularly susceptible to a warming, drying climate; in a country that has so much invested in agriculture, fisheries and tourism; in a country that has only recently begun to explore and leverage our enormous potential in renewable energy and energy efficiency. To go right back, as this government seems intent on doing, to a kind of mindless 'rip-it-up', 'anything-goes', 'take-what-you-can-while-you-can' mindset is not only environmentally negligent, but also an act of social and economic negligence.

I hope that all members in this place give due regard to the Climate Institute's Climate of the Nation 2014 survey released this week. Some of its most salient findings include the fact that 70 per cent of Australians recognise that climate change is occurring, 61 per cent want Australia to be a leader in pioneering climate change solutions, 57 per cent want the Abbott government to take climate change more seriously, more Australians support carbon pricing than oppose it, 70 per cent agree that tackling climate change creates economic opportunities, and 71 per cent believe the renewable energy target should be 20 per cent or higher. This is a message that I hope those opposite are starting to heed, because it is not too late.

I want to acknowledge yesterday's decision by UNESCO at its World Heritage Committee meeting in Doha to reject the Australian government's attempt to have 74,000 hectares of the Tasmanian Wilderness Heritage Area delisted. The committee apparently took 10 minutes to dismiss what one member described as a 'feeble' proposal. The decision follows the UNESCO consideration of the Great Barrier Reef's status in light of the government's move to amend the EPBC Act. There is some likelihood that the government's move to devolve its responsibility for environmental assessment to state and local governments will cause UNESCO to reassess the reef as being 'in danger'. That would not be unexpected but it would be an eye-watering embarrassment for this government.

The Prime Minister has recently described himself as a conservationist and I am sure the overwhelming majority of Australians would like him to make good on that claim. But actions speak louder than words, and on the evidence before us the Prime Minister and the government he leads are now seeking to accelerate down the road to long-term environmental harm.

Mr NIKOLIC (Bass) (15:50): The member for Port Adelaide said that we could not find 10 minutes to talk about our environmental record. I just wish we had 20 minutes each, because when you set the hypocrisy of the motion that has been moved today against the extraordinarily bad record of the Labor Party over six years, it must be with a sense of shame that the member for Port Adelaide stood up to talk about environmental management issues. Unlike those opposite, we are taking real action to address environmental issues in our community. That is clearly evidenced by the commitment of $2 billion in the recent budget, in tight financial times, for a broad range of natural resource management and environmental initiatives across Australia. That is $2 billion for things like $1 billion for Landcare, as the minister said; $2.55 billion for the Emissions Reduction Fund; a supercomputer for the Bureau of Meteorology to provide improved delivery of forecasting and warning; $50 million over the next four years for the 20 Million Trees program; a coastal river recovery initiative to protect our waterways; and a whale and dolphin protection plan. Our Antarctic strategy is
back on track with a plan to replace the *Aurora Australis* and maintain our Antarctic bases, and there is some $68 million to maintain our important Antarctic bases.

The member for Port Adelaide talks about real projects. Let me talk about some of the regional things that are happening that he might be interested in. There is a multiplicity of projects delivered through 15 regional natural resources management organisations across the country. They will ensure that that important nexus between community needs and resources is as strong as it can be, where those community level priorities are the things that drive project deliver. That is unlike those opposite, where you had a thought bubble, a rollout of incredible amounts of taxpayer money and then very little policy effect resulting from the extraordinary expenditure. If he wants some examples I will give him some.

The member for Flinders, the environment minister, came to Tasmania about a year before the election and committed to $3 million of funding for a healthier Tamar River. That is going to do some important things for my community. It will fund a three-year program of raking to control silt in the Tamar River. Some form of silt removal has been a feature of that river's management strategy for over 100 years. So this is real money for a real effect. Compare and contrast that with the promises made by the state Labor government. I will not talk about my Labor opponent in the last election; he made no promises for the Tamar River. But the state Labor government, prior to the 2010 election, promised $6.65 million for the Tamar and delivered absolutely nothing in terms of a silt mitigation effect. We also have some money put aside to see how we can turn the current archaic sewerage system around Launceston into something that is more First World so that, when there is a heavy rain event, sewage does not pollute the Tamar River. Some quick wins are going to be achieved there and we have a critical path to turning the current infrastructure of that sewerage system into something that is much more First World.

We have two valuable Green Army projects—one from King's Bridge to Duck Reach and another from King's Bridge to the Tailrace, to do things like biodiversity audits, seeding, fencing and making sure that young people who do that work gain some valuable skills they can use for their own purposes and future careers. We have a project that has been proposed by the George Town Council to capture stormwater before it goes into the rivulet and direct it, using a mixture of solar and wind power, to irrigate the playing fields in George Town. That is what you call a real local project.

There are so many good projects for my community that have both strong interest and support, and these things are long overdue. So how dare those opposite, like the member for Port Adelaide, come in here and engage in such rampant hypocrisy after six years of their policy record: the train wreck of waste and thoughtless ideology over substance; the carbon tax which cost $15.4 billion over two years, yet emissions go up; the Home Insulation Program, which resulted in four deaths, 224 home fires, 70,000 repairs and $500 million to fix the problems it caused; the bungled Green Loans program—and I can go on and on. What I ask the member for Port Adelaide and those opposite to do is spare us the lectures and hypocrisy, get out of our way and let us fix your mess. *(Time expired)*

**Mr PERRETT** (Moreton) *(15:55)*: I am proud to speak on this matter of public importance about the Minister for the Environment's abysmal record for defending the Australian environment. I know the member for Bass, who has just delivered a speech, is only going to be here for a short time but at least when he is looking for a job in two years time he
will have the record for giving the worst environmental speech ever from a Tasmanian. He did not mention in his speech the fact that the budget ripped half a billion dollars away from Landcare programs. I thought he might mention that. He did not mention the environment minister's promises of $600 million for solar roofs, solar towns and solar schools—a pre-election comment that was forgotten straight after the election. Only $2.1 million remains for solar towns. The member for Bass did mention some scientific research. However, the budget saw environmental research cut by $21.7 billion.

*Government members interjecting—*

**Mr PERRETT:** They can bray all they like over there. The reality is that I am quoting from their budget paper. I know, coming from Queensland, how important the environment is. I grew up at a time when Joh Bjelke-Petersen was the premier and was dedicated to doing sandmining on Fraser Island. It was the then Commonwealth government and a Liberal minister, in fact the now Premier Newman's father, who stepped up to defend Fraser Island. So I know the conservative side of politics does have some runs on the board for protecting the environment. Sadly, we saw in December 2009, when the member for Warringah became the leader, the polarisation on the environment when suddenly we saw the start of appeals to the selfishness that is inherent in some people. Rather than appealing for people to use their wallets and make a small change in their behaviour—putting out the lights, changing how things are done in factories and with transport—that will be to the benefit of the country, instead the Liberal Party has appealed to selfishness, to those lesser angels. It has been an incredibly effective campaign and some of them have swallowed it hook, line and sinker.

Sadly, it is the more moderate voices among those opposite who understand the economies of direct action—which, let's be honest, is an absolute dog of a policy. No economist in the world can support direct action. Why? Because it will not work. Because we have already put a price on carbon, emissions have dropped; it has changed behaviour. We do believe in scientists and we would actually have a science minister. We are not trying to shut down and sack scientists; we believe in the science. Those opposite are environmental vandals, sabotaging the future and our economy. Remember, by putting a price on emissions we will be better prepared to sell our services and our green products to the world.

*Government members interjecting—*

**Mr PERRETT:** Those opposite are braying unnecessarily, like in a scene from a Banjo Paterson poem. They have wrapped themselves around this husk of a policy but we know that the costs associated with direct action will be all but a waste of money. Their magic dirt policy will not create any reduction in emissions because all the good achievements have already been rolled out. Let's look at what has been happening. In Queensland, Jeff Seeney, the day after the election, suddenly said the Great Barrier Reef should be a smaller marine park. We have seen the incredibly shameful situation where the member for Flinders's feeble attempt to shrink the Tasmanian Wilderness World Heritage Area by 150,000 football fields was shown on the world stage to be sabotage.

*Mr Nikolic interjecting—*

**Mr PERRETT:** Obviously, we have some over there like the member for Bass, who has all the vision of the southern marsupial mole, lives in a burrow and does not really understand how things are going. *(Time expired)*
Ms LANDRY (Capricornia) (16:00): It is funny that Labor claims that the Liberal-National government fails to protect Australia's natural environment.

Mr Nikolic interjecting—

The DEPUTY SPEAKER (Hon. BC Scott): The member for Bass is testing my patience.

Ms LANDRY: It is funny because their matter of public importance today really is a joke. It is a joke like one of those appalling jokes that you get inside a Christmas bonbon. Let me explain.

I live in Yeppoon, on the beautiful Capricorn Coast. It is a great place with a great view of the Keppel island group, which sits off the southern end of the Great Barrier Reef. Yeppoon is a great place to holiday, and in fact I invite all Australians to book a holiday and come to Yeppoon. You will love it. My position on living near the Great Barrier Reef is quite clear. There must always be balanced consideration for industry growth and job creation, our coastal lifestyle and the conservation of the reef itself.

When it comes to looking out for the Great Barrier Reef, a great natural wonder, this government has been working hard. We are doing what UNESCO asked us to do by limiting port development to key existing ports along the Queensland coastline. At the Abbot Point coal terminal in North Queensland the federal government has applied the strictest environmental standards in Australian history with regard to any future expansion activity. When they were in power, Labor wanted to dump 38 million cubic metres of dredging sand from Abbot Point into the water at the edge of the Great Barrier Reef. Our government, however, is far more responsible in caring for Australia's natural environment. The coalition government has limited such activity to three million cubic metres in the interest of the reef. Let's do the sums: Labor wanted to dump 38 million cubic metres of dredge near the reef; that is 35 million more than we will allow. What a joke!

But we are not the only ones that see Labor's bungling of the environment as a joke. Let me refer you to a brilliant article in a recent online edition of London's *Daily Telegraph*. It was written by Andrew Critchlow. It appeals to the British Prime Minister not to make the same mistakes on climate change as the Australian Labor Party. Let me quote directly from this article:

As flood waters across Britain continue to rise the calls will inevitably grow louder for Prime Minister David Cameron to take … action on climate change by imposing tougher green taxes on business.

In the current circumstance it would be easy for Mr Cameron to make a knee jerk response and fall into the political trap of raising taxes on emissions to counter global warming, which many experts already blame for causing the current deluge.

Before acting the prime minister would be wise to draw on the experience of Australia, where the call for major policy changes to counter adverse weather cycles have spectacularly backfired.

A series of environmental disasters Down Under coupled with the Australian Labor Party's reliance on an uneasy coalition with the Greens forced former Prime Minister Julia Gillard … to press ahead with a controversial so called "carbon tax" on emissions.

The tax—which almost cost the Australian government more to collect than it raised in actual revenue, or achieved in terms of a better environment—was … poorly thought out …
The tax was designed to hit the country's biggest emitters of carbon pollution such as mining and energy companies. Instead it added to the uncertainty hanging over the resources boom, the main driver for the Australian economy.

Ultimately, the tax failed in its political objective of holding together Labor's fragile minority government with the Greens, or winning over voters who faced higher costs passed on by the companies that had to pay it.

The London Telegraph went on to describe Labor's carbon tax as 'perhaps the most unsuccessful and ineffectual policy in the country's history'. It warned the British Prime Minister not to go down the same path as the Australian Labor Party.

Let me get back to the very first point I raised—that Labor's matter of public importance today is a joke. It reminds me of the last lines of a song. I will not sing it, but it goes like this: 'Send in the clowns, send in the clowns. Don't worry, they're here.'

Ms BUTLER (Griffith) (16:04): What a pleasure it is to rise in this place to speak about the environment. I see that the purported environment minister is in the House with us today. Wouldn't it be nice if the purported environment minister ever got up and spoke about the environment in question time. Wouldn't it be nice if in question time there was ever a question about the environment to the so-called environment minister, but there is not. As I have said before, one day the purported environment minister will come in here and talk about the environment, and I am pretty sure that everyone will fall over in shock because here we have an environment minister who would rather speak about anything else but the environment. We have an environment minister who has been unable to deliver the solar policy that he spoke about, and we have an environment minister who is making some questionable decisions when it comes to climate policy.

Let's have a think about the Emissions Reduction Fund—what an amazingly ridiculous policy we are talking about. Here is a fund where polluters will be paid to pollute, where there will be no cap on pollution——

Mr Hutchinson interjecting——

The DEPUTY SPEAKER (Hon. BC Scott): Order! The member for Lyons is grossly disorderly.

Ms BUTLER: and where there will be no requirement on any single person or any single company. There will be no requirement to reduce emissions. There will be no cap on emissions. There will be payments to polluters.

Why would the so-called Minister for the Environment want to introduce such a policy when the obvious difficulties with it are there for everybody to see? For example, how on earth could we be persuaded of the additionality of the measures that will be brought in and funded under the ERF? How on earth could we be persuaded that that is good value for taxpayer money? How on earth could we be persuaded that the same companies that are benefiting from the ERF would not be taking the same mitigation actions as they otherwise would be were it not for the taxpayer subsidising them?

Of course, the biggest question of all when it comes to the Emissions Reduction Fund is: why replace the Clean Energy Finance Corporation, a spectacularly successful policy, with an Emissions Reduction Fund where taxpayers pay polluters? Why not keep the Clean Energy
Finance Corporation, a commercial lending operation where moneys are lent to people who want to take action to mitigate pollution and want to reduce emissions? And it is a win-win because the Clean Energy Finance Corporation runs at a profit. Money is made by lending money on appropriate terms to companies that want to reduce pollution and mitigate emissions. Why not have the Clean Energy Finance Corporation instead of this ridiculous ERF policy that has been universally panned? No-one in this place and no-one outside this place thinks that this government has any credibility whatsoever when it comes to the environment. We have seen the lack of credibility. You just have to look as recently as yesterday when the bizarre application to the World Heritage Committee of UNESCO was quite properly knocked back by the World Heritage Committee.

Mr Hutchinson: Have you ever been to Tasmania?

The DEPUTY SPEAKER: The member for Lyons!

Ms BUTLER: Yes, I have been to Tasmania. And, like the previous Labor speaker, I am from the bush as well.

Mr Pasin: Have you ever met a timber worker?

The DEPUTY SPEAKER: The member for Barker!

Ms BUTLER: I am from up north. I know all about the environment, and that is why I am so shocked by this mob and what it is prepared to do when it comes to the environment. Not only was this mob prepared to make an application to the World Heritage Committee of UNESCO to seek to delist 74,000 hectares of forest from World Heritage but also, had the application been accepted, it would have made us only the third country to actively seek to delist World Heritage. It is ridiculous! And it is making Australia a laughing stock. All I can say is: thank goodness for the World Heritage Committee and the sensible decision that it made not to allow the application to delist those 74,000 hectares of forest.

We know that we have a lot of work to do when it comes to the World Heritage Committee. We have had to have the World Heritage Committee give the Queensland government a rap over the knuckles and give the federal government a rap over the knuckles when it comes to the Great Barrier Reef. As the purported environment minister well knows, the draft decision that was being—

The DEPUTY SPEAKER: The member for Griffith will resume her seat.

Mr Nikolic: Deputy Speaker, I rise on a point of order. That is the second occasion the member for Griffith has spoken in pejorative terms about the minister. I believe she should withdraw and refer to him by his correct title.

The DEPUTY SPEAKER: The member for Griffith might refer to the minister by his correct title.

Ms BUTLER: I shall refer to him as the environment minister, thank you very much. 

(Time expired)

Mr BROADBENT (McMillan) (16:09): It is a pleasure to rise on this occasion. I speak to the gallery and to yourself in particular, Deputy Speaker Scott, and to those listening to the debate. You would think from the speeches that I have heard today, from the shadow minister through all the speakers, that the governments of today and governments in the past have served the nation poorly—and, actually, that is not the case.
In my experience, from when the former Prime Minister Bob Hawke said we were going to plant a billion trees until today, I have seen the nation, when it has had the money to do it, invest heavily in the environment for the betterment of the people—your children and the children to come. I have seen it in my own district. I was reminded yesterday by the Millennium Goals people how beautiful my electorate was. They had had dealings in Gippsland. They then began to describe my electorate to me. They described Wilsons 'Prom'; they described Mount Baw Baw and the hills; they described the farmland; and they described all the work that Landcare had done over many years that has transformed areas of the Strzeleckis. Through all of the governments down the ages, especially the Howard government, do you know what we saw? Because they had the money to do the job, as you would know, Deputy Speaker Scott, they poured money into the environment. We had the money to do it.

The difference with the previous government that we have just experienced is that the money was blown. It was gone. You cannot be green when you are in the red. Having said that, as a community, and, obviously, from the speeches that you have heard today, we care about the environment on both sides of the House. I am disappointed in some of the remarks that came from the Labor people today, because—and I say to the gallery—they are actually not true about this government. I would say about the previous government it was a good idea to put pink bats into houses across Australia, but the delivery turned into a monumental horror story and into sadness for the families that were directly affected.

Are some of the things that we do as a community good ideas? Yes, they are good ideas. We do not build houses now without insulating those houses. We make sure that there has been a massive change in the way that we build houses here, the way farmers think about their property, the way we have non-till ploughing, the way we have non-till sowing, and all the changes that have been made in Tasmania. It is one of the most beautiful places in Australia. One of my reps in the shop used to come in and say, 'Tasmania, mate, it is Australia's, if not the world's, best kept secret—Tasmania.' I know the three representatives that sit close by me here are passionate about their community. They show it in everything they do and in every approach they take. I want you to be proud of what has happened.

Now, you are going to say that I am right out of order here but I actually do not like international bodies making decisions about what happens here in this country. I really do not like it. I like the fact that local government makes decisions about what they do with their dogs and where you can walk them. I like the fact that state governments make decisions about how they are going to manage their police force. I like the fact that we make decisions here about defence and social security. I would like to think that the Australian government actually is clear about its responsibilities and how they are delivered. I really do not like somebody in an international body deciding what we do here, even though we have made application to that body. It is important that we keep, always, the responsibilities for the environment of this nation in Australian hands, in local hands, in state hands and in federal hands. I commend all of you speakers to the House and I look forward to the next speaker, if there is one.

The DEPUTY SPEAKER: No, there is not. The discussion has concluded.
BILLS

Environment Protection and Biodiversity Conservation Amendment (Cost Recovery) Bill 2014
Australian Workforce and Productivity Agency Repeal Bill 2014

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

Infrastructure Australia Amendment Bill 2013

Consideration of Senate Message
Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

DELEGATION REPORTS

Australian Parliamentary Delegation to the 130th Inter-Parliamentary Union Assembly

Ms MARINO (Forrest—Government Whip) (16:15): by leave—I present the report of the Parliamentary Delegation to the 130th Assembly of the Inter-Parliamentary Union held in Geneva, Switzerland; bilateral visit to the United Arab Emirates; and visit by the Deputy President of the Senate to Singapore from 9 to 23 March 2014, and ask leave of the House to make a short statement in connection with the report.

Leave granted.

Ms MARINO: I am pleased to present the report of the Australian parliamentary delegation that participated in the 130th Assembly of the Inter-Parliamentary Union held in Geneva, Switzerland from 16 to 20 March 2014 and the associated bilateral visit to the United Arab Emirates.

The delegation was led by the Deputy President of the Senate, Senator Stephen Parry, who represented the President of the Senate at the IPU Assembly; Senator the Hon. Ursula Stephens; Senator Sue Boyce; Senator Lin Thorp; and me. As this report attests, this was a hardworking delegation, with all members playing an active role throughout the assembly. The delegation attended all formal meetings of the assembly and its governing council, and participated in meetings of the Asia Pacific and Twelve Plus geopolitical groups, the Meeting of Women Parliamentarians as well as attending panel discussions and field visits.

One of the key benefits of the assembly was the opportunity for delegates to participate in bilateral discussions with delegations from other parliaments. By assembling representatives from such a large number and diverse range of parliaments in one place, the IPU offers a unique opportunity for delegations and individual parliamentarians to meet to discuss issues of mutual interest, to develop an understanding of different parliamentary models and to strengthen parliament-to-parliament relationships. The Australian delegation capitalised on this opportunity to hold discussions with members of delegations from Bahrain, Bangladesh, Canada, Ethiopia, Great Britain, Ireland, Japan, New Zealand, Thailand, and Tonga. The Australian delegation found these discussions extremely valuable.
The Australian and New Zealand delegations facilitated a meeting of Pacific Island parliaments during the assembly. Since the 122nd IPU Assembly in Bangkok, Thailand, in March 2010, the Australian and New Zealand delegations have sought to facilitate a meeting of delegations from the Pacific to discuss issues of mutual interest, including key items on the assembly agenda, and build on capacity-building activities undertaken through regional parliamentary forums. This latest meeting agreed that there is significant value in organising a meeting of Pacific Island parliaments immediately prior to the commencement of each IPU Assembly.

I would like to congratulate the executive committee of the IPU and the IPU secretariat for their effective organisation of the 130th assembly. This assembly provided an effective forum for parliamentarians to engage and increase their understanding of a range of issues of global interest and concern.

The Australian delegation recognises efforts undertaken over the course of recent assemblies to improve the effectiveness of the assembly's committees. I note recent changes to the rules of the assembly's four standing committees that seek to increase the level of debate and encourage the bureau of each committee to play a more active role in planning and guiding committee work. The delegation notes that there is still some scope for improvement in the implementation of these changes. I look forward to contributing to this process of improvement through my position on the bureau of the Second Standing Committee on Sustainable Development, Finance and Trade.

The delegation's visit to the UAE immediately before the IPU Assembly underscored the significance of Australia's relationship with the UAE and the Gulf region. Australia's longstanding commitment to the region and its contribution to international campaigns against terrorism and countering piracy, and its involvement in the United Nations' operations in the Middle East and Afghanistan is widely recognised and respected.

The delegation was grateful for the opportunity to visit the headquarters of Joint Task Force 633 at Al Minhad Air Base, where it received a comprehensive briefing from Major General Craig Orme AM, CSC and senior officers of the Joint Task Force. What an impressive group they are! The delegation was particularly pleased to visit the memorial to Corporal Cameron Baird VC MG, in whose memory the Australian compound at Al Minhad Air Base is named, and pay its respects to the 40 Australian soldiers killed in active service in Afghanistan.

The delegation also noted the strong and multifaceted bilateral and parliamentary relationships between Australia and the UAE. The expansion of air links between the two countries has provided much needed impetus, and there are positive signs for further strengthening of trade, business and investment links. The delegation commends Australia's representatives in Austrade and the Australian Embassy on the key role they continue to play in supporting Australian businesses seeking to expand their operations into the region.

On behalf of the delegation, I would like to thank all the individuals who contributed to making this a successful delegation. I would like to acknowledge the support and time devoted to the delegation's visits by Australia's missions in Abu Dhabi and Geneva. Particular thanks are due to Ambassador Pablo Kang and Deputy Head of Mission Kim Debenham for the time they devoted to the delegation's visit to the UAE; and to Ambassador and Permanent Representative to the United Nations and to the Conference on Disarmament, Peter Woolcott;
Ambassador and Permanent Representative to the World Trade Organisation, Hamish McCormick; and First Secretary Jeffie Kaine for the advice and practical assistance they provided to the delegation throughout the 130th IPU Assembly.

I would like to extend the delegation's thanks to officers of the Department of Foreign Affairs and to staff of the Parliamentary Library for providing very comprehensive and timely briefing materials prior to the delegation's departure. Thanks are also due to Mr Andres Lomp, Mr Geoff Barnett and other members of the International Community Relations Office for the high standard of support provided to the delegation—something we certainly do not take for granted.

Finally, I thank my fellow delegates for their thoughtful participation in the delegation's meetings and their commitment to our program of work. I also want to thank the officials who accompanied us: Ms Talitha Try from the Office of the Speaker of the House of Representatives; Mr Brien Hallett, from the Department of the Senate; and Jeanette Radcliffe, the delegation's secretary from the Department of the Senate. This was her final delegation in her role as secretary and Jeanette provided us all with outstanding service. Her knowledge and experience was extraordinary and of great value to this parliament and the members of the delegation. I commend the report to the House.

BILLS

Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr McCormack.

Bill read a first time.

Second Reading

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (16:24): I move:

That this bill be now read a second time.

Today I bring forward a package of four bills to support the implementation of the Public Governance, Performance and Accountability Act 2013 (the PGPA Act).

The PGPA Act will replace, from 1 July 2014, the existing model for Commonwealth financial management established through the Financial Management and Accountability Act 1997 (FMA Act) and the Commonwealth Authorities and Companies Act 1997 (CAC Act). The PGPA Act will become the primary resource and governance legislation for Commonwealth entities and companies.

The PGPA Act marks an important evolution in public sector management, in the same way that the introduction of the FMA Act and the CAC Act did, more than 15 years ago.

The PGPA Act was passed in the last days of the last Parliament. While the government, then the opposition, supported the aims of the reform process enshrined in the PGPA Act, we understandably had concerns about how its underlying principles would work in practice.

The government continues to support the aims of the PGPA Act and places great importance on ensuring it is properly implemented.
The PGPA Act consolidates under one law the governance, performance and accountability framework for the Commonwealth and relevant entities. Detailed arrangements on how these principles will be applied are to be set out in the PGPA rule.

The package of bills I am introducing today involves:

- the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014 (the PGPA C&T bill); and
- three bills to modify the application of the annual Appropriation Acts for 2014-15 (once passed by the parliament) and for the two previous financial years.

The PGPA C&T bill would, if enacted, amend more than 250 acts across the Commonwealth to support the implementation of the PGPA Act and its related rules and instruments.

As you can see from the sheer size of the legislative package the effect of these amendments goes across all of government and is essential to effective implementation of a new resource and governance framework.

The legislation affects every portfolio, covering amendments ranging from the Auditor-General Act to the Water Act and many in between.

The legislation covers the details of when certain provisions of the PGPA Act start and when certain provisions of the FMA and CAC Acts cease operating.

It is extensive and wide-ranging in its coverage and ensures that legislation currently based on the working of the FMA and CAC Acts can work under the PGPA arrangements.

This includes clarifying where Commonwealth entities should operate in a consistent fashion and where, as a result of decisions by parliament, an entity has particular obligations that depart from the standard approach—as in the case of the parliamentary departments or the Reserve Bank or the Research and Development Corporations.

The bill would also amend the Public Service Act 1999 to address a recent recommendation of the Parliamentary Joint Committee of Public Accounts and Audit (the JCPAA).

In considering the development of draft rules under the PGPA Act, the JCPAA recommended that the Department of Finance and the Australian Public Service Commission work collaboratively to develop amendments to the PGPA Act and the Public Service Act to reduce potential confusion regarding the duties for public officials and the Australian Public Service (APS) Code Of Conduct for APS employees. This is being achieved through making amendments to the code of conduct to align the wording of the code with the general duties of officials in the PGPA Act.

To ensure continuing alignment with the Public Service Act, the bill also proposes making amendments to the Parliamentary Service Act 1999 and its code of conduct similar to those proposed for the PS Act.

I wish to thank the Speaker and the Senate President for their prompt consideration of—and support for—these proposed changes.

The amendments to these two acts will complement amendments to the duties of officials under sections 25 to 29 of the PGPA Act that were moved on the floor of this House on 4 June 2014 to amend the Public Governance, Performance and Accountability Amendment
Bill 2014, and would ensure an improved alignment of the duties of officials under the PGPA Act with the corresponding duties under the PS Act and the Parliamentary Service Act.

The other three bills in this package modify the application of the annual appropriation acts for 2014-15 (once passed by the parliament) and for the two previous financial years. These bills are designed to change the terminology in existing appropriations acts from the current financial legislation to the equivalent PGPA Act terminology.

Separate bills are needed, rather than just making the amendments through the PGPA C&T Bill, as an appropriation act can only be amended by a subsequent appropriation bill.

These bills are split to cover appropriation acts across the three years dealing with:

- the ordinary annual services of government contained in Appropriation Acts (No. 1), (No. 3) and (No. 5),
- other amounts included in Appropriation Acts (No. 2), (No. 4) and (No. 6); and
- the parliamentary departments.

They confirm the continuing ability of entities to access the appropriations approved by the parliament.

The package of bills I am introducing today would, if enacted:

- update references in Commonwealth legislation from the FMA Act and CAC Act to the new financial framework,
- simplify enabling legislation where provisions of the PGPA Act cover an issue previously dealt with in enabling legislation, and
- provide a more streamlined approach to resource management and governance matters across government.

These bills arise from the development of the detail needed for the implementation of the PGPA Act.

While the changes are technical in nature they provide greater certainty in relation to the operation of the act as well as supporting the design of more operationally effective supporting rules.

The bills, if enacted, will support the PGPA Act and simplify the regulatory requirements and contribute to long-term efficiencies, in terms of achieving improved governance, transparency and accountability arrangements for Commonwealth entities (including both non-corporate Commonwealth entities and corporate Commonwealth entities) within the Australian government.

They are part of a broader public management reform agenda which is intended to support the government’s deregulation agenda and the active management of risk in delivering services to the Australian community.

Officials who are better able to engage with risk are less likely to develop regulatory frameworks which are unnecessarily prescriptive and out of step with commercial practice.

These bills represent, accordingly, another crucial step to help ensure the smooth transition to a more effective financial framework for the Commonwealth.

I commend the bill to the House.
Debate adjourned.

**Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 1), (No. 3) and (No. 5)) Bill 2014**

*First Reading*

Bill and explanatory memorandum presented by **Mr McCormack**.

Bill read a first time.

*Second Reading*

**Mr McCormack** (Riverina—Parliamentary Secretary to the Minister for Finance) (16:34): I move:

That this bill be now read a second time.

As I outlined previously, today I bring forward a package of four bills to support the implementation of the Public Governance, Performance and Accountability Act 2013 (the PGPA Act).

I now introduce the second of those bills, the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 1), (No. 3) and No. 5)) Bill 2014.

This bill will modify the application of the annual appropriation acts for 2014-15 (once passed by the parliament) and for the two previous financial years, in relation to amounts for the ordinary annual services of government contained in Appropriation Acts (No. 1), (No. 3) and/or (No. 5) for each of those years.

This bill will confirm the continuing ability of entities to access the appropriations approved by the parliament.

I commend the bill to the House.

Debate adjourned.

**Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 2), (No. 4) and (No. 6)) Bill 2014**

*First Reading*

Bill and explanatory memorandum presented by **Mr McCormack**.

Bill read a first time.

*Second Reading*

**Mr McCormack** (Riverina—Parliamentary Secretary to the Minister for Finance) (16:36): I move:

That this bill be now read a second time.

The third bill in the package is the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 2), (No. 4) and No. 6)) Bill 2014.

This bill will modify the application of the annual appropriation acts for 2014-15 (once passed by the parliament) and for the two previous financial years, in relation to amounts other than the ordinary annual services of government contained in appropriations acts Nos 2, 4 and/or 6 for each of those years.
This bill will confirm the continuing ability of entities to access the appropriations approved by the parliament.
I commend the bill.
Debate adjourned.

**Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (Parliamentary Departments)) Bill 2014**

**First Reading**

Bill and explanatory memorandum presented by Mc McCormack.
Bill read a first time.

**Second Reading**

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (16:38): I move:

That this bill be now read a second time.

The final bill in the package is the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (Parliamentary Departments)) Bill 2014.

This bill will modify the application of the annual appropriation acts for 2014-15 (once passed by the parliament) and for the two previous financial years, in relation to amounts for the parliamentary departments for each of those years.

This bill will confirm the continuing ability of entities to access the appropriations approved by the parliament.

With that, I commend the bill.
Debate adjourned.

**Trade Support Loans Bill 2014**

**Trade Support Loans (Consequential Amendments) Bill 2014**

**Second Reading**

Debate resumed on the motion:

That these bills be now read a second time.

to which the following amendment was moved:

That all the words after “That” be omitted with a view to substituting the following words: “Whilst not declining to give the bill a second reading the House notes that the Government has failed to:

1. advise apprentices that they would be abolishing the Tools for Your Trade program, thus leaving Trade Support Loans as the only form of assistance for the purchase of tools;
2. adequately explain in clear language the interest rates and full liability of these loans;
3. offer adequate protection for school based apprentices aged under 18;
4. offer fair and reasonable transition arrangements for current apprentices;
5. put in place adequate privacy protections for the large volumes of information that will be acquired through the Trade Support Loans Program; and
6. offer apprentices the option of lump sum payments in order to purchase expensive items.”
Ms HENDERSON (Corangamite) (16:40): I rise to speak on the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014. It is a great pleasure to start on a positive note, and that is that the members opposite are supporting this bill. I pay tribute to members opposite for supporting what is an excellent bill to give young men and women a fantastic opportunity. Although we have heard lots of complaints, whingeing and nitpicking—all of which is unfounded—about our proposal, the core issue is that Labor's Tools For Your Trade program was simply not working. There was $5½ thousand for tools with little accountability, but most fundamentally there was no incentive to finish an apprenticeship. Labor knew it was not working, because the drop-out rate was 50 per cent. One in two young men and women commencing an apprenticeship in this country under the previous federal government did not complete their apprenticeship. So what did Labor do? Unfortunately, it did nothing.

Earlier in question time the Leader of the Opposition held up our Real solutions booklet; and, yes, it is in great contrast to the no solutions we have heard from members opposite ever since we handed down our budget. The Trade Support Loans are a real solution to what has been, frankly, a very poorly managed scheme in terms of encouraging young men and women to complete their apprenticeships.

What we are doing under our trade support loans is extremely significant. Not only are we offering a loan of up to $20,000; we are also offering a bonus of up to $4,000 for those young men and women who finish their apprenticeships. This is a very significant incentive to encourage apprentices to finish their courses. This will deliver enormous benefits for the people of Corangamite, my electorate that I so proudly represent, and for people around the nation. This is such an important initiative to combat youth unemployment.

If we look at Labor's record, it is unfortunately very dismal. We are focusing very much on building a strong and prosperous economy and turning around Labor's appalling record in unemployment—200,000 more unemployed under Labor, 130,000 manufacturing jobs lost under Labor, 519,000 jobs lost in small business. The teenage full-time unemployment rate—that is persons aged 15 to 19 and looking for full-time work—went from 19.6 per cent in November 2007 to 27.3 per cent in September 2013. Youth unemployment—that is young people aged 15 to 24—increased by some 55,000 under the previous, Labor government. So we are strongly focused on supporting young men and women getting to work and we are very proud of this program.

Of course, that is supplemented by a very important work for the dole program which has been embraced in my electorate and in the greater Geelong region because we are determined not to let young men and women languish on the couch. We want to do everything we can to get them into work, to build their confidence, to build their skills. We have some other very important programs: our Job Commitment Bonus, our relocation assistance for long-term unemployed, and of course our very strong focus on earning or learning.

Locally in Corangamite we have announced our $155 million growth fund. There is $30 million for regional infrastructure, because we know how important it is to invest in the regions—in rural and regional Australia—to get those jobs moving. We have already seen 100,000 jobs created since the beginning of this year. So we are on track for seeing the growth in employment that we committed to.
In relation to the Geelong Region Innovation and Investment Fund we spent a number of months negotiating with Alcoa and they put another $5 million into that fund. That is moving quickly to develop hundreds of new jobs, particularly in advanced manufacturing. We had a jobs fair funded by the Australian government with some wonderful partners: the Geelong Advertiser, BayFM/K-Rock, Deakin University, Enterprise Geelong and the City of Greater Geelong. We all came together to hold the jobs fair. It was such an important initiative for people right across the Geelong region, looking at opportunities and embracing new skills. There was great and positive momentum at the fair and it was a really wonderful couple of days. I particularly want to commend everyone who participated in the fair and the many job seekers who came along looking for new opportunities.

In the debate we have heard so far I note that Labor has not addressed one key issue: you cannot eat tools. The Tools For Your Trade program, yes, paid for tools, but there was no money to pay for TAFE fees. How do young apprentices pay for rent, pay for food and pay for public transport to get to work? Our Trade Support Loans program gives young men and women the funding they need to get through their apprenticeship. It is a very, very significant difference, because we are determined to reverse the dramatic drop-out rates in apprenticeships, where we see young men and women not completing their apprenticeship.

Of course, this is in contrast to some of the harebrained schemes that we have seen under the previous federal government, where we saw money thrown left, right and centre with the promise of jobs and no delivery. There are some very good examples in my electorate. There was $34 million for Ford promised by former Prime Minister Julia Gillard, who came down to Geelong in January 2012 promising 300 new jobs. Seven months later there were some 330 jobs lost. That was $34 million just thrown away like that. There was $40 million for Alcoa, promising long-term, sustainable jobs. Two years ago Labor promised the world with this $40 million and now we see Alcoa closing. Alcoa has given its workers very little notice and as a result there are many, many people in my community who are extremely worried. We are determined to invest in long-term, sustainable jobs. That is the key difference between this government and the previous government. We are very, very proud of what we are doing for apprenticeships.

We are also very proud of our positive focus on jobs in our region. I see that the Parliamentary Secretary to the Minister for Industry is in the chamber. We had a wonderful visit to Geelong recently. We went out to Ford. We embrace the fact that there are 490 people continuing to work for Ford in Geelong at the proving ground and at the research and development centre in Geelong. They are the jobs of the future. That is what we are focused on—smart manufacturing, next-generation manufacturing, embracing skills and innovation. We got into a wind tunnel. There is plenty of hot air on the other side of the chamber, but the parliamentary secretary and I saw the wonderful technological advancements going on at the proving ground. It was great to remind the people of Geelong that we have great skills, great energy and we have a great, great future.

I do want to make a small note in relation to the member for Perth's contribution to this debate. She was speaking about the pressures that hairdressers are under and she made reference to the fact that in Perth hairdressers are being forced to pay $2,000 for a pair of hair straighteners. Either there has been a terrible case of inflation in Perth for the member for Perth has got her numbers seriously wrong. I do suspect that it is the latter, because in the
local hair supply shop in Geelong West I visited recently professional hair straighteners were available for around $300. So let us not cause unnecessary anxiety for hairdressers.

We understand that the cost of getting the skills that these young men and women need is very important. As I mentioned, Trade Support Loans will provide up to $20,000 over four years to support apprentices when they need financial assistance the most. The loans will be repayable when the individual's income reaches the Higher Education Loan Program threshold. At the moment that threshold is around $53,000. The loans are flexible to meet the needs of each individual. For instance, an apprentice can opt in for six months only to buy their tools, or they could save up their first year's payments to buy a second-hand vehicle then opt out of further payments. Or they can just take the full loan to cover living expenses. It is flexible because we understand that different apprentices in different trades have different needs.

Let me just correct one other issue. Recently the Greens claimed that it would take apprentices some 50 years to repay the loan. Well, we all know that when it comes to numbers the Greens cannot count—they have very little economic credibility and this is yet one more example. I will correct the record. The average time to pay off the full loan amount with the 20 per cent completion deduction will be some five years after repayments start or eight years after completing their apprenticeship. As stated in our election policy, Trade Support Loans will be repayable at the same income thresholds as university HELP loans.

We are very proud of this election commitment. This is an election commitment that will commence on 1 July 2014. It is estimated that it will deliver some $1.9 billion in loans over four years. This is so positive for young men and women, for workplace productivity, for my electorate of Corangamite and for apprentice schemes all around the nation. I commend this bill to the House.

Ms BRODTMANN (Canberra) (16:52): Today I rise to speak on the Trade Support Loans Bill 2014 and to support the amendments moved by the member for Cunningham. I want to commend the member for Cunningham for her commitment over decades to vocational education and training. She is a former TAFE teacher and has been a champion out there leading the charge opposing those TAFE cuts on behalf of many. I commend the member for her support of VET and apprentices.

The Trades Support Loans Bill provides for new income contingent loans of up to $20,000 for apprentices undertaking qualifications leading to occupations where there is a skill shortage. As my colleagues have pointed out, Labor is supporting this legislation but we are doing so with some reluctance. These loans were an election commitment of the coalition. However, prior to the election the coalition failed to declare that they would also be scrapping the $1 billion Tools For Your Trade program.

The hugely successful Tools For Your Trade program provided a $5,500 allowance per apprentice, over the course of their apprenticeship, to spend on necessary items such as tools, uniforms, vehicles and living costs. Without the Tools For Your Trade allowance, the only financial support available for apprentices will be loans. Labor is supporting this legislation because we believe there should be some financial support for apprentices and a loan is better than nothing at all. However, we have serious concerns about giving young people who are likely to be low-income earners no other option than to enter into a substantial debt.
Why is the government scrapping the Tools For Your Trade allowance? According to the minister, it is because apprentices were spending the allowance on tattoos and mag wheels. According to the member for Hindmarsh, who spoke on this bill yesterday, they were spending it on 21st birthday parties, mag wheels and new surfboards, proving that the allowance was not needed. I would be particularly interested in where those opposite get the evidence for this. Which research are they basing these comments on? Or is it just a comment from someone down the road?

The Abbott government's cruel rhetoric shows just how out of touch it is when it comes to apprentices. Apprentices work incredibly hard on a very low wage and face many significant out-of-pocket expenses including tools, uniforms, safety equipment, TAFE fees, travel and day-to-day living costs. The fact that the Abbott government is scrapping the successful Tools For Your Trade program based on anecdotal behaviours of a handful of individuals is nothing short of ridiculous. It is nothing short of insulting, actually. The comments of the minister and his colleagues are incredibly offensive to the thousands of hardworking apprentices in this country who require the Tools For Your Trade allowance to make ends meet. The coalition's action in not revealing prior to the election that the y would be scrapping the Tools For Your Trade program was deceitful. They led people to believe that these loans would be complementing the Tools For Your Trade allowance, not replacing it.

The day after the budget, I received an email from a constituent who was absolutely outraged at this deceit. He wrote:

Dear Ms Brodtmann

I am writing for you for support and as our elected Federal Representative at the request of my son who is an apprentice carpenter. He is in his third year to date. For him to become an apprentice he has had to commit to a number of financial burdens. These financial commitments are:

- His work vehicle, he is currently paying off a $7000 loan for a hilux work ute to transport himself and his required tools of trade.
- Tools of trade (eg, air compressors, generator, industrial heavy duty trailer, nail guns, ladders, laser levels and much much more)
- Fuel, he is required to travel approximately 1200 kilometres per week from site to site and home.
- Tech, required equipment (calculators, text books etc)
- His rent (he lives away from home) $250 a week

These are just the expenses that are the big ticket ones, there are many more.

His wage is around the paltry sum of about $14.50 per hour (pretty standard award across apprentice salaries). He and all apprentices are HIGHLY dependent on the apprentice tool allowance to assist in the purchase of tools. How the scrapping of this allowance and its replacement with the disgraceful proposal of loans up to $20,000 for them to buy tools can even be considered defies belief. The privileged liberals such as Joe Hockey and Abbot have no grasp of reality and seem determined to ensure that our children cannot afford to train as an apprentice in their chosen trade (and yes I do support him financially when I can).

I ask you to consider all apprentices and understand that there is absolutely no way that my son can afford this outrageous impost of more loans if the tool allowance is lost.

If apprentices take out this ridiculous loan they are committed to a huge period of debt. We know there will be very little work for them when they finish their apprenticeships as result of the Liberals Canberra bashing and the inevitable down turn in the building industry and the local economy.
The dilemma for my son is that for him to remain in employment, he must buy the specialist tools and equipment (that are not supplied by his employer) and also has to continue to replace tools as part of wear and tear. Some of this is tax deductible, but not a large proportion.

I urge you to highlight this within the Labor Party and fight this proposal tooth and nail in support of vulnerable low income working Australians.

He closes off there. I echo the concerns of my constituent.

I have serious concerns about saddling young people, who in many cases will be low-income earners, with substantial debts. We know that, among those who work in a trade, the remuneration levels are typically lower than for university graduates. Based on the 2011 census distribution of incomes of those who were working in a technical or trade occupation, only about half would meet the minimum repayment threshold for Trade Support Loans repayments at the point when they have finished their apprenticeship. So young people who are already low-income earners, who are already working hard to make ends meet in their chosen trade will have almost no choice but to be saddled with a massive debt.

What will this mean? Well at a time when we already have significant housing affordability issues for young people, this additional debt is going to make it even harder for apprentices to enter the housing market. They will put off buying a house. They might also put off starting a family or starting a business, and therefore put off taking on apprentices themselves.

Labor has other significant concerns with this legislation, and the amendments moved by the member for Cunningham serve to address these concerns. First of all, there is significant confusion about how these loans will function. Despite repeated requests in media releases, in question time and in Senate estimates, the minister has still failed to explain in clear language exactly how these loans will work. In the budget papers, it says that apprentices will be charged a concessional interest rate. The minister has been saying the loans are interest-free and that they are indexed by the CPI. The minister is refusing to give clear and concise advice to apprentices. It is so important that, when extending a loan option to young people, a loan that is likely to be their first ever loan, the information provided is clear and accurate, not the mixed messages that we have had from the minister.

Our amendments also address the protection of school based apprentices—children under the age of 18. Indeed, some could be as young as 15 signing up for a school based apprenticeship. The minister has so far failed to explain whether children will require a parent or guardian to supervise the application and undertaking of these loans, who will be explaining the terms and conditions and exactly how he will ensure school based apprentices know that they will be entering into a large debt arrangement. The minister has now confirmed that he is looking to outsource debt management for Trade Support Loans, but again he has failed to explain how he will protect apprentices as young as 15 from ending up in the hands of private debt collectors.

The minister must also explain what steps the government is taking to ensure that young apprentices do not find themselves under pressure from employers to access these loans in order to pay for the costs of the apprenticeship that should be borne by their employers, or to forego wage increases because a loan is available to meet their costs. The potential for abuse and misuse of the scheme is real, but to date the government has failed to give any indication
of what resources, if any, will be directed towards educating and supporting apprentices in such situations.

A $20,000 loan is a serious commitment and not something that anyone, let alone a teenager, should be entering into lightly or without appropriate advice and safeguards. It has now become apparent that these loans will be paid in monthly instalments in arrears, and this also raises some concerns for Labor. Apprentices often have to pay for expensive items such as tools, vehicles, uniforms and fees. Paying apprentices monthly in arrears means loans cannot be used for large expenditure. As apprentices earn a low wage, it is unlikely they will have the savings to pay for these items and therefore they may have to borrow money commercially. So these loans may in fact be used to pay off another, commercial loan. Repaying a loan with a loan is not a habit that I think we want to encourage our young people to adopt. Labor believes that apprentices should be given the opportunity to take their loans as an annual lump sum so that they can pay for the big-ticket items they require and there is no need for them to seek a commercial loan.

It is also important to consider the context in which these loans have been developed. Those opposite have said that these loans demonstrate their support for trades and vocational education, but nothing could further from the truth. The fact is that, in addition to axing the successful Tools For Your Trade program, the Abbott government has also axed the Australian Apprenticeships Access Program, a program that provided prevocational entry to apprenticeships for the most disadvantaged to give them an opportunity to get an apprenticeship; the Australian Apprenticeships Mentoring Program, a great program that provided apprentices with mentors who had experience in the field that the apprentice had enrolled in; the Apprentice to Business Owner Program, which gave some small business training to apprentices post completion of their trade to enable them to go out and operate their own small business—a wonderful venture; and of course, much to my despair, the Abbott government has axed Labor's $1 billion Trade Training Centres program, which allowed high school students to begin learning a trade before they finished high school. It gave them pathways.

Trade Training Centres provide students with a taste of a particular trade before they commit to an apprenticeship, supporting increased completion rates. It also gives students the opportunity to finish year 12, get a certificate I to III, as well as to, say, learn a language—that is, get breadth of experience as well as a trade. These centres were highly successful. They have been incredibly popular in my electorate with teachers, staff and students, and particularly with parents. The fact that the government have axed this program is an absolute outrage. They talk about the skills shortage in Australia, they talk about their commitment to vocational education, they talk about enhancing apprenticeships and trades, and they get rid of these fundamental, vitally important pathways that allow more young Australians to achieve a trade.

It really is inexplicable that a government that says that it is committed to trades would abolish these programs that are specifically designed to properly recruit and prepare apprentices and to offer them and their employers support throughout their apprenticeship. The Apprentice to Business Owner Program gives them the opportunity to understand what small business is all about and gives them a pathway to the next step, in terms of owning their own small business. But that is exactly what the Abbott government is doing with the axing of
all these programs. Providing the right support to people in training to ensure that we have the skills we need for the future is incredibly important. That is why Labor was so committed to providing the depth and breadth of programs—a variety of access points for young Australians to get a trade, get a skill, get on with enhancing the quality of their life and get experience.

There has been a decline in the number of people undertaking apprenticeships in the last few years and it is right that the government does something to address that. However, getting rid of every piece of support provided to apprentices and leaving them no option but to take out a massive loan is not the answer. The provision of optional loans to apprentices is not opposed by Labor. There will be many apprentices who will willingly take advantage of these loans, but there will be others who will reluctantly take out loans because they have no other option. There will be others for whom the thought of entering into such significant debt in order to complete an apprenticeship will deter them from an apprenticeship altogether. The Trade Support Loans should not have come at the expense of the successful Tools For Your Trade program.

I urge the government to support Labor’s amendments as moved by the member for Cunningham. These are sensible amendments that will make this a good policy and it will ensure that all apprentices have access to the support they need. Our apprentices are our future and they deserve nothing less.

Mr CRAIG KELLY (Hughes) (17:06): I rise to speak on the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014. As elected members of parliament, we have the right to come into this place and argue for what we believe in. We have the right to stand up for our constituents and to rally for their cause. We have the right to use anecdotes and stories to build our case and argue our point as strongly as we possibly can. No-one should ever object to that. It is the contest of ideas that makes our parliament work. But what we should never be entitled to do is come into this place and engage in reckless scaremongering when that is likely to have adverse effects on innocent people.

That is what we have seen in the debate on education, trades and learning. We have had that much scaremongering from the opposition that I have received letters from constituents. They have listened to this scaremongering and have written to me. They think that their children’s future has been ruined or their children’s future has been taken away because the coalition has been cutting education, loading them up so children cannot afford to go to university anymore, doing terrible things to the trade courses and stopping them from learning a trade. We know that nothing could be further from the truth. This coalition government is increasing spending on education—eight per cent this year, eight per cent next year and eight per cent the year after.

The scaremongering we have heard that is deterring people from going to university is an absolute disgrace. All of those on that side of the House involved in that scaremongering for political purposes should hang their heads in shame. The message we should be sending to our young people is that today they can get into university without paying one cent upfront. They can take a loan to pay for their university course and the taxpayer will actually pay 50 per cent of the cost of that loan. Yes, they will have that loan to pay off in the future, but—and this is the most important ‘but’—if they are able to get a university degree, they will earn over their lifetime, on average, 75 per cent higher wages than someone who leaves at year 12.
Over their life that will add up to, on average, $1 million more in wages that they will earn. That is the advantage that we give to young school leavers who are thinking about going to university. That is the message that we should be giving them. We should be doing everything we can to encourage them, and that is what the coalition has done.

The policies we are introducing will create 80,000 extra places by 2018. We want to see extra people entering university and doing trade courses because that is what the future of our country needs. Every member of this parliament has an obligation to talk up the opportunities and encourage high school students to do a trade or get a higher education degree or diploma because, although there is a cost, they will be paid back many times over their career.

It is important when the government introduces legislation that it sets out what the problem is that we need to address. We do have a problem in this country with apprenticeships. We have a 50 per cent dropout rate, so 50 per cent of all the young kids who take up a trade and start an apprenticeship will not complete that apprenticeship. That is a significant problem that we need to address. One of the reasons the problem exists is that when someone works for a small business as an apprentice they get a very low wage. That is because when they start that apprenticeship they are not actually adding much value to that business. Of course, down the track they will; as their skills progress they will add more and more.

When they start they are on a training wage. In today's society it is very hard for them to live on such a wage. When apprentices see their mates earning more money than them and having money to go out to clubs and bars and to pay for a car, many people who have started an apprenticeship say: 'It's all too hard. I'm getting paid too low a wage. I'm going to throw the towel in'—and 50 per cent of them do. That is harming not only the country but them as well. The kids I went to school with who went on to do a trade—they became plumbers, carpenters and electricians—are the ones today with the biggest houses, the biggest boats and the best cars. They have all done very well.

We have to encourage them. We need to help those students get over that first hump when they start their apprenticeship and are on a low salary. Once they get set up they are going to have a very prosperous future. That is the message we should be spreading. We should be encouraging them. We should be supporting them in those first years, and that is exactly what these bills do. Previously we had the Tools For Your Trade program, under which we had a 50 per cent dropout rate, that provided apprentices with just $800 for the first three months and $1,000 at 12 months. In comparison, this program provides someone in their first year with an extra $8,000. It is frontloaded to encourage them to get into that course. That helps overcome that first year and as their skills progress they will add more and more.

I want to go back to the scaremongering we have heard. Unfortunately, it has continued in this debate. There is concern about debt. I would like to quote a few comments firstly from the whingeing, whining and carping contributions of other members. The member for Parramatta complained that this will create 'debt as far as the eye can see'. She said: … we see here a government that is prepared to see our young people start their lives with rising debt …

Hello? Where was the member for Parramatta over the last six years when the government she was a member of was running up record debt as far as the eye could see? That debt is actually owed by the people of Australia. We know that the previous government, which the member for Parramatta was a member of, delivered deficits. They went into debt and between
2008-09 and 2012-13 they had a combined deficit of $191 billion. That was all borrowed money. As far as creating debt as far as the eye can see is concerned, if nothing is done over the next 10 years, that debt will grow to $667 billion. So if there are no policy changes, that debt will be inherited by our children and our grandchildren.

Then there is the contribution from the member for Lalor. She is again complaining about debt. She says they will end up leaving school with debt already hanging over their heads. That is exactly right, that is what the previous government has done. Each Australian's share of the debt that they created is today $13,500. That is for every man, woman and child, every pensioner—people that will never have the capacity to earn money to help pay that back. That is what they have done. The member for Lalor also said, 'I am concerned about the younger acquiring these debts.' I would hope that the member for Lalor would stand up and use those same comments and support the government in the plans that we have to try and get the debt and deficit disaster that we have inherited under control.

Then there was the member for Bendigo, again carping and whining about debts. She is saying, 'The government is saying you just cannot get yourself into further debt. That is simply not good enough.' She went on, 'Saying that is fine. You can get yourself into $100,000 worth of debt. It is not good enough.' If nothing is done, the average family of four in this country will owe $100,000. The average family’s share of the nation's debt will be $100,000 and interest repayments on that debt will be $5,000 a year. How in 10 years time is the average family of four going to find $5,000 to pay the interest on the debt? And that is every year. That is the burden that we are putting on our children and grandchildren to pay every single year until they start paying that debt off.

This is an important bill. We need a training system that provides the skills that industry needs and delivers real jobs. That is why we on this side of the House are committed to building a high-quality and nationally consistent Australian apprenticeship system which actually responds to the needs of employers and the economy and supports apprentices. The scheme is all about giving young Australians a hand up, not a handout. There is a big difference. Not only that, the handout that the previous Labor government was giving them was all borrowed money. We want to give a hand up to those young apprentices so that they can actually get started on their trades course, get on the way so that they can have a prosperous future.

The trade support loans that this bill refers to will provide substantial support to eligible apprentices to assist them with the costs of living and learning while undertaking an apprenticeship. The trade support loans of up to $20,000 will be available to apprentices studying in skills needed areas. The trade support loans target occupations on the national skills list such as plumbers, diesel mechanics, electricians and fitters as well as priority areas in horticulture and agriculture. The apprentices will have access to the greatest financial support in the early years when they need it most. They can access $8,000 in their first year, $6,000 in their second year, $4,000 in their third and $2,000 in their fourth. The loans are flexible to meet the needs of each individual. If you do not want to take that loan you do not have to do. For instance, an apprentice can opt in for six months only to buy their tools. They could save up the first year's payments to buy a second-hand vehicle and then opt out of further payments or they can take the full loan to cover their living expenses throughout the years of training. As an incentive to complete their training, apprentices who finish will be
eligible for a 20 per cent discount on their loan, which if they take the full $20,000 is $4,000. It is like $4,000 in their pockets. That is the encouragement we are giving to make sure they get through and complete their course. The loans are interest-free but are indexed to the CPI.

Subject to the passage of this legislation, which we hope will also pass in the other place behind us, apprentices will be able to opt in for trade support loans from 1 July 2014 in line with the year of their apprenticeship. They can opt out of their loan whenever they wish if their needs change. For instance, a second-year apprentice will be eligible for the second, third and fourth year payments if they wish to receive them.

We believe that apprentices, like university students, are capable of managing contingent loans. It is also very important to note that they will not actually have to make any repayments until they have a sustainable income of more than $50,000 a year. My advice to someone who is thinking about getting into a trade is to grab this with both hands, even if you use the money to get yourself up and running, get yourself started. Alternatively, take the government's money, put it in a term deposit, take the 20 per cent credit when you finish your course, and when you have finished your trade and you have got on the ground you can use that money to start your own small business. This is a tremendous incentive for young people to take up an apprenticeship. I fully commend this bill to the House.

Mr CONROY (Charlton) (17:21): Australia has a strong reputation for producing high-quality tradespeople. Apprentices are at the core of our trade workforce and that is why Labor has always supported Australian apprentices, while those on the other side just want to saddle them with debt. Tony Abbott has deceived yet another group of Australians. This time it is young apprentices. Prior to the 2013 election he announced trade support loans, but he did not say a peep—that is right,Mr Deputy Speaker, not a peep—about his plan to axe $1 billion worth of skills programs, including Labor's Tools For Your Trade program. Before the election in 2013 Tony Abbott told us that the coalition would provide 'better support for Australia's apprentices'. Nothing could be further from the truth. Removing the funding that directly pays for the tools that an apprentice requires in their day-to-day work is hardly supportive. The only option apprentices will have is a debt.

This may not seem like a big deal in the Prime Minister's electorate or that of the Treasurer. However, in the electorate that I represent, Charlton, it is a big deal. Almost 25 per cent of those living in the Charlton electorate have a TAFE qualification. Of those aged between 17 and 22, almost 13 per cent are currently enrolled in a TAFE course. So any cut in support for young tradies is a big loss in Charlton.

I would like to share with you Christina's story. Christina is a first-year apprentice hairdresser who works in a salon in Bonnells Bay. She started her apprenticeship in November last year and studies at the Tighes Hill TAFE campus. Christina tells me there is a lot of equipment to buy, from the hairdryers, clippers, scissors and thinners she uses in the salon to her uniform and the books used at TAFE. These expenses add up. Christina was fortunate to receive an $800 reimbursement for these expenses and she acknowledges that it will be hard for those who do not receive this support. She says:

Hairdressing apprentices are on such a low wage as it is, not having the help to buy the equipment you need would make it really hard.

I don't think what the government is doing is the right thing for young people.
If you are like me, and have recently left school, there are other things in your life that you need to be responsible for as well, like your phone bill and living expenses. 

... ... ...

We need help to get started in an apprenticeship, and young people may think twice about doing it if they don't have family support or other financial support. 

Christina's story is similar to that of so many young people in our area. Whilst not every person who undertakes an apprenticeship is a school leaver, it is arguably the most critical time to support young people as they make decisions about their future and embark on a path towards a future career. 

I know that government policy provides pathways and assistance for young people to get an apprenticeship. It is so important. Labor have a proud record of supporting apprentices and we will never waver from that. Australia has a strong reputation for producing high-quality tradespeople. Apprentices are at the core of our workforce and Labor will always support them, while those on the other side will engage in empty rhetoric and will always saddle them with debt. That is their true legacy to Australian apprentices: abolishing effective programs like Tools For Your Trade, saddling them with debt, misleading them before the election about their true support and attacking industries like manufacturing or shipbuilding where they could get a job. This legislation will hurt apprentices not because of what it does but because of what it seeks to replace, the Tools For Your Trade program. I condemn the legislation.

The DEPUTY SPEAKER (Mr Mitchell): Pursuant to the resolution of the House, the time for this debate has expired. I call the parliamentary secretary.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (17:25): I rise to sum up on the Trade Support Loans Bill 2014 and the Trade Support Loans (Consequential Amendments) Bill 2014. I start by addressing the second reading amendment moved by the member for Cunningham and advise that the government will not be supporting that amendment. What I will do now is address each of the points the member for Cunningham raised in the amendment. First, she stated that we needed advise apprentices that we:

... would be abolishing the Tools for Your Trade program, thus leaving the Trade Support Loans as the only form of assistance for the purchase of tools.

Following the Fair Work Commission's decision to increase apprentices wages, with some employers providing tools for their apprentices and most awards including a tool allowance, it was timely to review apprenticeship programs. Any scheduled Tools For Your Trade payments that fall due prior to 1 July 2014 will be paid, subject to the eligibility criteria being met.

On point (2) of the amendment—'adequately explain in clear language the interest rates and the full liability of these loans'—the trade support loan amounts will be indexed to the consumer price index, CPI, from 1 July, 2017. Debts that are to be repaid through the Australian taxation system will be indexed in line with the CPI each year from 1 June 2016 to maintain the real value of the debt. An apprentice may opt out at any time if they no longer wish to receive payments. Repayments commence when a person's income exceeds the minimum repayment income, which is more than $50,000 per annum, in line with the Higher Education Loan Program.
On point (3)—’offer adequate protection for school based apprentices aged under 18’—the Australian apprenticeship centres must take due care in ensuring apprentices are made aware of the obligations and implications of taking on an income contingent loan and the need to repay it. In particular, where the apprentice is under the age of 18, additional information and references to assist apprentices will be provided to assist them to make a decision about taking on such a loan. Supplementary information will also be available for parents and guardians to ensure that they are aware of the requirements and obligations their child may take on. The availability of trade support loans for under 18s is consistent with other educational loans such as the HELP scheme.

On point (4)—’offer fair and reasonable transition arrangements for current practitioners’—the Tools For Your Trade program was intended at inception to support apprentices with the purchase of relevant tools, particularly early in the apprenticeship. Over the years, the focus of the payment has changed from providing tools directly to apprentices early in their training to general support of Australian apprentices. Most of this payment occurs late in the apprenticeship when the need to provide a payment to apprentices is actually at its lowest. We know that apprentices were not always using tool payments for the intended purposes and as payments were untethered there were no controls on the grants program. We know that payments were not always used to pay for things that supported apprentices in their training or their work.

Financial support will be available to apprentices through the trade support loans, which will provide consistent and regular payments to support apprentices with the cost of living, with learning and completing an apprenticeship, and as the apprentice determines it is required. Under trade support loans, payments are targeted where apprentices need them most: early in their apprenticeship. We want to usher in a new age of responsibility, where apprentices carefully consider the need for government support and how it can be best used to help them complete their apprenticeship and contribute to Australia's productive capacity.

On point (5)—’put in place adequate privacy for the large volumes of information that will be acquired through the Trade Support Loans Program’—the Department of Industry and the Australian apprenticeship centres are required to comply with the Privacy Act 1988, which regulates the handling of personal information. The information commissioner has powers to investigate possible interferences with privacy and has a range of enforcement powers and other remedies available. In order to ensure we do not impose unnecessary legislative or other red-tape burdens on employers or apprentices, we have chosen not to replicate existing legislation and other privacy requirements in this bill.

On point (6)—’offer apprentices the option of lump sum payments in order to purchase expensive items’—the government's new trade support loans will provide apprentices with more financial support when they need it most, while using taxpayers' money in a responsible way. The trade support loans will provide substantial support to eligible apprentices to assist them with the cost of living and learning while undertaking an apprenticeship. Under our trade support loans, up to $8,000 is available in the first year, when the apprentice needs it most.

The loans are flexible, to meet the needs of each individual. For instance, an apprentice could opt in for six months only to buy their tools; they could save up the first year's payments to buy a second-hand vehicle, then opt out of further payments; or they could take
the full loan to cover living expenses through the years of their training. The loans will go a long way to supporting the individual with the very real costs of undertaking an apprenticeship. For example, a first-year apprentice on the award wage who takes out a trade support loan could potentially benefit from a 40 per cent boost to their income. A monthly trade loan support payment in the first year will go some way to covering a year of registration for a vehicle to help apprentices get to and from their workplaces and training.

In summing up the bill, the Trade Support Loans Bill 2014 gives effect to the government's 2013 election commitment to better support Australian apprentices through the introduction of the Trade Support Loans program. The Trade Support Loans initiative is a major skills initiative from the government and it signals a targeted approach to investing in key trades where the skill shortages exist. We need to ensure we are achieving the best value for money in our skills expenditure. Trade support loans will provide a stronger incentive for young Australians to take up the opportunity that an Australian apprenticeship offers. The program targets high-priority trade occupations such as carpentry and electrical trades and will be available to Australian apprentices undertaking certificate III or IV level qualifications leading to these trades.

There are currently around 149,000 apprentices in training in high-priority qualifications and a further 70,000 commencing each year. While the number of new apprentices has steadily increased over the last decade, only about one-half complete their training. Let me repeat that: only about one-half complete their training. This puts at risk the supply of trade qualified workers to the Australian economy, leading to production restraints, skills shortages and increased wages pressures. The loans scheme will provide support for apprentices to complete their skills training through access to interest-free loans of up to $20,000 over four years, to help with everyday costs during apprenticeships. To encourage those who start an apprenticeship to actually finish it, the program offers a further incentive of a 20 per cent discount on the amount borrowed for apprentices who successfully complete their trade. So, for every $500 borrowed by an apprentice under the initiative, they will receive back $100 on successful completion of that apprenticeship.

Australia's future productivity and competitiveness will depend on a skilled workforce. This bill sets in place the first step of this government's agenda for increasing our skilled workforce. We will ensure Australia has a workforce that is highly skilled, highly trained and capable of fulfilling the changing needs of a modern Australian economy. I am particularly interested in securing the capacity of the vocational education and training system to deliver high-quality training outcomes, and this program represents a major foundation stone through supporting Australian apprenticeships.

Through this debate, there have been many statements made by members opposite and the time to rebut some of those has come. The member for Richmond said she was concerned about putting debt onto young apprentices. I say to her: it was her government that was happy to introduce the HELP debts and continue to support loading up young people going to university. Is she saying that apprentices are not capable of managing their income contingent loans like their university peers? Clearly, Labor does not trust our young apprentices or give them the credit or the smarts that they deserve. With regard to concerns about saddling kids with huge debt, it is their choice as to how much they actually borrow, and that amount could be less than a few thousand dollars. Many, many will choose to opt in to the loan once, bank
their money and draw on it as they need. While apprentices can access up to $20,000, they are under no obligation to borrow any more than they actually need. This is not a one size fits all approach and, unlike Labor's cash splash, our trade loans will require accountability and responsibility from the individual apprentice.

The member for Blair himself said that an apprentice wrote to him saying he was expecting to use his tool money for bills. Last time I checked, bills actually were not a tool for the trade—they were not when I was an apprentice. I do not for a moment suggest that apprentices do not need assistance with living and learning expenses, but, due to the debt and deficit disaster, taxpayers can no longer afford to cover such costs. The loan they receive is a helping hand from the taxpayer, who is then repaid for their support once an apprentice earns a sustainable income in excess of $50,000 per annum.

Members opposite might also be interested to hear that we too have received emails from apprentices about their payments being removed. One in particular that comes to mind was from a young lady who was upset that she was no longer able to go on a holiday with her tool money. I would like to say that this was a one-off, but, unfortunately, this type of story is far too common from apprenticeship centres and employers.

Despite information online and through apprenticeship centres explaining the loans and the indexation annually, the members opposite are still confused about how much interest the loans will attract. I do not know how many times we need to say that these loans are indexed with CPI to maintain their real value but do not attract any commercial interest like a bank loan would. Let me restate that: they do not attract any commercial interest like a bank loan would. If they bothered to do a Google search or have a look at the Apprenticeships website, they would have found this information all too easily.

The member for Lalor wonders what happens if an apprentice drops out of their trade training and is left with a debt. It is money that they chose to spend and it will need to be repaid. This is the same as for a university student, who repays their HELP loan regardless of whether they graduate. The suggestion that debt collectors will be knocking on their doors is just more scaremongering from those opposite. No repayments are made until the person is earning a substantial income in excess of $50,000 per annum.

The member for Lalor also misled the House when she said that the government cut the Youth Connections program. I say this: if Labor had thought the program was so valuable, then they should have budgeted for the program into the future years rather than letting the program's funding lapse in June this year. Members have demanded evidence on tool money being misspent. I say: get out into your community and talk to the local employers, talk to the apprenticeship centres who are complaining about apprentices turning up to work without tools, or chat with the apprenticeship centre who fields the calls from apprentices chasing tool payments just ahead of Christmas and New Year holidays.

The member for Melbourne is still banging on about the 34 years for a carpenter to repay his loan. Again, it is more complete and utter rubbish. We have done the estimates based on the facts, not a Greens' made-up interest rate. The average full loan amount with the discount will be repaid within eight years of an apprentice graduating. This is, of course, assuming that they have taken the full loan amount. Again, I remind the House that apprentices will be encouraged to borrow the amount that they need, which in many cases will actually be less than the $20,000.
The member for Parramatta went to great lengths to talk about apprentices' needs for lump sum payments—or, to quote her accurately, 'lumpy' payments. Under the loan scheme, by the three-month mark an apprentice would have received two payments totalling more than $1,300 and, by the end of the first year, up to $8,000. This is $500 more than the first tool payment and $6,200 more after just one year—and that is a lot of knives. The member for Parramatta then went on to claim it is a big ask for young people to save monthly payments. I say to this: we have more faith in the apprentices. If they are responsible enough to juggle work and training, they are capable of saving for their loans.

In conclusion, I want to thank all government members for their contribution to what has been, no doubt, a superior scheme than Tools For Your Trade. It is designed to deliver outcomes in completions, and, as such, a skilled future for our nation. I commend the original bill to the House.

**The DEPUTY SPEAKER (Mr Broadbent):** The original question was that these bills be now read a second time. To this the honourable member for Cunningham has moved as an amendment to the Trade Support Loans Bill 2014 that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the amendment be agreed to.

Question negatived.

Original question agreed to.

Bills read a second time.

Message from the Governor-General recommending appropriation announced.

**Consideration in Detail**

Bills—by leave—taken as a whole.

**Ms BIRD (Cunningham) (17:41):** I thank the parliamentary secretary for his summing up. I think it is fair to say that there are two arguments going on here which are clashing and, I hope, not consuming the importance of the concerns that we raise in our second reading amendment. I am keen to give the parliamentary secretary the opportunity in this part of the debate to give some clarity around the matters that we were seeking to deal with in the second reading amendment.

The government's proposal for trade support loans is not something that this side of the House opposes. It is not the provision of the loan in and of itself that causes us a problem. There are some things we would seriously like the government to think about, because you cannot equate these trade support loans directly with the HECS-HELP scheme, because they are going to be provided to school-based apprentices. I think, genuinely, those opposite, as parents, would understand the concern that members of the community are raising about credit being offered to school-aged apprentices.

In the interests of making this work in the way that I am assuming the government wants it to, and as part of those amendments on the second reading, I would like to give the opportunity to the parliamentary secretary to put on the record some assurance to this House—and, therefore, to apprentices, their families and carers more broadly—that an extra level of diligence will be applied to the work that is done in making this option available to school-based apprentices. Parents have contacted us saying that the first they knew about this was when the apprenticeship centre sent a letter to their apprentice—the young person in
their family—saying that the Tools For Your Trade program was no longer proceeding but they now had access to a loan.

Anybody on that side of the House, like myself and many of my colleagues, who had a son or daughter in year 11 or 12 would be very concerned about a government letter coming to them saying that they can access credit. And you would expect that that would be managed at a much higher level of diligence than might be the case when young people are enrolling at university and signing up for HECS-HELP arrangements. That is what the nature of those concerns go to.

I really would ask the government to understand that we are not opposing the loans. We have not, by voting, opposed the bills. But we seriously do want the government to put extra thought into the diligence that is required in these circumstances.

The parliamentary secretary made the point that indexation will be applied. He will excuse us for being a bit confused because the budget paper actually uses the term 'concessional interest rate'; it does not say 'indexation'. It is important that we get that clarified and on the record. The parliamentary secretary has indicated that it will be CPI indexation, but he further went on to say, 'as happens with the HECS-HELP'. The HECS-HELP rules changed after people had signed up to them, and I think it would be good to make some guarantees to apprentices—particularly young people in school based apprenticeships—at the time they are signing up to these, that those rules will not change for them over the lifetime of that loan.

The other thing I would put to the parliamentary secretary is that there are a lot of indications that the good thing about the loans is that they will provide the opportunity for apprentices to buy, for example, a ute. One of my colleagues had an example of an apprentice who does 1,200 kilometres a week. It would seem a sensible and worthwhile thing for that apprentice to buy a ute. An apprentice may have to relocate to take up their apprenticeship, put down a bond and get some furniture for a new place. That is where I think something like the Trade Support Loans scheme would be a good initiative and something they could use. But if you are paying it monthly in arrears you are actually defeating the purpose of it.

Many of the government's own members gave those sorts of examples. The submitters to the Senate legislative inquiry put exactly the same sorts of examples. So, one of our amendments was to suggest that the government look at an alternative way of paying the loan, which would allow young people to get what is available in the first year, up front. So they could go and buy a ute or they could relocate. I hope the government sees those amendments as proposals that are quite constructive. They are actually about achieving the outcomes that have been described by those opposite.

There were some issues around the parliamentary secretary's comments about the trade support loans providing the money when it is needed most. I suggest that a more flexible way of payment would be a better option to provide the money when it is needed most. (Extension of time granted)

The parliamentary secretary has made the point, over and over again, that the Tools For Your Trade was not spent on what it was intended for. Examples were given of people wanting to go on holidays or to pay for parties, tattoos, or mag wheels. You are now offering them credit to do those things instead of a payment. (Time expired)
Mr PITT (Hinkler) (17:47): I thank the parliamentary secretary for this opportunity. As a former electrician—and a currently qualified tradesperson—and a person who used to own and operate a registered training organisation in the VET sector, I wholeheartedly support the Trade Support Loans Bill.

I would like to give some practical examples of what it is like to be an apprentice. An apprentice is someone who does not earn a great deal of money and who has to get to the end of four years. It is relatively difficult. Some time has passed since I was an apprentice. Back in the days when I first started, they had this wonderful thing, which I did not know existed, which was a nine-day fortnight. On the four-day week you would get a day's less pay than on a five-day week. And as a first-year apprentice that meant $60 week for me and up to about $78 on a long week. Fortunately, many apprentices—including me—still lived at home. My mother suggested that I pay board of $20 a week. I thought that was reasonable contribution. That left $20 for fuel and a little bit left over if I wanted to go and have a look around on the weekend.

When I got to second year my pay rose and my board moved proportionally, which was a little bit of a shock to me as a second-year apprentice. However, it really did not hurt me. It was a great opportunity. Today, young people still find it financially difficult to undertake a trade. The award wage for a first-year apprentice is currently 55 per cent of the fully-qualified rate. We must recognise the significant contribution that trades workers make to economic growth in Australia.

The purpose of this bill—and a lot of the points in this debate reflect this—is about balance. We do not need a nation of university graduates. I am a university graduate. It was a wonderful opportunity and it has certainly been helpful in terms of my career and other opportunities but I would have been quite happy to be an electrician. Certainly, we need more tradespeople. We need balance in our workforce and we need skilled tradespeople to do the work which is coming up in the next few years, particularly with the infrastructure Prime Minister's plans.

So, from 1 July the coalition will provide an estimated $1.9 billion in loans over the next four years to people who are undertaking a priority trade. I will tell you why it is important. There is an organisation in my electorate called Geoff Hall Projects. Geoff started off as a single tradesperson and he built a business over many years, starting in the mid-eighties. He is a gentleman I know well. Like all contracting businesses, Geoff has had his ups and downs, and he has certainly had some challenges. But in the time between 1986 and now he has trained 39 electrical tradespeople in his small to medium enterprise. And he provided other opportunities such as cabinetmaking and those sorts of things.

Geoff rang me a few weeks ago and he was devastated. He said, basically, that he will not train another apprentice—it is as simple as that—because there is far too much red and green tape. It is just too difficult. The rates are so hard that it is difficult for them to be competitive. He was very disappointed that he has now lost something that has endured for so long. I think it is fantastic that he has trained 39 tradespeople in his small to medium enterprise in regional Queensland.

And he is not alone. I have spoken to a number of other local small businesses—they have one or two employees—who would usually train one apprentice every four years. They will not continue to do that. So we need to make these changes. It is important that we make
apprenticeships financially viable so that apprentices get through to the end of their time, because we are losing 50 per cent of people who start their journey on an apprenticeship. Fifty per cent do not complete. That is simply not acceptable to me.

It is important that people taking out a trade support loan have choice. That is important because each trade is different. Compare a gyprocker to someone who is a diesel fitter, for example. A diesel fitter needs tens of thousands of dollars worth of tools to be effective. If, for example, they are going to work in the mining industry at the end of their apprenticeships they will need that equipment. This is an opportunity for those people to build up their tools over a period of four years at a very competitive rate. It is only going to increase with CPI. Once again, if I could go back to being a younger, smarter self and I had this opportunity, I would say take the money because it is a great opportunity. To be able to kit yourself out—to be ready for the end of your time—is a wonderful opportunity that is being provided by the taxpayer. We should not forget that it is being provided by the taxpayer. As a young apprentice, quite simply I had to borrow those tools. As anyone in this room who knows tradespeople knows, they will tell you they are the things that are almost as precious to them as their children. So I thank the people I used to work with; it was great that they gave me the opportunity.

This bill is important for Australian training. It is important for Australian apprentices and it is one I wholeheartedly support.

Mr THISTLETHWAITE (Kingsford Smith) (17:52): I wish to inform the House of an email I received from a local tradesperson on 19 May this year. It reads:

I am a small electrical contractor from Maroubra. I employ a number of electricians and apprentices and just received this attached email from an organisation who provide training for some of my electricians to get their qualifications upskilled, to be ready for the NBN. Seems Mr Abbott is changing the Tools For Your Trade scheme. I am not sure if this will affect my apprentice electricians as well, as they rely on the yearly grants to keep their tools up to scratch as they progress through their training, but it will definitely affect the guys doing the NBN training and may make them reconsider completing the course. This will result in our company not being able to claim the finalising grant, and considering this year I will have outlaid over 40 grand in training fees to a private provider and TAFE New South Wales, this may actually be the straw that breaks the camel's back. If I somehow survive this blatant backflip (broken promise) from the government, I believe it will result in some of the apprentices dropping out of the trade at a time when we need to get more tradespeople training, not less.

That is the view of a local electrical tradesperson in Maroubra of what this government is doing to trade and apprenticeship support in this country.

As the shadow minister has pointed out, prior to the 2013 election Tony Abbott announced the Trade Support Loans scheme—but what he did not tell apprentices was that they were going to scrap Labor's $1 billion Tools For Your Trade apprenticeship program, which provides up to $5,500 support for apprentices to keep their tools up to date.

This means that what was an optional loan, available in addition to the Tools For Your Trade payment, is now the only financial support offered to apprentices. As the tradesperson I just mentioned points out in that email, this may be the straw that breaks the camel's back for many apprentices. It will discourage them from continuing with their training. We have heard from many speakers in this debate of the huge costs associated with tools and equipment. They will now be left with the only form of assistance in subsidising those costs being through debt or credit—through taking out a loan—rather than through the government's
program, Tools For Your Trade. Many apprentices who have already commenced their trade will now have the payments they were expecting to receive cancelled. This could mean up to $3,700 in future payments for a first-year apprentice has been lost. It all makes it harder for apprentices. That is the nub of what is occurring here: the government is making it harder for apprentices to get training, to complete that training and to gain an apprenticeship.

We have seen the cancellation of the trade training centres program in schools, which provided a pathway from school education into a trade. It provided that important encouragement. The taste of what it is like to be a tradesperson that was provided at schools is being cut by this government.

Labor in government did all it could to support apprenticeships and training. We supported around 21,000 building, construction and engineering apprenticeships through the Apprentice Kickstart Bonus initiative, a $57.5 million program which operated until April 2013 and which tripled incentives, in the first year, for employers to take on apprentices. There was $101 million for the mentoring of up to 10,000 apprentices a year and to support their progress through apprenticeships. We invested $53 million in Accelerated Australian Apprenticeships, which meant that apprentices were qualified once they could do their job, not just after a set period. We sought to invest in experience, skills recognition and training by providing up to $4,000 to help mature-age people gain an apprenticeship, and provided $19.5 million over four years for business skills training and mentoring support for individuals who wanted to start a business within two years of completing a trade related apprenticeship.

That is Labor's legacy. Labor was doing all it could to support training and encourage people to take up apprenticeships. This loans scheme and the cuts that are being made to vocational education and training simply make it harder for apprentices to complete their training. That is not in the interests of Australia or our economy. (Time expired)

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (17:58): I will summarise some of the arguments put forward by members who have contributed to the consideration in detail. I absolutely refute the argument just put by the member for Kingsford Smith that these Trade Support Loans will stop people commencing or completing apprenticeships.

The reason we have gone down this path is to increase apprenticeship completion rates. When we have a situation in some trades where two out of three apprentices are not completing—quite often, one out of two is not completing—their apprenticeships, the issue needs to be addressed.

It would be a wonderful world where the government had plenty of money and could just keep giving it away without worrying about outcomes. The reality is we have to wake up to the current situation. We have a decreasing number of young people completing apprenticeships, particularly in trades we require for our skills based future.

The member for Cunningham, during consideration in detail, asked: 'What advice will be provided to young people under 18?' I said in the summing up that the apprenticeship centres will be providing information and increased summary information to the parents and guardians of people under 18. There are people today under the age of 18 who are accessing the HELP scheme. They sign up, and there is no detailed information for them. Yet the
In relation to the comment about providing the lump sum money when people require it the most, the whole scheme is designed around providing what, in some references, is through-life support during the apprenticeship. In the first year, $8,000 will be provided in 12 payments, monthly in arrears, of $666.67 per month. Under the previous scheme, there were five lump sums: $800 at three months, $1,000 at 12 months, $1,000 at year 2, $1,200 at year 3 and $1,500 at year 4 on successful completion. We will move to a system where, in year 1, $8,000 is received; in year 2, $6,000 is received; in year 3, $4,000 is received; and in year 4, $2,000 is received, with a $4,000 discount on successful completion of the apprenticeship.

Many speakers in this debate, and out there in 'real land', say that the problem is that the cost of living and the wages paid in apprenticeships make it very difficult for apprentices to stay in the game. The whole idea of this is to provide support on a needs basis to the individual, who can opt in every six months to receive payments to top up their income, to buy tools or to provide support with costs of living. It is about making sure that those on the lower incomes are provided with the support that they individually require.

One of the other points that was raised by the member for Cunningham was in relation to indexation. She asked whether the rules could be changed like the HELP scheme. I say to her: the legislation that was drafted for the HELP scheme was legislation drafted by the former Labor government. This legislation is along the same strain. We have put into the legislation that the loans can only be increased by the CPI, but a future government can change it. It is simple legislation; it is not doubly-entrenched legislation.

**The DEPUTY SPEAKER (Mr Broadbent):** Order! In accordance with the resolution, the time for consideration in detail has expired.

Bills agreed to.

**Third Reading**

**The DEPUTY SPEAKER (Mr Broadbent) (18:02):** The question is that these bills be now read a third time

Question agreed to.

Bills read a third time.

**Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014**

**Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014**

**Second Reading**

Cognate debate.

Debate resumed on the motion:

That these bills be now read a second time.

**Ms MACKLIN (Jagajaga) (18:03):** I am very pleased to be able to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and
Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. Between them, these two bills contain many of the harshest measures in this year's budget, and, indeed, some of the harshest measures to ever come before this Australian parliament. These bills are full of the Prime Minister's broken promises, cruel cuts and unfair increases in the cost of living. The bills seek to destroy the fundamental pillars of the Australian way of life. They seek to savagely cut support for ordinary working Australian families and will push hundreds of thousands of vulnerable people into poverty.

The bills represent a cruel betrayal of Australia's 3.2 million pensioners, who were promised by the Prime Minister before the election that there would be no changes to their pensions. The cuts to pensions in these bills will see the living standards of age pensioners, disability support pensioners, veterans and carers dramatically decline. The bills deliver a blow to all of our older Australians—self-funded retirees as well as pensioners. Hundreds of thousands of senior Australians who have worked hard all their lives and diligently put their money away for a secure retirement will have their payments callously cut.

The bills are disastrous for all Australians who believe in a fair, tolerant and compassionate Australia. They seek to write into law this government's plans for a colder, nastier and fundamentally unfair Australia. Australians know the truth—that the measures in these bills are unfair and undeniable broken promises. Over the last 100 years, a social contract in this country has taken shape. It is based on the pillars of the Australian way of life: access to universal health care and education, a fair and secure pension system, support for people who cannot work due to disability or caring responsibilities and support that helps people get into work. It took more than a century to get to where we are today, and successive Labor governments have led the way in strengthening these pillars over the years, making it fairer and more inclusive for all.

Australians are rightly proud of our smart, fair and uniquely Australian approach. Shamefully, not only do the measures in these bills throw out the government's responsibility to maintain and further strengthen these pillars of the Australian way of life, they also go out of their way to tear these pillars down. Of course, the government's best attempts to come up with a rationale for the harsh measures in these bill are based on a complete fallacy; a fabricated sense of crisis.

Australia's economy is strong. Our economic situation is certainly not the crisis that the government has done their best to make it out to be. We have low inflation, low interest rates, a net debt well below comparable countries and a AAA credit rating from all three credit rating agencies, and since the election all we have heard from this government is false claims that Australia's spending on welfare is out of control. We have heard senior government ministers cry that Australia is on a path to countries like Greece and Spain. These claims are just not true.

Just last week the Treasurer's budget credibility was totally destroyed by analysis from the Melbourne Institute using the Household Income and Labour Dynamics in Australia survey—otherwise known as HILDA. This data showed that Australians have dramatically reduced their dependence on welfare in recent times. In 2001 23 per cent of working age people in Australia received a welfare payment each week. In 2011 that had dropped to 18½ per cent. Across the OECD we spend less on welfare than any other country except Iceland.
None of this is to say that we cannot do things better, but it does confirm that the government's whole platform is based entirely on a mistruth. The government and the Treasurer are not ending the age of entitlement; they are ushering in an age of hypocrisy. The Prime Minister wants to pay $50,000 to wealthy women to take six months off work to have a baby with his $22 billion unfair and unaffordable paid parental leave scheme. What an appalling example of this government's twisted priorities.

These bills contain around 30 different budget measures including some of the cruellest attacks on Australia's basic fairness that this parliament has ever seen: cuts to the pension, cuts to low- and middle-income families, forcing young people to live for six months at a time without any support at all. Disgracefully, the government has gagged debate on these bills in the House today. There are just three hours to debate some of the most savage cuts in our nation's history and some 30 individual measures. The Prime Minister wants to see this legislation rammed through this House tonight, and I have to emphasise that it is an absolute affront to the parliament and to the Australian people.

The Treasurer had the gall to remark in this House last week that the Abbott government was the best friend that pensioners have ever had. I have to say pensioners are not fooled. They know that they have been betrayed. The changes to pension indexation arrangements in these bills are a cut. They are a very direct cut to the living standards of Australia's 3.2 million pensioners. The pension is benchmarked to wages for a reason: so the pensioner standard of living keeps pace with the standard of living of the working population more broadly. John Howard knew that; that is why he legislated it. Indeed, the current minister explained to this House in 2011 how the wages benchmark 'enabled pensioners to keep ahead of cost-of-living increases'.

According to the Australian Council of Social Services, pensioners will be $80 a week worse off within a decade because of these changes. That is what everybody on that side of the House has to face up to. It is your responsibility. Everyone in the Liberal and National parties will have to face pensioners in their electorates and tell them that they are supporting legislation that will see pensioners in their electorates $80 worse off within 10 years. This is a cut in anybody's language and as big a broken promise as you can get.

The bills also seek to increase the pension age to 70. It is clear that the Prime Minister's only plan for older Australians is to make them work longer and retire with less. How else would you explain the decision of the government to abolish the low-income super contribution, a measure that reduces the tax burden for 3.6 million Australians who earn $37,000 or less a year, two-thirds of whom are women? How else would you explain the government's decision to further delay the increase in superannuation from nine to 12 per cent and at the same time reverse the proposed changes at the top to tax earnings over $100,000. Measures in this budget will see more people reliant on the pension in the future.

And it is not just pensioners who are bearing the brunt of this government's budget. Self-funded retirees have been betrayed in this budget too. These bills include a cut of $1.1 billion to older Australians through the abolition of the seniors supplement. The seniors supplement is an annual payment of $876 to people who receive the Commonwealth seniors health card. At the same time as they do this, the government is cutting $1.3 billion in concessions for both pensioners and Commonwealth seniors health card holders that goes to help pay for electricity and water bills, rates and public transport fares. It is a double whammy for
pensioners and for those seniors who are on the Commonwealth seniors health card. The government is cutting every single cent of that money that the Commonwealth puts towards concessions that these seniors get for things like their electricity and water bills, not to mention hitting older Australians with a new GP tax and the higher cost of medicines.

I remind everyone that before the election the Prime Minister said there would be no changes to pensions. The Prime Minister was not being truthful with pensioners before the election and he is not being truthful with pensioners now. Of course, the Liberal Party has long thought of itself as the party that represents the views of seniors and self-funded retirees, but my office has been inundated with messages from angry seniors who feel betrayed by the Abbott government. The measures in this government’s first budget that hurt seniors are printed in black and white in these bills that we are debating tonight.

They are sneaky measures that have provoked such anger amongst seniors across the country and have exposed the fundamental dishonesty that lies at the heart of this government. But, of course, seniors are smarter than that. This Prime Minister says one thing to seniors before an election campaign and then rips money from their pockets straight after the election. This just demonstrates that seniors cannot trust this government. Labor will oppose these cuts because we believe in fairness. These bills are an unprecedented attack on our pensioners and seniors and will hit them hard.

I want to foreshadow amendments that I will move to these bills to remove the following from the legislation: cuts to pensions through the indexation changes; increasing the pension age to 70; abolishing the seniors supplement; the resetting of the social security and veterans’ entitlements income deeming thresholds, effectively another cut; cessation of the pensioner education supplement; the removal of the three-month backdating of the disability pension under the Veterans’ Entitlements Act 1986; and the pause to indexation in the income-free test areas for all pensioners. These are the measures that Labor will oppose in this legislation.

There are some measures that we will not oppose. The bill includes a measure to include income from superannuation in the assessment of the Commonwealth Seniors Health Card. We will not oppose this measure. We are committed to making sure that our payments system remains one of the fairest and most targeted in the world.

The bills are also a full-scale attack on the cost of living of Australian families, who will have their family benefits and parenting payments slashed at the same time as they are hit with the new GP tax and a new fuel tax. Make no mistake, there is $7½ billion in cuts to family payments. What that means in plain language for families is $7½ billion out of the pockets of families. In each and every one of the Liberal and National Party members electorates, this is money you are taking directly out of the pockets of families. These bills will put more pressure on the budgets of millions of families, and millions of people in those families will be very, very hard hit.

Recent expert analysis from the independent modelling agency NATSEM has put to shame the government’s claims that the burden of this budget is shared by everyone. Overwhelmingly analysis has demonstrated that those on the lowest incomes are hit the hardest while those at the top are spared. NATSEM found that around 1.2 million families will be, on average, $3,000 a year worse off by 2017-18. Just think about that. That is what you will be doing to average families over the next two to three years. In contrast, the top 20 per cent of households will have either no impact or a negligible positive impact.
The bills seek to freeze the payment rates for family tax benefits. They seek to freeze the low-income-free area for family tax benefits, including the low-income-free area for those who receive the maximum rate of family tax benefit A—people who earn only up to $48,837 a year. They are low-income families. According to the Department of Social Services, a freeze to the low-income-free area—so, just this one measure amongst the many, many measures in this bill—for family tax benefit A alone will see 370,000 families around $750 a year worse off in 2016-17. That is one measure in this bill.

It comes at the same time that the Prime Minister is trying to abolish the schoolkids bonus, with eligible families losing $410 a year for primary-age children and $820 a year for every secondary-age child. Of course, if the government gets their way, in the next fortnight the schoolkids bonus will be paid to families for the last time. So families will be starting to feel the pain of the Abbott government very, very soon.

As a result of the budget, including measures in these bills, a single income family—a couple family on $65,000 with two school-age children—will be around $6,000 worse off each year, not just once, each year, after 2016. That is $6,000 for a family on $65,000 a year—not what you would call by any stretch of the imagination a wealthy family. This government is going to take $6,000 out of the pockets of those families. That is around 10 per cent of their entire family budget. How could that be fair?

But the government is so arrogant and out of touch it just doesn't seem to care that millions of Australians will be worse off because of these savage cuts. The budget is incredibly short-sighted. Because of these bills single parent families are faced with a huge disincentive to work. The bills create a new single parent supplement which single parents will get when they are kicked off family tax benefit B when their youngest child turns six, another measure in these bills. This measure actively discourages single parents from working. Once a single parent earns just one dollar more than $48,000 a year they will lose this supplement. These families will face an effective marginal tax rate of around 80 per cent for every dollar that they earn above $48,000, taking home just 20c in each of those dollars. This is analysis also done by NATSEM. As NATSEM describes it, this is 'a sudden-death drop' and obviously it is going to have a disastrous effect on the participation of families in those income brackets.

Unsurprisingly, we have heard quite a bit of dissent from some members opposite, especially in the Senate. National Party members and senators have been pretty noisy lately, but I have to say that I would have thought they would be protesting much, much more loudly, because many, many of these low- and single-income families are going to be hit the hardest in this budget. They live in country and regional Australia, and they deserve better than the representation that they are getting at the moment.

The Department of Social Services revealed at a recent Senate estimates hearing that around 700,000 families will lose their family tax benefit part B if the government gets its way and kicks families off the payment when their youngest child turns six. By contrast, Labor will stand up for these low- and middle-income families who will be so savagely hit by the cuts in this legislation. We will oppose the cruellest measures before us today.

I foreshadow the amendments that I will move in consideration in detail that reflect the following: Labor will oppose the indexing of parenting payment single by CPI alone. The government is removing the wages benchmark. Labor will oppose the government's move to freeze the rates for family tax benefits. Labor will oppose revising the family tax benefit end-
of-year supplements to their original values and ceasing indexation. Labor will oppose limiting family tax benefit part B to families with children under the age of six and the new allowance which fails to compensate for this measure. Labor will oppose freezes to the income-free areas for family payments. There are some measures which will Labor will not oppose. We will not oppose the measure to tighten the means testing for family tax benefit part B from $150,000 to $100,000.

Labor believe in a targeted family payment system, where government support goes to those who need it the most. That is why we have always supported means testing, especially in our family payment system and in our age pension system. Of course, it was Labor that introduced means testing for the private health insurance rebate, which was vehemently opposed by those opposite. We also introduced means testing for family tax benefit part B. In our first budget in government, we introduced means testing for family tax benefit part B for the first time. We were accused by members opposite of committing class warfare for introducing a means test at all. We were accused of saying that people earning $150,000 a year were rich. Yet now, in an act of pure hypocrisy, we see this Liberal Government—led by a Prime Minister, a man who devoted an entire chapter of his book to the evils of means testing—reducing the primary earner income limit for family tax benefit part B to $100,000. Perhaps, if you go back to what they accused us of in the past, the Prime Minister believes that families with an income of $100,000 are the new rich. We do not believe that. That is not the case at all. But we will not stand in the way of this measure because, as I said, we do believe in targeting family tax benefit payments.

We will not move an amendment to remove this item from the bill. But I do want to say to the government that this is a very unsophisticated way of going about it. We would not have designed this measure in this way. We do believe it would have been more sensible to have a gradual taper to cushion the hard edge that will be created by the government's policy. We would have thought it would have been more beneficial if there were a more sophisticated design. But as I said, we will not obstruct for the sake of it. If the government were to come back with a more sensible approach, we would certainly be prepared to have a look at it. We want to operate on the basic test of fairness.

Perhaps the cruellest measure in these bills is the Prime Minister's brutal attack on young job seekers. Measures in these bills will mean young people under the age of 30 who are looking for a job will be forced to wait six months before receiving any income support. In some cases, they could be much longer without any income support. The government is saying to these young people who lose their jobs or who cannot find a job, 'You are on your own.' If a young person has not found a job after six months without income support, a measure in these bills will require them to take part in a Work for the Dole scheme. If they have still not found a job after six months on Work for the Dole, then they will lose their payments for a further six months. These bills have the potential to confine young people to an endless cycle of periods without any income support at all. Make no mistake about this at all. If this is passed in its current form, these bills will see many young job seekers pushed into poverty, into crisis and into homelessness. In fact, the budget apparently includes extra money for emergency assistance that the government believes will be required as a result of the measures in these bills. Once again, the Department of Social Services has admitted that
they anticipate around 500,000 new claims for emergency assistance as a result of this measure alone.

Imagine a government which takes a decision which it knows will push people into poverty. That is what this government has done. We will oppose this mean and nasty attack on Australia's young people. We will also oppose the government's plans to push young people under 25 off Newstart onto the lower youth allowance, both of which are in these bills today. This is a cut of around $48 a week, around $2,500 a year, from some of the lowest-income people in the country. We will not support such punitive measures. How on earth does the Prime Minister think that these young people are going to find work if they have absolutely nothing to live on?

Let us be very clear about the meaning of these measures that affect young people. They represent an abandonment of young people by this government. They reflect the gross unfairness at the heart of this government's budget. To put this unfairness into some perspective, a 24-year-old living independently on Newstart will be slapped with an almost 20 per cent cut in their support, while someone on $200,000 will pay $400, a meagre 0.2 per cent reduction in their income. Prime Minister, how can this be seen to be fair? Australians know it is not fair. The Prime Minister has made clear in this legislation that he is happy to see vulnerable low-income earners, and in particular young people, do the heavy lifting in this budget. By contrast, Labor understands the importance of giving young people a hand up to find work, not cruelly telling young Australians: 'You're on your own.' Labor will stand up for young people by opposing these measures.

Once again I foreshadow that I will move amendments to remove the following sections of the bills. We will oppose: extending the ordinary waiting period for working-age payments; the cessation of the Education Entry Payment; moving people under 25 years from Newstart onto Youth Allowance; forcing young people under 30 to wait six months without any support at all; pausing indexation for the low-income-free area for student payments, including the student income bank limits; and pausing indexation of income-free areas for all working-age allowances.

The bills include changes to the Disability Support Pension. I have already indicated our opposition to pension changes, so I will not touch on those again. The bills include a measure to review the eligibility of the Disability Support Pension for those under 35 years of age. We will not seek to remove these measures from the bills today, but we will seek to get more information about them in the forthcoming Senate inquiry.

There are very serious matters in these bills. If the government refuses to agree to Labor's amendments, which would remove the harshest measures from these bills, Labor will oppose the legislation in its entirety. I will move these amendments because Labor will never stop fighting for what is right and fair for all Australians.

Mr BROAD (Mallee) (18:32): As you may have already observed, very rarely do I put my name on the list to speak on something, unless it is something I can add value to in the debate—things I can try to defend and talk about. This is a fairly significant piece of legislation that we are talking about here today. It has some major challenges and I have listened for the last half hour about what some of those challenges are. But I have a strong belief in the future. Australians work hard and I think Australians understand that sometimes we have to make difficult choices in order to put our country back on sound footing.
I have a strong belief in the common sense of Australians and I think that will ultimately lead us through. But what we have right across Australia are victims of bad financial management. We have had a very difficult number of years where the country, in my opinion, has not been run well. We have moved private debt into public debt, and now the day of reckoning is upon us and we have to address that debt and make some changes. We cannot do that without tackling some of our social security measures. Social security is a third of our total budget, after all. If we are going to address the future and set ourselves up for prosperity, we have to make some reforms. The reforms in the legislation before the House are difficult reforms. We do not make light of those reforms and we do not joke about those reforms, but, frankly, we have not been elected to this place to turn up and be the people who throw away money and want to be everyone's heroes. We have been elected to make difficult decisions. What defines us as human beings is how we make those difficult decisions and how we head forward. Many of those decisions will affect people in my electorate significantly, but I believe that if we tighten our belts and walk together we will have prosperity out the other side.

I want to talk about one particular reform in this package that I believe needs to be relooked at. It is not an issue that has any impact on the forward estimates, and for this reason I can talk about it with some level of clarity. I am a strong believer that a robust democracy welcomes diversity of thought. I do not think that one party or one coalition always has to think the same on every issue. I think that we are mature enough—hopefully in the media—and mature enough as a country to be able to have a diversity of views and not see it as disunity.

What worries me about this legislation is the pension age increase from 67 to 70. Frankly, I believe this is a fairly blunt tool to address what is a significant structural problem right across our country. I want to lead into this.  

Mr Brendan O'Connor interjecting—
Mr Butler interjecting—
Mr BROAD: Just bear with me. I want to lead into this. In my electorate, life expectancy is 4.7 years less than in many city electorates. We need to have a little look at how we can address that. In addressing that by raising the pension age misses the point. Life expectancy has gone up in Australia, but it has largely gone up amongst white-collar workers, not blue-collar workers. Health expectancy in Australia has gone up, but it has not gone up for blue-collar workers. This is an issue that has been looked at right across the world. The French have looked at it extensively as they looked at how to address the issues of an ageing population. The Germans have looked at it. If you look across the world, the retirement age in New Zealand is 65, in the United Kingdom it is 65, in the United States it is going to 67, in Australia it is going to 67, and in Germany it is 65. We will be endeavouring to go to 70, which will be the oldest retirement age in the world, and I do not think that is a good move.

The German study has told us that the mortality of manual workers is substantially higher than the mortality of salaried workers. One in three people do not make it to 65. It would be remiss of me not to defend the people I have worked with in shearing sheds and in manual work right across the country. I know the physical toll that work takes on people. I think we need to be smarter in how we look at issues to do with retirement benefits into the future.
Those who have got superannuation will retire at a time of their choosing, but the life expectancy of the poor has not increased and the poor cannot retire at a time of their choosing. The challenge we have got is how do we fund an ageing population. Some of the measures we are addressing will have been addressed by the time we get to 2035 and 2037. The population bubble will have moved through by 2037, which is two years after the retirement age of 70 will been reached in this legislation. We are building nursing homes for that ageing population bubble that is moving through, but by the time we get to 2037 we will have excess beds and have already laid out the taxpayer revenue. So I think there is merit in rethinking how we address people in their senior years and looking after those who cannot work and who do not have large savings in superannuation. Moving the retirement age to 70 is not a structural reform that I believe we should make as a country.

There are some who say to me that the retirement pension was first introduced at age 65 in 1920 when life expectancy was 63 and, therefore, many people would die before they got to the retirement age. I do not hold the view that that is something the Australian people aspire to have reintroduced as a policy. I hold the firm view that people believe that Australians work hard and that those whose bodies have given up and who do not have retirement savings should be able to access the pension at 67 and not 70.

There is a discussion that life expectancy is so much longer, but life expectancy is not as long as we think it is. We all think we are going to go on forever. I was at an investment seminar one time and it was a reality check when the guy at the front said: 'One in three people in this room will not make it to 65 anyway, so if you know you are that one in the three then do not worry about saving, just have a good time.' The truth is we all think we are going to go forever.

Life expectancy has increased only because child mortality has decreased. We have not seen huge significant gains in the number of years that we live to. We have not seen huge significant gains in our health expectancy as well. This is something that needs to be redressed as we think through a good policy. We do need to look at health and life expectancy in our regions. It needs to be said that some of our regions are not well serviced by ambulances. Anyone who has had a sick relative would know that retrieving people who are having a heart attack or a stroke in under an hour is a very significant contributing factor to the survival rate when people have those sicknesses.

I will not talk for the full 15 minutes because I think I have made my point clear. We have to make very tough structural reform. I do not back away from that, but I do think it is a mistake for us as a government to go to 70 years of age. I think 67 years is adequate. I do stand by and defend all of the manual workers in my electorate—and I have been one. I am very aware that Australians work harder than most across the world. I do not see why we have to have the oldest retirement age in the world. For those who think that we have significantly increased the retirement age, I am going to read a little line written 3,286 years ago by a guy called Moses. He said:

The days of our lives are seventy years;
And if by reason of strength they are eighty years,
Yet their boast is only labour and sorrow;
For it is soon cut off, and we fly away
So 3,000 years ago life expectancy was 70 or at best 80. Have we really improved things that much? Do we really as a country want to make the retirement age 70? I do not think that is something we should be doing in this budget.

Mr BRENDAN O'CONNOR (Gorton) (18:42): I rise to oppose the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014 for a variety of reasons. Before I go to the more substantive contribution I want to make, I want to associate myself with the member for Mallee and his concern about the proposition that by 2035 people should not receive the pension until the age of 70. I think the member for Mallee made a very compelling argument against the proposition that has been put forward by the government in relation to the retirement age. In particular he is concerned that people who work in manual labour and people who work in physically difficult circumstances will have great difficulty working until the age of 70. As we stand now, everybody under the age of 50 will have to wait until they are 70 to receive the pension. I think the government is being wrongheaded. It is harsh. It would place us in a position unequalled in the world. No other country has embarked upon such a radical proposition.

The previous government's move to the age of 67, which I think will also be a tough challenge, was as a result of a comprehensive review into Australia's pension system and a significant improvement to the base rate for the pension and improvements to indexation. This government's proposition—that the age of 70 be the point where a person will be entitled to the age pension by 2035—has had no proper examination. There has been no proper consultation. There has been no rigorous review at all. It really is an example of the lack of regard and the lack of consideration by this government for the many measures in these bills.

I daresay that not only does the member for Mallee have some concerns about that proposition but I did not hear him advance an argument in favour of any of the measures in these bills. He may vote for it but I did not hear him at all support any of the measures. You probably can understand why, Deputy Speaker, when you read the bills. This proposed legislation seeks to write into law Tony Abbott's cruel and callous budget. These bills taken together will leave millions of Australians worse off. They include the measure to index pensions by CPI instead of wages—an attack, I would contend, on 3.2 million Australian age pensioners, disability support pensioners, carers and single parents. It may suit the Prime Minister in question time to continue to disregard the truth when questions are put to him, but the facts are that as a result of this measure we will see pensioners in this country within 10 years lose $80 off their pension, $80 off their household budget, a budget already stretched for the majority of pensioners in this country. It really underlines the cruelty of the government and how out of touch the Prime Minister, the Treasurer, the Minister for Social Services and the entire cabinet and government MPs are. I do suspect, however, that those members who go back to their electorates, like the member for Mallee, are a little more sensitive to the concerns that are shared by those who will be directly affected. These measures also include a cut to the family tax benefit part B when a child turns six, an attack upon 600,000 single parents and single income families. They include measures to abolish the seniors supplement, a further attack on senior Australians.

There are many harsh measures in this budget and I would argue that one of the worst measures, one of the harshest measures, will be the cuts to young job seekers' income. These
The proposed measures will cut young job seekers off Newstart for six months. It will not matter that those job seekers look for work each day, each week, each month for six months, they will receive nothing in support from this government. It also leaves job seekers aged between 22 and 24 worse off by around $48 a week as they get moved from Newstart to youth allowance. That is a fall of about 18 per cent of their income, $2,496. We can compare that with a person who has an income of $200,000 and is being asked to pay a temporary levy—let us say what it is, a tax—of two per cent after $180,000 earned. That person will be paying $400 a year, 0.2 per cent of their income, and the person that is going from Newstart to youth allowance will be paying almost 20 per cent of their income. That is a 100-fold difference in terms of the proportion of the Newstart person's income that will be lost as opposed to the person on $200,000. So I cannot accept the view put by the government that this is about people sharing the burden, when you have people living below the poverty line who may be losing up to 20 per cent of their income. As the member for Jagajaga said, this is an attack on a generation of young people looking for work, and Labor will fight this legislation.

The whole premise of this budget, indeed the whole premise of the measures contained within these bills, is based on two lies. The first is that we are in a budget emergency, and I will deal with that. The fact is that we are not in a budget emergency. We have relatively low unemployment, although that is a challenge and will be an ongoing challenge. We have low interest rates. Our economy is in a good state and was left in a good state by the previous government. Indeed, since the global financial crisis it has grown as an economy faster than almost any other developed nation. As a result, the current government inherited a good economic situation. Yet the government's measures are predicated on the notion that there is a budget emergency so that they could effectively slaughter the incomes of pensioners and job seekers and sick people and the like. If there really was a budget emergency, and I am happy to hear the arguments as to why one would suggest there is, then why is it that the government will be proceeding with a $22 billion plan to give $50,000 to wealthy families to have a baby? This measure really does expose the deceit of the government to suggest there is a budget or fiscal emergency. That $22,000 million that would be expended is not only inequitable, it is a very unfair measure, particularly in light of the cruel cuts that are contained within these bills.

The second falsehood, and the member for Jagajaga in her contribution went to this, is that Australia's welfare spending is out of control. That also is not true. You can always find better ways to provide support. You can find efficiency dividends, you can find savings—you can always make these decisions. We would argue that we made such decisions in government. However, across the OECD, as the member for Jagajaga said, we spend less on welfare than any country other than Iceland. Welfare expenditure in Australia accounted for just 8.6 per cent of GDP last year, compared to the OECD average of 13 per cent. Just last week the Melbourne Institute released a report which clearly indicated that Australians are also dramatically reducing their dependence on welfare. In 2001, 23 per cent of working age people in Australia received a welfare payment each week. In 2011 that had dropped to 18.5 per cent.

These measures are cruel. The member for Jagajaga outlined in detail the extent to which these measures are cruel, unfair and not substantiated by any compelling argument by the government. Yet, despite the scale of these measures and the impact that will be felt by millions of Australians, this government has confined this debate to three hours: 30 measures,
10 measures per hour to be debated in this chamber, despite the fact that they will inflict pain on millions of Australians. Not only are these bills wrong; the manner in which the government have chosen to debate them—or, should I say, fail to debate them and argue their case—is an indictment of the government and shows how out of touch they really are.

These measures will have a terrible social impact on many, many families and pensioners. This is going to tear the compact between the Commonwealth government and its citizens in relation to so many of the current forms of support that people look to so that they can make ends meet. Together, these bills include $7.5 billion in cuts to family payments. Low-income couples with children and single parents will suffer the most. These bills seek to freeze the rates and thresholds for family tax benefits, including the low income free area for those who receive the maximum rate of FTB A of $48,837. According to the Department of Social Services, a freeze to the low income free area for FTB A alone will see more than 370,000 families around $750 a year worse off in 2016-17. Remember, this comes off the back of losing the schoolkids bonus, which the Prime Minister is trying to abolish. So the combination of these measures will impact severely on families.

I want to return to the points I made in relation to young job seekers. I have already talked about the amount of income a person moving from Newstart to youth allowance will lose. I also have concerns, as does every member of the opposition, about job seekers under the age of 30 having no support for the entire six months from this government. Any income provided to job seekers should be providing support for them to find work. It is in fact an obligation that, if you receive income from the government to find work, you must look for work. Indeed, I agree that if people are in a position to look for work and they receive any income they must look for work or there could be consequences for that income. But this is providing nothing whatsoever. Instead of leaning down and lifting a person up, it appears this government wants to lean down and push those job seekers further down to the margins of society. The problem with that proposition is that you are going to see people suffer as a result.

There is no question in my mind that there will be an increase in antisocial behaviour, an increase in crime on our streets and an increase in homelessness as a result of the cruelty of this government. The fact is that the young job seekers of this nation are our future. To treat them so shabbily and harshly I think is not only socially reprehensible, it is economically stupid. But it seems that, quite frankly, the cruelty is unprecedented. I am sure the millions of Australians who will be affected know that and they are going to let the government know that very soon.

Mr EWEN JONES (Herbert) (18:57): It is a pleasure to follow the member for Gorton and I will have a little bit to say about his contribution later on. Mind you, I will say right from the word go that one of Prime Minister Abbott's favourite sayings is that there is nothing new in politics—and I think members opposite are now finding out the joys of opposition. When the member for Gorton was in government there were no problems gagging a debate, no problems shutting things down, no problems at all; it was about getting the business of government done on the day. Today, when we say we want to get things through before the end of the financial year because they are time critical, suddenly this is a problem, suddenly it
is the end of civilisation as we know it, suddenly this is shutting down debate. It is proof again
that the more things change the more they stay the same.

The suite of measures in these social services bills present us with just about the starkest
choice we can make in this place. These bills give us the chance for us on this side of the
House to tell the Australian people that we want our social security system to be sustainable,
not just for the next four to 10 years but sustainable into the future. We won the election on 7
September and on 17 September incoming Treasurer, Joe Hockey, made a speech which I
have referred to quite often. In that speech he said that as an incoming government we have to
do three things: we have to tell the people what the problem is, we have to tell the people
what we are going to do about it and we have to take the people with us when we do it. That
is the important part for me.

Going into the last election we attacked Labor's six years of record debt and deficit, which
was a real issue for us and had to be addressed. We had the best terms of trade for many
generations, the best this country had ever seen, yet we racked up the six largest deficits in the
history of this country. I think that says a lot about what we had to do and the challenge we
had in front of us. We had to tell people what we would do about it, so the budget was handed
down. I will say this to anybody who will listen to me: I do not expect anyone to be skipping
down the streets singing our praises—except for those so ideal logically left that they cannot see it—all say that, even
though they are not happy about what has happened in their individual circumstances, 'We
know something had to happen. I'm not real keen about what you've done to me, but I know
something had to happen.' I think that is the difference.

This bill is also a chance to consider what the Labor Party stand for and how they present
as an alternative government to the Australian people. Labor will tell you all the way through:
'Labor will stick to two per cent growth in spending in real terms. This budget cuts to the very
core of our being.' But spending growth in real terms in this budget is at 2.7 per cent. Mind
you, Labor never achieved two per cent growth in real terms, so they would have to cut
another 2.7 per cent. Even with these measures, we will not get into surplus in the next four
years of the forward estimates. That is how serious this job is.

What were we elected to do? We were elected to axe the carbon tax and we presented that
as our first order of business in this place. It was passed as the first order of business in this
place. What did Labor take to the election? Labor took to the 2013 election a policy that they
were going to axe the tax that, in 2010, they said they were not going to implement. In 2010,
they said, 'Under no circumstances will we have a carbon tax.' They implemented that.
Coming up to the 2013 election, they said that they would axe the tax—they would kill it—
and now they are fighting to the death to keep it. In 2007, when we lost the election on Work
Choices, we stood aside and just let the thing pass through. Lots of things were good about
Work Choices and some of them are still in the legislation, but, because Labor made that their
reason for getting elected, it was passed through on the voices. There was no objection. In
1993, Paul Keating won the unwinnable election against John Hewson's GST, or value-added
tax, by saying, 'If you elect them, don't think that Labor will save you. We will pass it through
on the voices.' He stood for something; these guys stand for whatever they think is going to
sell them to the public at the time.
We were elected to build the roads of the 21st century. Minister Warren Truss and Assistant Minister Jamie Briggs have announced a $50 billion infrastructure plan—and a significant part of that is around Townsville. Anthony Albanese, the opposition spokesperson on infrastructure, has claimed every road and every project as Labor's. I am sure that he will stand at the opening of the second Sydney airport saying he started it, he turned the first sod and it was already under construction.

We were elected to stop the boats. There have been no boats in six months because we have a minister and a plan that actually mean something. We have a minister with some steel to his spine and a policy with steel to its spine that will actually do something. It was eternal vigilance under Philip Ruddock that made sure that, when we lost government in 2007, there were four people in detention. So what we say we mean. Labor came in saying that they would keep our policy and then changed it. Everyone had a go on that side; I think there must have been four or five immigration ministers. They were as weak as water when it came to immigration.

We were elected to fix the budget mess. In 1996, we came in and there was a $10 billion black hole and $96 billion worth of gross debt. We had rising terms of trade and we came in after a government that had made some structural changes to the economy and to the way Australia did business, and we benefited from that. We have falling terms of trade now. We have some significant issues to deal with. In 2001, John Howard and Peter Costello stared down the Asian financial crisis and we went into deficit for one year and $6 billion. We were back in surplus the very next year. In one year we did that. In 2007, Kevin Rudd stood up and said he was an economic conservative—he was 'John Howard lite'. They attacked the GFC and we approved the first round of stimulus, but it was the second round of stimulus that has led to this whole thing. As Andrew Robb said, when he was opposition finance spokesperson, your normal household expenses go along and then maybe you decide to make an extension to your house. For one year your expenses spike—and that is what should happen when you are attacking a GFC: your expenses spike, and then they come back down to where they should be as you go along. Labor were going along nicely, they spiked expenditure and that was the new base for expenditure. Now we are faced with this massive deficit. They go on about OECD figures and everything like that. It is not so much about the percentage of debt to GDP; it is about your ability to repay. Because our budget has so many structural spends in it, we have very little cash at the end to pay off debt.

The member for Hughes, Craig Kelly, summed this up the other day. We are heading towards $667 billion worth of gross debt at the moment. We are paying $1 billion worth of interest per month, every month—and that is at the lowest interest rates in the history of the world. What if interest rates spike and go back to, say, 1983 levels, where government bonds were 16 per cent, and that is how government raises capital to pay off debt or to guarantee debt? If our interest rates go to 16 per cent and government bonds have to be offered at 16 per cent, who knows what we are going to have to pay? Who knows what the interest bill is going to be? So, when we won on September 7, we got to work. We knew we had to do something.

I will address the issue of pensions. Pensions will go up. We said there would be no changes to pensions and there will be no changes to pensions. We have said that we will take to the next election a policy that, after the next election, we will be proceeding with legislation to ensure that pensions go up but only by CPI. The member for Mallee addressed
the issue of the rise in the age at which the pension can be accessed to 70. In 1908, when the pension was brought in, the age was 65. The life span of the average Australian male in 1908-09 was 62, so you would have been dead for three years before you got the pension. If we applied that rule today, and if that rule had kept pace with Australia's life span, you would not access the pension until you were 85, because the average life span of the average Australian male is 82—or near enough to 82 years of age. It is not an extravagance. As the Prime Minister and the Minister for Social Services, Kevin Andrews, would say: we do not take any joy in this. What we are doing is trying to make sure that these things stay sustainable.

Can I address the six months leave. It is not six months' worth of leave for those who are unemployed and under 30. This is about kids leaving school with no options and just saying, 'We are going to go home and go on the dole.' That cannot be allowed to happen. Who is going to end up more socially isolated—the person who is doing work for the dole or the person who is sitting at home and just being given a cheque every fortnight and told to go away? Who is more likely to commit a crime—the person sitting at home just collecting a cheque every fortnight and playing on the Xbox, with no contact with anyone, or the person who is participating in workplace training? For every year that you have been working, you get a month off that six months. So if you have been working for six years and you are 24, you go straight onto benefits. We are not leaving anyone alone for no matter what and for however long. You will be supported. You will be supported by training, and you will be paid to train. You will be paid to work. You can do something, you can work with someone else, you can break that cycle. So I support these bills.

We need to be serious and we need to be constructive if we are to have a social security system into the future. At the moment, social security spending is 35 per cent of our budget. And this is whilst we have a massive debt with a limited capacity to repay. I would put it down as being the same as a business person who has a low-debt-to-asset ratio and is making $1 million a year. There is a gap in there of $1 million a year. But if he has got a structural spend in there of $2 million a year for staff, you cannot afford to pay off that building. It is basic maths. You have to have the ability to repay. It is not just your debt-to-asset ratio that we should be looking at here; it is your ability to repay. We have so many structural spends in our budget that we have to make sure that our system is sustainable. That is what this bill is all about.

Can I just say, again, that I do not expect anyone to be skipping down the streets singing our praises with this budget and these measures. I do not expect anyone to be over the moon saying 'fantastic'. But if I can use this quote:

In periods of growth we must put away savings for the downturns. But far from saving, the previous Government kept ratcheting up our debts—spending money it didn't have.

Our predecessors had Australia on a path of deficit and debt to the next century.

Make no mistake, this path would only make future choices harder, future possibilities bleaker and rob Australians of the future opportunities they deserve.

Our Government could not stand back and ignore the problem. Although we did not create it, we will take the responsibility to fix it.

That was Peter Costello in his first budget handed down in 1996. And it is as true today as it was then. What followed on from there was 11 years of pretty good government—of lowering taxes and of growth in real wages.
We must face up to the fact that Australia is living beyond its means. We must all have our shoulder to the wheel on this; we must all do our bit. These bills are not an attack on anyone. These bills are to ensure our social security system is sustainable into the future. Labor will say that pensioners are losing $80. That is a great line. It fits into your 10-second grab for TV. It is a fantastic line, but it is completely disingenuous and it is not true. You can ask a pensioner which they would rather have—a pension that goes up by CPI or no pension. Would you rather have nothing at all? Do we address the problem when it becomes Greece? Do we address the problems when we shut the banks and not let people get their money? Do we address the problem when it is a problem or do we address the problem when we can do something about it, when it is manageable, when we have got the ability to stand here and say 'enough is enough'? We have to start turning the corner; we have to start heading it down.

This budget is a good budget. These bills are good bills. Minister Andrews is doing the right thing by the Australian people and the right thing by everyone with these social security bills to make sure our system is sustainable into the future. This is not about the electoral cycle; this is not about winning votes; this is about what is doing right for the country. I stand shoulder to shoulder with the Prime Minister and with the Minister for Social Services. And, to quote Anthony Albanese, I will go door-to-door if I have to. That is also a line from The American President. I thank the House.

Ms HALL (Shortland—Opposition Whip) (19:12): This budget is a bad budget. This legislation is bad legislation. When I listened to the previous speaker talk on this legislation, I would have believed that he was talking about something totally different to the legislation that we have before us today. He talks about people putting their shoulder to the wheel. And the Treasurer talks about the lifters and the leaners. The people that those on the other side of the House, those in the government, are asking to put their shoulder to the wheel are the people that can least afford to put their shoulder to the wheel. The people that they are asking to be the lifters are those that have the least ability to be the lifters. And the leaners—well, we all know who the leaners are. They are certainly not the people that are supported by the legislation that we are talking about here in the parliament today.

The previous speaker talked about a crisis, an emergency. He talked about how the sky was falling in and how we are in such a dreadful situation here in Australia. He compared Australia to Greece. I could not believe it. I really could not believe that. When we look at our social security system and consider how much we actually spend on welfare and how we compare to other OECD countries, we spend the second-lowest amount on welfare in the OECD. The only country that spends less is Iceland. The government talks about an ever-increasing number of people relying on social security.

In 2001, 23 per cent of working-age people in Australia received a welfare payment each week. In 2011, it had dropped to 18.5 per cent, once again showing that you cannot believe what people on the other side of this House say. They distort the facts, they do not tell the truth, they say one thing before an election—as we are all learning very, very quickly in this parliament—and then do something totally different after an election. The deceit that is being waged upon the Australian people is second to none, and it was interesting to hear the previous speaker refer to WorkChoices and that it was pretty good sort of legislation. It is the party of WorkChoices. It is the party that decides it is going to target those people who can least afford to be targeted. Unfortunately, for the Australian people, this budget will put a
disproportional burden on those people who can least afford to bear the burden. And the people who earn high incomes—the member for Gorton gave a very good example of that—will be forgoing two per cent—will be paying two per cent more—while people on Youth Allowance will have a 20 per cent reduction in their income over the same period of time.

The more you earn, the smaller the proportion of your income you will have to forgo. That is the mentality, that is the ideological and philosophical bent of those people on the other side of this parliament. They believe that if they can disadvantage people and put them in a situation where they are just living from day to day to survive then they will be able to keep them in that situation. I know that the Treasurer, the Prime Minister, his ministers and most of the backbenchers have a belief that there are two kinds of Australians: the Australians who are deserving—the Australians that should have high incomes and good jobs; and the other kind of Australians—the Australians who actually look to government for support—who should be demonised, ostracised and put in a position where they have to bear the burden of all the harsh policies. This is a government that has such an ideological bent. It is a government that really, really wants to hurt those people who can least afford to be hurt, and this legislation, believe me, is delivering in buckets to those people.

I would like to concentrate on the pension. We heard the member for Herbert say that there is no cut to pensions. That it is a fallacy. We are debating legislation today that will reduce the amount of pension that pensioners will receive in Australia. If nothing happens until after the next election, this is the vehicle that it is going to be happening under. I must say that I agreed with the member for Mallee when he said that increasing the pension age to 70 is a bad idea. If you are a blue-collar worker, and you are working in heavy manual labour each and every day of your life, by the time you are 70 you are lucky if you can move. I have constituents coming to my office who have worked for BHP, who have worked in the mines or who have worked in heavy manual occupations over many, many years making enormous contributions to Australia. To think that those people who are on pensions do not make contributions to Australia, is wrong. They made their contributions in the past. Now that they have reached retirement age we, as a country, can afford to support them because they have contributed over many years to the wealth of this country. We have people who have worked hard. I think many on the other side may not have met and sat down with a blue-collar worker. I know that the member for Mallee obviously has. He talks about working in the shearing sheds. He knows how hard it is. If you are a welder and you are bending down each and every day, your knees go on you. Maybe you have been doing that heavy kind of work because you have poor literacy skills. When you are no longer able to keep working in your blue-collar job and you are not in a position where you can go out and get a nice office job in a nice sterile environment, what happens? You end up in a situation where you are thrown into poverty. I really do not think that the members on the other side of this House understand what it is like out in the real world where people struggle from day to day to earn money to put food on the table. The decision to increase the pension age to 70 was, I think, a thought bubble. There was no community consultation, it was not researched and it will mean that Australia has the highest pension age in the world by 2035.

I think, I believe and I know that the people I represent believe that this is the wrong way to go. My office has been inundated with phone calls about this very issue. I have had pensioners ringing my office in tears, worrying about how they are going to survive. I really
do not know what this government is thinking with its harsh and uncaring measures in this budget.

There is no measure more harsh than the changes to Newstart and youth allowance. For a person under the age of 30 to be in a situation where for six months they earn absolutely no income is unforgiveable, inconceivable. What does it mean to a person who loses their job, who cannot find another job and has to survive with no money whatsoever. I know when I was younger my husband lost his job. He was under 30. We had three children and it would have been absolutely terrible could we not have accessed some sort of income support. My husband is over 65 and works full time. I work full time. I am in a very different position from the one I was in at that time. At that one point in our lives, this legislation would have thrown us into poverty. We had three children, two under five. We would not have been able to survive. I honestly do not think that this legislation is going to do anything for us as an inclusive, egalitarian society.

The Department of Social Services anticipates around 500,000 new claims for emergency assistance will result from this measure. And the other side of this is that money that goes to charity to support people will decrease as well. I really do not know where we are going with legislation like this. We have a government which is talking about a manufactured budget crisis. We have low unemployment, low interest rates, a AAA credit rating from all credit rating agencies. Now we have a government targeting the most vulnerable in our society, young people whom we support. We should give them the tools to find employment, rather than throwing them into poverty. Many of the tools that were available to help people find work, to connect to the work force, even simple little tools such as the Job Guide and myfuture.edu.au have been taken away. They are no longer there for vocational counsellors and people who are helping young people to consider the careers they may want to pursue. Every little aspect has been attacked by a very mean-spirited government, a government which says one thing before the election and another thing after the election, a government which is making changes to the pension which will lead to an $80 a week reduction in the pension.

Sorry, Member for Herbert: I do not like to say it but the fact of the matter is that it is true. You can use whatever platitude you want. The fact of the matter is that this legislation is going to hurt the most vulnerable people in our society and you on the other side of the parliament are going to let this happen. You are not going to stand here and represent your constituents.

On Friday, I had a family come to see me who actually lived in the electorate of Paterson they felt they needed to come to see me because they felt they would not get a fair hearing from a Liberal member of parliament. The father, on a disability pension, had a hereditary disease which is affecting his eyes. He was losing his sight and had hearing loss and a back injury. His wife had suffered from schizophrenia but she was the carer for him and their disabled daughter who had intellectual problems and mental health issues. They were going to lose their family tax benefit because she stayed at home to look after both of them. They were surviving okay. They made ends meet, but they were being attacked by this budget and they did not know how they were going to survive. These are real people whose lives are being affected by this government. I urge the government to rethink these measures. It is real people
whose lives they are affecting. People are not going to be able to put food on the table and coupled with the GP tax and all the other harsh measures in this budget, it should be rejected.

Dr GILLESPIE (Lyne) (19:27): I rise to speak about the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. Before we commence the discussion, we have to see in which context these bills arrive in this parliament. In 10 years time, the projected debt will be $667 billion if this government does not address the problem and institute some changes. Members from the other side are very good at pulling the emotional argument. People have not put us here as legislators just to play on emotions; they want us to fix things. Part of the hard reality of our budget situation is that if there is no change to the structural over-commitments that previous governments have made, we will have serious financial problems. The current budget is making some very hard changes. No-one is arguing about that, but there is a reason. On the coalition side we did not all wake up and just say, 'What can we do to make life difficult for people?' We have looked at the projected looming deficit and thought that life really is going to get difficult for the citizens of the nation if we do not address the problem.

The member for Herbert made a very impassioned speech that applied common sense and made some really sensible suggestions. The descriptions and comparisons with other nations in Europe were quite apt, because that is the situation in our country is heading towards if we do not change things. The rate of rise of our debt was higher than 17 other OECD countries. Sure, our absolute figure of debt to national wealth is not as great as other countries but when you put things in perspective, the whole financial system of the euro a couple of years ago was about to buckle and fold because of the debt. There were riots in the streets and banks closing in Greece. Do we really want to head in that direction? It is too late to change when it is there in front of you. We are taking sensible, hard-nosed decisions to get our nation's finances back in order.

To put things in perspective, this budget would reduce the debt from the projected $667 billion down to $389 billion in 10 years time. That is still an unbelievable amount of national debt compared to what this nation has had since we were formed. People roll off billions like they were millions a few years ago. People do not understand the scale of the debt. They equate it with countries that were on their knees and still remain in a very precarious financial situation.

The situation that is different for us here is that most of the debt we have accrued by issuing bonds around the world is that most of this interest and the debt is owed overseas. Take our near neighbour, Japan, whose Prime Minister is visiting this country in the near future. They have a huge debt, but most of their debt is borrowed by the government from their citizens, so the government is paying their citizens the interest rate in a major part. Whereas the vast majority of our interest payments are going out of the country.

Japan has huge reserves, like the economies of Europe and America, where a lot of their national debt is circulating back inside the country. No nation wants to be in debt to the tune these other countries I have alluded to are, but at least they have a much bigger gross national product. Our gross domestic product is very similar to our gross national product, but a lot of these economies have huge income streams from around the world. They have many very, very large companies that operate around the whole world. We are in a different situation.
cannot afford to be so liable in terms of debt, because if there is another period of financial turmoil in the world, we are very vulnerable. In addition, it just offends my sense of logic that if we do not change things, every month we will be paying $3 billion of debt overseas. Imagine what you could do with $3 billion in your back pocket every month. We could build fast rail, we could do flyovers on the Pacific Highway, we could build schools and hospitals and whole new universities in the span of three years in government of paying $3 billion in interest out of our Treasury. We could achieve amazing infrastructure builds for the nation that would then deliver us greater wealth.

The other reason we have to support these bills is the reality of our ageing population. Our social security payments occupy 35 per cent of our government's income from taxpayers. That is a huge amount of money. But if you look at what is happening with our ageing population, instead of one in five of us becoming a pensioner supported by the others that are not, by the middle of the century—and time ticks over rapidly—that will be one to 2.7. So for those of us who have children and those who have grandchildren, note that I would need to have twice as many children to be paying and supporting me if I ended up being a person dependent on the state for my security in my old age. That is a scary statistic—every 2½ or 2.7 people working to support one person who relies on the state. The numbers do not lie. That is what we are looking at. So we need more workers and we need more population.

But we also need to tweak the other side of the equation: we need to get our spending trajectory going in a sustainable direction. That is why we have made these difficult decisions. The other reason—and the member for Herbert and other people have mentioned it—is a valid argument. When the pension came in in 1909, the average age of a male was 55. If I am lucky I am going to live until I am 81 or 82 so that is a big difference. Most people would not have been eligible for the pension when it first came in because they would have worked and shuffled off this mortal coil before getting to the pension age. But now it is the minority that are unlucky like that. Most of us live more than three-score years and 10. Most of us live four-score years so we are getting a good deal.

When I started my medical degree, the average age was almost a decade lower, and that is just in the space of one lifetime. With the advances in health and nutrition and interventions that are happening now and with the vast reduction in smoking, I expect the average expectancy when I get to 82—touch wood—will be much higher. We are all going to be living a lot longer. If we are going to make that sustainable, we have to change things.

But we made a commitment in the campaign. We told the populace that we would not change the pension in this term, and we are not. It is still going to go up twice a year with indexation. It is just that it is a sustainable form of indexation: the CPI. The last pension increase in March this year did not even go up by MTAWE; it went up by CPI because CPI was higher.

We have had a wages explosion over the last decade or so. I cannot see it continuing at that rate of increase because Australia is already a very expensive place to do things. If we are going to remain competitive in the world—and we live in a global economy—we will not be seeing the huge wages growth that we have seen in the last decade. I actually think that the CPI is going to be a much better bet for pensioners to increase their pension than MTAWE. I do not think people should be afraid at all if they are pensioners.
When the opposition are scaring pensioners, they are giving the impression that the pensions are being cut now, but they are not. The pension age changes, which are being gradually brought in until 2035, will not affect the current pensioners now. But, if you heard the last speech from the other side, you would get the impression that they are saying that pensioners who are receiving the pension now are going to be affected by the increase in the age of eligibility for the pension, and that is absolute nonsense.

Things do change, and other nations are adjusting their situations as well. We have to make sensible, long-term projections. There are a lot of sensible changes. We are keeping the clean energy supplement, but we are just changing the name. All the adjustments for the carbon tax that were promised to gold card holders, Commonwealth seniors health card holders and pensioners are being honoured. We are also going to get rid of the carbon tax, which will put them ahead another $550 a year.

Indexation is a very sensible way of managing overcommitments, and we have paused the indexation in some of these areas because we could see that they were not sustainable. Everything is being done for a reason. The previous speaker made out that we just dream up cruel, hard, harsh things to do to people. We are doing it to make the whole system sustainable in the long term.

I turn now to disability support pensions. If you are unfortunate enough to have a disability, of course the nation will support you. But we do not want people to become dependent on it if they can work to a degree. That is why compulsory, work focused activities such as work experience, education, training and job searching will help certain disability support pension recipients, particularly if they are young—under 35. From 1 July we are changing the system so that people who have a disability will still be encouraged to work. Obviously, if you have a clear disability and you cannot work, these changes are not going to be applied to you. It is just for those who have a disability who can still work. It helps with their morale and their sense of worth and self-esteem if they can still maintain a position in the workforce.

There are some other areas that clearly needed adjustment, including the portability of student payments and disability payments. You could be classified on a disability pension but go overseas for 19 weeks and still get your disability support. Now, fair go! I think that, if someone is able to travel the world for 19 weeks, maybe their disability is not as severe as it was assessed initially. I think that is a sensible review. The other changes that are being brought in with this budget are, on the face of it, a change for people. But, if you look at the benefits for the people who are experiencing the changes, they are still way out in front with the amount of support they get from the state. Whether it is family tax benefit A or B, there is still a benefit.

We have the prince of social security systems around the world. It is sustainable if we manage it sensibly. We do not want to be seen as cruel, as our opponents make us out to be. We are just being sensible and rational. I have mentioned the indexation, I have mentioned the changes to the pension, and I have mentioned these portability issues. They are all reasonable. I support these bills and commend them to the House.

Mr CONROY (Charlton) (19:43): I rise to speak on this very important legislation, the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. This is a budget built on a lie. It is built on a confected budget emergency. The
facts are these: debt is low and will peak at less than one-third of the OECD average. The obsession with this mythical debt problem is symptomatic of a government, of a coalition and of a Liberal Party that have been taken over by people akin to the Tea Party in the United States. They have been taken over by the worst elements of US Republican politics, and they have married it with the worst elements of Thatcherite Conservative Britain. They paint this bleak future and say there is no alternative—TINA—but to gut our social security system to attack low- and middle-income Australians because they have no choice.

It is rubbish. Our economy is in good shape. With modest changes, the economy is sustainable. The priorities they have chosen, including their ridiculous $21 billion gold plated Paid Parental Leave scheme, demonstrate that they are choosing priorities that attack low- and middle-income Australians and defend welfare for the wealthiest in this country. The truth is that they are attacking the families of the people I represent. There is no fairness, there is no justice, and there is no equity in their actions. I will fight them. Labor will fight them.

There are 26,800 people in the electorate of Charlton who receive a pension, including over 18,000 age pension recipients. Every single one of these people will suffer as a result of this budget and these bills. Before the election, Tony Abbott said there would be no changes to pensions. But now he is doing just that. For the past 20 years the age, disability and carer pensions have usually been indexed in line with male average weekly earnings. This helps the pension keep pace with the true cost of living. Now this government is seeking to change the indexation rate for pensions—from average weekly earnings to consumer price index. This will mean pensioners will generally receive less of an increase to their pension in March and September. For example, if this indexation had been in place for the past four years, a single pensioner on the maximum rate would be around $1,500 a year worse off than they are today. This one change, over four years, would effectively wipe out the great pension reform that Jenny Macklin introduced while she was minister for Social Security. It is astounding that those opposite try to argue that this is not a cut. These changes will see the cost of living for pensioners go up, but their pensions will not rise in line with it. The government's own budget papers demonstrate the scale of the cut. It will see 26,800 people in Charlton receive less money each week. No matter which way you look at it, it is a cut.

Today I heard from Desmond, who is 66 years old and lives in Edgeworth. Two years ago, Desmond was diagnosed with terminal heart and lung conditions. He rarely leaves home as he is on an oxygen machine. He visits the doctor each week and knows that the $7 payment to see the doctor, to visit a specialist, to get a blood test or to get an X-ray will have an impact on his bottom line. Despite all this, Desmond says he is 'doing okay'. His wife works and he receives a part pension. He says:

We don't live the high life, but we survive. But if the government takes money out of the pockets of pensioners, we'll be affected in all sorts of ways. We like to visit our son, who lives in Sydney, once a month. With less money, and also because of the petrol tax, we may not get to go as often. We have little luxuries like Henny Penny or pizza once a month. We don't want to lose those little extras that we enjoy. The budget is cruel, it is not realistic.

The government has already ripped $1.3 billion from the National Partnership Agreement on certain concessions for pensioners concession card holders and seniors card holders. This is one of the fundamental reasons why those on the other side are engaging in untruths and falsehoods when they say that there is no cut to the pension. This $1.3 billion, paid to the
states and territories, supports discounts for pensioners, Commonwealth seniors and health card holders on rates, water, sewerage, power, car rego and public transport. The New South Wales government released their budget last week; and, despite the New South Wales government’s general record of being unable to stand up to their colleagues in Canberra, pensioners and seniors were given a reprieve, with the Liberals state government committing to cover the funding shortfall and continue the pensioner concessions for one year. But it is a short reprieve—and, coincidentally, it takes them past the next state election. It is, however, not long enough to take the issue out of the spotlight and it is not long enough to give any certainty to pensioners and seniors in New South Wales that their vital discounts will survive beyond the next budget and the next election cycle.

These bills will cut the seniors supplement attached to the seniors health card for self-funded retirees. This is a loss of $876.20 per year for singles and $1,320.80 per year for couples. No matter which way you look at it, this is a significant hit to the budgets of people on fixed incomes. In addition, these bills will require people to work harder for longer, by increasing the pension age to 70, the highest pension age across the OECD. We have heard speakers on the other side talk about what action other countries around the world are doing. No country is supporting an increase in the pension age to 70, and the government has provided no evidence to support this increase. It is a measure that will clearly impact on people with physical jobs. It is okay for office workers to be told to work until 70 and it is okay for people like me to be told to work until 70. But my brother, who is in his mid-40s, is a concreter, and I have serious reservations about the his body’s ability to hold out until he is 70. And he is one of many manual workers who will really struggle with this change. But it is not just in the stereotypical blue-collar jobs that people will suffer. My wife is a nurse. Most nurses spend their entire day on their feet engaged in heavy lifting, and I doubt that many of them would be comfortable lasting until 70 in their working life. The government did not consult, or take expert advice, before making these changes. It will mean people have to work longer and their pension will be significantly reduced when they finally do get to retire.

Charlton families are under attack by the Abbott government, and those on low incomes—single-income families and single parents—will suffer the most. There are currently almost 11,000 families in Charlton receiving the family tax benefit. Every one of those families will be affected by these changes if those on the other side push this unfair legislation through parliament. Families on family tax benefit part B will now have their payment cut off completely when their youngest child turns six. This will impact on 8,500 families in Charlton.

Karen, from my electorate, is from one of these families. Karen contacted me to share her concerns about the pressure her family is going to experience as a result of these unfair cuts. Karen and her husband live on her husband's income of approximately $60,000 per annum. Their mortgage is around $260,000, and they have two children, aged 11 and 16 years. Karen says these changes are going to make things so much harder to live day by day. She says her family does not live an extravagant life and they are frightened they will have to make some very tough choices if these changes come to fruition—choices like the children forgoing sport and school excursions. Karen's family will be around $6,000 worse off each year by 2016 as a result of this legislation. This equates to a cut of around 10 per cent of their entire family income.
These are not Labor's figures. These are figures produced by NATSEM, the premier modelling outfit in the country on family incomes. This is a modelling organisation that the Prime Minister was very happy to rely on and quote when in opposition, but suddenly when he is in government these figures are not to be believed. How can you equate Mr Abbott's promise before winning the election to help with the cost of living and cutting the income of low- and middle-income families income by over 10 per cent? Imagine the impact on a family on $60,000, which is well below the average income in this country, of losing over 10 per cent of their family income. That will gut their family. It will place massive pressure on the family. Inevitably, it will see more pressure on them, lost opportunities for their kids, and an increase in family tension and break-ups.

And, to add insult to injury, at the same time as this huge, inequitable attack on low-income families, the government are intent on pushing through their ridiculous Paid Parental Leave scheme, which will pay millionaires $50,000 to have a baby.

Just by way of contrast, while 8½ thousand families in Charlton will lose significant income from family tax benefit part B, over 80 per cent of women in Charlton will receive less than $20,000 under the government's proposed PPL scheme, while families in the electorates of North Sydney and Warringah will receive $50,000. Why is a baby in Charlton worth $30,000 less than a baby in North Sydney or Warringah? It demonstrates the skewed priorities of the government.

In addition to slashing family tax benefit part B, the government is proposing that family tax benefit payments be frozen for two years. These measures will disproportionately impact families on the maximum rate, including single mothers and those on the lowest incomes. Many of these families are already struggling to make ends meet. They are already cutting back and they feel they are being targeted by this government.

Felicity, in my electorate, is certainly one of those who will be directly affected by these cuts. Felicity says:

I'm a single mother of a 7 year old Autistic daughter. Losing the FTB Part B will mean I will not be able to afford the rent on my house. I live in private rental accommodation due to a 20+ year wait list for department of housing. My rent is $280.00 per week.

I pay my rent and get a little food shopping, then I am broke till my carers payment comes in the next week. I save hard to pay for specialists for my daughter. I can't afford a specialist for myself so I don't go, this can affect my health!

I will have to rely on community centres for food packages each fortnight just to get through.

My daughter will end up going without so I can provide a roof over our heads.

Labor is opposing what I can only describe as some of the meanest cuts I have ever seen, to some of the most vulnerable people in our communities.

We are opposed to cutting parenting payment single; freezing of the payment rates for family tax benefit; slashing family tax benefit end-of-year supplement and ceasing indexation; and cutting families from FTB part B when the youngest child turns six.

We oppose these measures because they stand in stark contrast to our values. Labor's approach to social services will always be one of fairness and equity. We are opposing these measures because they are deeply unfair and grossly inequitable. Those on the other side just
do not get that and they do not get it because they do not share our values. They never have and they never will.

I have already brought to the attention of the House many harsh measures in this budget, but perhaps the most cruel of all are those which will impact on young people looking for work. This government is destroying the social security safety net. This bill contains measures which will exclude young job seekers, under the age of 30, from receiving Newstart benefits for six months. Once eligible, the benefit will only be available for six months per year. That means that, if you are under 30 and, for whatever reason, you find yourself out of work then you are on your own. You will not receive assistance from this government.

School leavers will face more than a decade of this instability, their choice now being between further study, through which, thanks to the government, they will now accrue a significantly higher student debt, and throwing themselves at the mercy of the six monthly ‘on again, off again’ income support cycle. Labor will not support this measure.

The well-known and respected Novocastrian, Marcus Westbury, wrote in the Newcastle Herald recently on this topic, saying:

It's hard to understand the logic here. Youth unemployment rates usually track well above the rest of the community. Young people are the least likely to have the savings to work their way through it. It's a recipe for crime, drugs, desperation and despair—for harming yourself and harming others.

It's a system that takes the potential leaders and contributors of tomorrow and dumps them on the scrap heap before being given a chance to find their feet.

It isn't just deeply unfair: it will be a matter of life and death for some young Australians. Our kids. Our friends. Our families. We are cutting people off from the ability to eat, to pay the rent, to survive.

The budget is built on a lie. It is a confected budget emergency. It is an excuse to break solemn promises those opposite made before the election: no changes to the pension, no cuts to health, no cuts to education. The Prime Minister, before the election, was asked very clearly and very specifically, what would happen if he came to government and the figures around the budget were different from those disclosed previously. He said, 'This will be a government of no excuses that will not change his policies.' He is clearly in breach of that promise and, quite frankly, he has no excuse because the Pre-Election Economic and Fiscal Outlook clearly painted what the fiscal picture was and he is using a confected budget emergency to pursue his ends.

The government realise they have a fairness problem. And it took them awhile to realise this. But the Australian people see their budget as fundamentally unfair. That is why the government keep trying, very unconvincingly, to talk about fairness in question time. But no matter how much you repeat it, it does not make it true. Saying something is fair does not make it fair; saying something is necessary does not make it so. The measures in this bill that we are opposing are an attack on the fabric of Australian society. It is an attack on the modern Australian settlement and it is an attack on equity and fairness. We will fight this attack. We will defend low- and middle-income Australians. We will defend our historic Labor values, while those on the other side mire themselves in hypocrisy, cant and crocodile tears.

Mr COULTON (Parkes—The Nationals Chief Whip) (19:58): I too rise tonight to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014. This bill calls on everyone and every business to contribute, to join, to grow the workforce, to boost productivity and to help build a stronger economy with more investment.
I have listened to the contribution of the previous speaker. The one thing missing from his contribution was financial responsibility. While it might be his party's creed to put the expenses of this generation onto our children and grandchildren, we need to take responsibility for the situation that we are in. Saying that the budget was fine, the state of the economy was fine and that Labor, over six years, had not trashed the economy of this wonderful country is merely a falsehood.

The other irony of what the previous speaker said, when talking about the elderly and the pensioners, is that as I have been getting around in my electorate it has been those very people who have been coming up to me, and saying, 'We understand why you are making these changes. We understand why a country has to live within its means.' Being financially responsible and living within your means was part of the upbringing for people of that generation. They understand that, regardless of what happens, the bills need to be paid.

This bill covers a range of different aspects of social services but there are a few things I would like to touch on that are relevant to my electorate. One is welfare dependency. Intergenerational welfare dependency in my part of the world is a huge problem. People are coming up to me and saying that they agree with this 'earn or learn' concept. Those people are coming up to me and saying, 'We are waiting for a work for the dole program come to our town.' The green army—it is not in this bill—will provide a similar outlet for younger people.

Quite often, elderly people are concerned about their children and their grandchildren and understand that having a job is vitally important for the self esteem of individuals and of the entire community. Aboriginal elders have come to me and said, 'We need to get these work for the dole programs going.' They understand that if people leave school—quite often in towns in my electorate they are leaving school at far too young an age—and they get into that welfare trap for six months, it is very difficult to get them back.

I was talking to the largest employer in Dubbo. He said that hardly any local people are turning up on his doorstep, now, asking for jobs. This is in a town with reasonably high unemployment. At the moment he is filling the shortfall with backpackers and people such as that. That is not a good outcome.

My aim in this place is to make sure that everyone in my electorate gets a chance at a job and a chance to understand and appreciate the rewards that come from a hard day's work. My aim is that everyone in my electorate gets a chance to earn money. My aim is to teach children that money does not just come out of an ATM; that there is an effort required. The sad reality is that in a lot of towns in my electorate there is a disconnection. Children are growing up not knowing what it is like to have a parent who goes to work. They are growing up thinking that every couple of weeks there will be money going into an ATM machine, and that that is their pay.

That is killing these towns, these communities and these people. That is the reason that the life expectancy of a child growing up in some of the towns in my electorate in the west is still 15 years less than for a child growing up in a wealthy or urban area. Hopelessness and despondency comes from having no employment.

There are other measures that need to be in place for people—not just when they leave school. Minister Scullion was in Dubbo last week or the week before and announced $1.6
million for the Get Real Program. This program aims to grab these kids when they are still in middle high school. The children sign a pledge. It says:

I willingly commit myself to participate in the Get Real Program and undertake that by my 17th birthday, I will be in full time education in school or TAFE, be undertaking industry training or be in full time employment.

A large number of these kids are Aboriginal boys and girls. They sign this pledge. What they get with the pledge is mentoring and someone who will help them with the difficulties of getting into employment and understanding the obligations and responsibilities of employment.

This idea that there are people who do not want to work—who choose to be unemployed and sit at home on the dole—is a myth. Back in 2004 or 2005, when I was the mayor of the Gwydir Shire, we had work for the dole under the Howard government. We had a team doing work on community infrastructure. They were painting the CWA hall and doing some fencing around the showground and the like. They turned up in a bus and it had 'work for the dole' on the side of it. I was thinking, 'That's not a good thing; that's demeaning for these people.' To thank them for the work they did we put on a barbecue for them in the last week. I was chatting to these people about what it was like being on work for the dole and they said, 'It is good. It is good to have a reason to get up in the morning. It is good to be able to look at what you have done for the day and the week and take satisfaction from that.'

The supervisor told me that the crew that finished up was nothing like the crew that started, because employers would start ringing up and saying, 'Have you got someone who could do this job?' and the participants would roll into proper work. So I totally disagree with the concept that the previous member in this debate was talking about: that there is despair in people who have been taken off the dole. We need to have the dignity of work. Unemployment flows through to other issues such as lawlessness, abuse of children, lack of attendance at school. If the adults in a household are undertaking meaningful employment during the day there is a fair chance that at night time they will be asleep, and not having a party. Therefore the children in those households will be asleep, so they might be able to attend school the next morning. If some people believe that that is some sort of victimisation, I disagree.

I stand proud with this budget and these measures because they are taking the difficult decisions the previous government pussyfooted around. We have had previous ministers in the Labor government come to my electorate and look concerned; they say the right things and are politically correct, and then walk away and make absolutely no change at all. To make change is not easy; it is not always popular. That is what this measure in this budget is doing.

Quite frankly, I do not doubt that the previous members do have people write to them with concerns. I will admit I have had some of my constituents write to me about their concerns. Some of them are justified and some of them are concerns about misinformation—this idea that people on pensions are going to be drastically affected and the like. But clearly the majority of people I have been in contact with understand this, and the fact that people are concerned across a wide range of our society probably indicates that this budget has hit the mark and that the load has been shared as fairly as it can be.

To go back to the earn or learn measure: we know there are some people who are just not suited for work. They may not have a disability but they just do not have the skills to maintain
full-time employment. They are graded—from the top of my head, I think they have been identified as a category 3 or 4 person. They are exempt from the six-month measure. We need to care for the vulnerable in our society. There has also been talk of people in manual labour having to work until they are 70. If people have a physical injury or cannot work, there is still the disability support pension for those people. There is still the opportunity to make a career change and go into some other pursuit, as many of the shearsers in my electorate do when they get to their 40s—mainly into agricultural pursuits—to get away from that difficult backbreaking work. I spent the first 30 years of my working life doing physical work; I understand it. I worked with people in shearing sheds. I have done it myself and so I understand it. If we get away from the doom and the gloom and the scare that is going on around this, what we are offering people with this bill is dignity—an opportunity for them to participate in society. Do not underestimate that desire.

I represent a large rural electorate—a third of New South Wales. It is one of the most agricultural electorates in the country. But I represent in this place more Aboriginal people than I do farmers, and I take that responsibility very seriously. I spend the clear majority of my time, when I am in my electorate, working with those communities and I can tell you they are not opposed to these measures. They, indeed, welcome these measures. I have had great conversations, mainly with older women, in those communities who despair for the chances of their children. But there are good things happening. There are good stories in my electorate, from these communities in what would be considered tough towns; there are more good stories than tough ones. There is the work that the Clontarf Foundation is doing—which this government, the previous government, state governments and private industry have supported—where we are getting young lads now from Coonamble who are working in the construction industry in Sydney. We have boys in Moree who are doing one day a week at the local GrainCorp depot and spending their school holidays working at a job for real money. If someone can explain to me why that is a bad thing I would like to hear it.

We care for those who are most vulnerable but if you are able-bodied, fit and healthy and of working age, you are not entitled to do nothing. It is not a way of life that you can choose. If you have difficulty with your health or if you have difficulty in meeting those requirements then as a society we should care for you—but it should not be a choice. I am proud of this budget. I am proud of this particular bill. I would like to acknowledge my colleague, Minister Andrews, who was in here a little while ago. This has taken a lot of courage and a lot of understanding of what is needed and the bills have my complete support.

**Mr MITCHELL (McEwen—Second Deputy Speaker) (20:13):** I rise to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and the Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014, and to talk about how the changes to family tax benefits are going to have disastrous effects on families right across Australia, especially in the electorate of McEwen. In McEwen we have 16,139 families who receive family tax benefit A. We have 13,856 families receiving the important assistance of family tax benefit B. In total, that is 29,995 families who are going to be worse off because of the cruel and heartless cuts in this budget. That is almost 30,000 families who are now going to be struggling even harder to make ends meet and provide for their families.
I would like to pay particular attention to family tax benefit B because it is a direct assault on those families who have either made a decision to raise their family with one parent working and one parent remaining at home to look after the kids or those from single parent families. Either way, the Abbott government's cut to this payment is a direct assault on their livelihoods.

I was contacted by a constituent—a chaplain—from Puckapunyal, which is part of my electorate. This constituent, regrettably, openly states he votes for the Liberal Party. He states:

We are a single income household. My wife provides support to the community, through the school and church—all volunteered. We do this as a sacrifice as she could work as a high school teacher, but feels it is better for our children and our community to volunteer her time to teach children resilience, to read and provide support to single parents (particularly supporting families where members are deployed on operations overseas).

The reduction of the family tax benefit is going to really hurt families in our area and community groups as we are forced to move into paid work. A better solution would be tax concessions to single income families where they participate in volunteer community work at least recognise how they reduce the cost to our government.

So there you have it. Even staunch Liberal supporters can see how unfair and detrimental these cuts to family benefits are going to be.

Single-parent families, who struggle hard enough on one income while striving to raise their kids in the best environment possible, are going to suffer immensely with these cuts. Another constituent in McEwen, Mr Edwards from Riddells Creek, is a single father of four who works full time, as well as studying part time. He states:

Under this budget, I will lose Family Tax Benefit B and my education expenses will significantly rise. I don't know how I'm going to be able to send my kids to uni if these changes happen. No one offered my daughter a free scholarship.

I would also like to highlight the hypocrisy of the Prime Minister when he is trying to make these callous changes to the family tax benefit. Earlier this year, the Prime Minister said that families on $100,000 a year should no longer get social security. This a bit of a 180-degree turn by the now Prime Minister, because, back in May 2011, he said the Labor government was punishing aspiration and hardworking families earning $150,000 a year. The now Prime Minister said, 'These are class-war cuts that the government is inflicting on people.' So it is class warfare when families on $150,000 a year lose benefits but not when a single parent on a part-time salary cannot afford to take his or her kids to the doctor? This is an important point. The Abbott government is slashing vital assistance and payments from families right across Australia and is simultaneously taxing products and services that families rely on every day—in particular, the heartless $7 GP tax and, of course, the broken promise of the fuel tax increase.

The senior supplement is another important payment offered to our senior citizens to help them pay for bills such as energy, rates, phone and motor vehicle registration. The supplement is offered to those who are self-funded retirees or those who have a Commonwealth Seniors Health Card. These are men and women who have fought hard all their lives and saved their hard-earned pennies so that they would be able to have a nice, quiet, relaxed retirement. The seniors supplement helps these Australians pay for regular bills—which, which most people here know, usually come all at once.
Michael O'Neill represents National Seniors Australia. Regarding the cuts to the supplement, along with all the other cruel cuts to senior payments, he states:

You don't have the luxury of folk who are still in the workplace and able to build up surplus, build up that cash in the bank to help overcome the rainy day when you get a run of health bills, for example, coinciding with your electricity or gas bill or whatever else.

What Mr O'Neill highlights is that pensioners, especially those on a strict income for retirement, do not have the cash flow when the bills come in. In cases where all bills come up at once, it may be the difference between paying the bill and putting food on the table. In this day and age, this is just unacceptable. It is unacceptable that a retiree who has worked hard and paid taxes their entire life should have their $870 a year—or $1,300 for a couple—slashed by this cruel budget. But Tony Abbott is happy to pay wealthy women $50,000 to have a baby. So you take $870 from pensioners earning $20,000 a year but give $50,000 to people who earn $200,000 a year.

Even those who are trying to get their start in the workforce, or those re-entering the workforce, are being punished by these harsh Abbott cuts. With these changes, those job seekers under 30 are going to have to suffer through six months of no income unless they are undertaking some form of study. That is not always practical or reasonable in rural and regional areas where jobs are short and distances are long. That is six months of mortgage payments for young people starting a family or buying a home. It is their rent, groceries, fuel and medical expenses gone. Six months. It just shows how out of touch this government is to think that someone can just go without any money to pay for all of these essential day-to-day expenses.

These are the people who are already living pay to pay, working to a tight budget and even then struggling to make ends meet. How are they going to be able to support themselves or their families? Tony Abbott is stripping money away from those who are least able to afford it. The Abbott government's changes to social security are going to have a disastrous impact on the lives of the majority of Australians.

In closing, I and Labor will continue to fight to ensure all that Australians are given a fair go, regardless of their pay packet and regardless of their postcode.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (20:20): I am very pleased to speak on the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014. These bills introduce an important package of measures in the 2014 budget in the social services portfolio. The measures in these bills take their effect while supporting the most vulnerable and, at the same time, taking significant steps to ensure that the government can live within its means—something which is of fundamental importance if we are to continue to deliver the support which is so important for those who are vulnerable in our community and who need that support.

In the time that is available to me this evening, I would like to cover three points. Firstly, I would like to make the point that if there is an imperative on this government to get spending under control, then, as a matter of logic, it follows that you need, amongst other things, to focus on the areas of largest spending within the Commonwealth's budget. The second thing that I would like to highlight is that these are decisions that all governments need to make,
and, notwithstanding some of the claims we have heard from the other side of the parliament this evening, similar measures have been introduced by Labor in the past. I would like thirdly to focus on the importance of indexation and measures which adjust the rate of indexation as a particular policy tool for taking decisions now which will assist us in getting spending under control over the longer term.

Let's turn firstly to the proposition that we have a task that faces this government on behalf of the Australian people to get the growth in spending under control. Let's remind ourselves of the legacy which this government has inherited from the wanton and irresponsible approach of the previous Rudd-Gillard-Rudd government. Over the period 2012-18 the previous government had planned a spending increase of 16 per cent in real terms. That puts us right ahead of the pack. Countries like the Netherlands at one per cent, Belgium at two per cent, Japan at three per cent and many other countries with which we would ordinarily compared ourselves have planned a growth of spending which is well below the profligate increase in spending which the Rudd-Gillard-Rudd government had been pursuing during its time and which it had baked into the forward estimates in the budgetary settings which we inherited.

It is no coincidence that, as a consequence, the previous government racked up deficit after deficit, and it is also no coincidence that therefore, as a consequence, government debt was on track to reach a gross figure of $667 billion by 2023-24 had no corrective action been taken. Of course, the key point is that this government—the Abbott government—is acting responsibly to take corrective action.

If you are going to take corrective action in relation to a budget which in 2014-15 involves total expenditure of around $415 billion then the logical thing to do is to look first to the big items of expenditure. Of that $415 billion, where are the programs and line items where the largest amount of spending is occurring? Of course it is a number of programs within the social security portfolio. If we look at table 3.1 in the budget, we see that, of that $415 billion to be spent in 2014-15, $42 billion is income support for seniors, $19.3 billion is in the family tax benefit, $16.9 billion is income support for people with a disability, $10.2 billion is job seeker income support, $9.5 billion is residential and flexible care and $7.6 billion is income support for carers. I am simply making the point that, if you have imposed upon you by the incompetence of the previous government a need to get spending under control—if the national interest dictates that you must take action to get spending under control—then as a matter of logic it follows that you must make sure that you go to the largest spending programs and that you have actions and initiatives that go to the largest spending programs.

As I have indicated, a significant number of the largest programs fall within the social security and welfare area.

Indeed, social security and welfare in total in 2014-15 makes up $146 billion of the $415 billion in total. Therefore, it is of the first importance that there are policy measures being pursued in the social security portfolio—as indeed there are in portfolios across government—to get spending under control. This government is not shirking its responsibility in the area of social security. We have a task to get spending under control and, what is more, we have a significant structural challenge and a challenge that is simply going to get worse if we do nothing about it.

We have an ageing population. We all know the figures. We all know how the dependency ratio is going to change so that the number of people in the workforce as a proportion of the
number of people who are not in the workforce and who are, in the main, drawing on income support funded by those taxpayers who are in the workforce. That ratio is moving against us and will continue to move against us over time, creating an additional structural pressure. Therefore, a responsible government must identify that pressure and must act to respond to it. Indeed, one manifestation of the changes and the trends that we are facing and of the critical importance of the social security and welfare budget within our broader budgetary task is the simple quantitative fact that, for each month that the government's budget measures, including the measures contained in the bill before us this evening, are delayed, it will cost Australian taxpayers over $117 million.

The strategic importance of the measures in this bill cannot be overstated. If you are going to reinstate spending discipline—if you are going to take action to deal with the challenges that we face—then you need to address measures in the social security and welfare portfolio just as you need to address such measures across all portfolios.

The second proposition that I would like to put to the House this evening is that all governments need to make necessary and difficult decisions in the social security portfolio from time to time. That is again simply a logical and inevitable corollary of the fact that such a very large proportion of total Commonwealth spending falls into this portfolio. Again, it is an absolute incident of a civilised society that we provide support to those who need it; but, if we are to do that, to continue to afford to do that and to do that sustainably, we must make sure we manage this spending in a disciplined and strategic fashion.

In listening to our opponents on the other side of the chamber you would think that these kinds of measures were ones they would never have contemplated taking during their time in government, but I was interested to read a recent article in the *Australian Journal of Labour Economics*, which had this to say:

In the 2009-10 Budget the government held the thresholds for income-testing the lower rate of Family Tax Benefit Part B and the Baby Bonus fixed in nominal terms, and changed from wage to price indexation for FTBA.

So some of the policy measures and techniques that are being used in this budget, that being given effect to in the legislation before the House this evening, are policy measures of a kind which the previous Labor government also employed from time to time. It is a matter for regret that perhaps they did not show more discipline and application in the use of these kinds of measures.

Another example I could point to is the decision that the then Labor government made to increase the eligibility age for Newstart from 21 to 22. From the shrieks of indignation that we hear from the other side of the chamber you would think that these kinds of measures had never been contemplated by Labor. But, in fact, under the previous Rudd-Gillard-Rudd government the decision was taken to increase the eligibility age from 21 to 22. Similarly, in January 2013 it was the Gillard government's decision to switch recipients of Centrelink's single parent payment to the Newstart allowance. That had the impact at the time of moving a substantial number of sole parents onto Newstart.

Nobody says these decisions are easy—they are not easy decisions—and this government absolutely recognises and understands that millions of Australians depend upon social security in its various forms. Therefore, these decisions must be made in a careful and conscientious fashion. But at the same time we need to take decisions which cause the system
to be sustainable and affordable. Manifestly, in the main, in the approach that the Rudd-Gillard-Rudd government took for over six years there was a failure to take decisions that maintained the financial sustainability of the system.

I want to turn thirdly, therefore, to the fact that there are a number of techniques that are used in relation to this budget and that are contained in the measures in the bill this evening which involve, for example, a pause to an indexation or deal with matters such as the thresholds for eligibility for particular benefits. It is important to note that these are decisions which, if we take them now and if we stay the course with them, will deliver increasing structural savings for the budget over a number of years without needing to reduce the payments that any individual is receiving. I want to quote a recent article by Ross Gittins in the *Sydney Morning Herald*—not, it might be said, an unqualified friend of the Abbott government; that might be an understatement, but he is, nevertheless, a respected economic journalist. He had this to say:

The thing about the indexation solution is that the initials that is a small, but they compound with each year that passes.

I want to make another point about the importance of the measures that we are taking in this area—the measures contained in the bill before the House this evening. I want to refer to some remarks recently made in a speech to the Sydney Institute by the Treasurer Hockey, who highlighted the fact that under the welfare system some half of all households receive a taxpayer funded payment of some sort. Again, that goes to the point that it is so important that we focus on the totality of the expenditure in this area if we are to achieve our aggregate objectives in terms of budget but also, and therefore very importantly, maintain and preserve our capacity to provide the vital support to those who need it. Because if we lose control of our budget, if we lose control of our financial position, then ultimately the risk we face is that we are not in a position to provide the financial support that those who are unable to provide for themselves need, the financial support that is expected as an element of life in a civilised society.

The measures in this bill will have a significant impact on expenditure across a range of programs in the social security portfolio. They are measures which are part of our overall approach to getting spending under control to a sustainable path to reducing the deficit each year and to addressing the very significant structural challenges that the Commonwealth budget faces and that reflect in turn underlying demographic factors. It is very important that we take necessary if difficult decisions now so that we can preserve our capacity to provide support to those who need it and that we can preserve that capacity over the long term. The alternative is the approach that the previous government took: putting off necessary decisions year after year; continuing to spend in a profligate, undisciplined, poorly managed way; racking up ever-growing debt and deficit; and putting off necessary decisions, failing to take the decisions that are in the interests of Australians—and, ultimately, that will disadvantage all Australians, including those who are the ones who most need the support of government.

**Ms CHESTERS** (Bendigo) (20:35): Listening to the debate tonight and seeing those who have stood up to make statements in favour of these bills and these changes, it is no wonder that this government today moved to guillotine and gag debate. There are a number of government MPs in marginal seats, MPs elected at the same election I was for the first time, that are clearly in hiding. Where is the member for Lindsay making a statement on the effects
that this bill will have on her community—the member for Reid, the member for Hindmarsh, the 'three amigos' from Tasmania? Why has the government put their marginal-seat MPs into hiding? Is that why they have guillotined debate and stopped them from speaking out in this debate—trying to protect the seats of the people who will be most at risk, the people in the marginal seats?

We have seen National MPs speak in this debate. I find it quite odd that they are quite willing to go out there on the fools errand to defend a bill based on a budget that attacks the most vulnerable in our community, particularly regional people.

The changes outlined in this bill do attack the most vulnerable in our community. They are radical changes and tear at the social fabric that keeps our communities together. These bills and the measures in them will push people into poverty like we have not seen for generations. This is not the Australia that most Australians want.

The Bendigo electorate is like many regional electorates. We strive to make our region a better place. We work and live together. We encourage our entrepreneurs and we take care of our most vulnerable. We expect our government to do its bit to ensure that we can face our difficulties. Bendigo people, like most regional households and people, are not wealthy people. The median income for a single person is about $500 per week, the median family income is roughly $1,100 per week, and the median household income is just under $1,000 per week. These are not millionaires living in the seat of Bendigo. Like many, they are working with what they have got and just getting by. The measures in this bill will hit the people of the Bendigo electorate hard, as they will the people of many regional electorates. Almost everyone in my electorate will affected in some way by the changes in this bill, and some will be affected much harder than others will. These unfair measures are from an unfair budget—a budget that was a shocker to regional Australians, a horror budget that confirmed that the most vulnerable would bear the brunt of the government's twisted priorities.

This budget will push up the cost of living for every Australian family and every Australian. Clearly, this budget was drafted by people who have never lived from pay cheque to pay cheque; who have never sat round a table looking at the bills, working out which ones they will pay, which ones they will put off, and which ones they will pay by credit card. The Prime Minister's budget is smashing families' budgets across our nation and in Bendigo.

Changes to the family tax benefit will hurt many people, including many of the families in my electorate. Prior to the election, the Prime Minister said—and he said this in Bendigo; he came up a couple of times—he would help families with the real cost of raising children. Yet these bills are a savage attack on these families. These bills will hit low-income families and families with single parents—the majority of people in my electorate—the hardest. These bills seek to freeze the rates and thresholds for family tax benefits. According to the Department of Social Services, freezing the income free area for FTB part A alone will see more than 370,000 families around $750 a year worse off in 2016-17. This comes at the same time that the Prime Minister is trying to abolish the schoolkids bonus. For eligible families, that means they will lose over $400 per year for primary school children and over $800 per year for secondary school children. As a result of these measures and this budget, single-income families on $65,000 with two school-aged children will be around $6,000 a year worse off by 2016. These are so many of the families in my electorate. These are those average, median families that I referred to.
That is around 10 per cent of their entire budget. There are not too many people in this place taking a 10 per cent pay cut. There are not too many people at the very top end of town taking a 10 per cent pay cut. In fact, there are none. Yet we are expecting those on the smallest of incomes to take the biggest pay cuts. Changes to the family tax benefit arrangements and changes to single parent families are unfair.

Together, the changes and the cuts to family tax benefits and family payments will result in $7.5 billion. Just imagine for a moment the hit on our local economies of ripping $7.5 billion dollars from local economies. Every dollar that a low-income family or individual has is spent. Small businesses in my electorate are already starting to talk to me about the effects that this budget will have on their customer base. If working people or people on low incomes have no money, then they will not be buying locally. They will not buy that second pair of shoes that their child may need, they may not buy the jumper they need, they may not pay for outings or excursions. This is what happens when you introduce austerity into our communities.

Changes to the pension are also unfair and demonstrate another broken promise. Australians who have worked hard their whole lives, who have paid taxes the whole time they were earning deserve a secure retirement. They deserve respect. They have earned this respect by being the taxpayers of the past. Pensioners should not have to worry about whether they can afford to put the heating on, whether they can afford to catch up with their grandkids, or whether they can afford to pop out for something as simple as a coffee with their neighbours. Yet, for people who have worked hard their whole life paying taxes, this Prime Minister and this government now sees these pensioners as a burden on the government. It is wrong and unfair to treat hardworking Australians this way in their retirement. Let us just be real about the pension. It is not big bucks. It is just under $22,000 a year for someone on a single pension. I would like to see many people in this place try to survive on that kind of income. Again, every dollar you take away from a pensioner hurts not only their household budget but also the local economy. They will not spend it in their local shops. They will not spend it supporting jobs in the service industry. There are just under 30,000 pensioners in my electorate who will be hurt by these budget measures. These pensioners are loud and they are angry. I am proud to say I will stand and fight with them and fight these changes.

The changes that affect young job seekers are also unfair. Young people under the age of 30 are going to face real difficulties if they find themselves unemployed. How will they pay for their accommodation, find enough money to eat, and ensure that they can continue to exist when their government is removing their unemployment payments for six months? What on earth does the government think that these young people are going to live on? What are they going to eat? How will they get to the job interview?

An assumption is made by the government that everyone under the age of 30 must still live at home with parents or have a trust fund. It is simply not true. People under 30 increasingly already have their first home, if they are lucky enough. They might have a child on the way. Not everyone under the age of 30 is living with their parents or has the ability to move back in with their parents if they find themselves unemployed. It is simply unfair to say to someone who could spend every hour of every day looking for work that they must live on nothing.

Until this government came to office and these budget measures came before the House, there was a mutual contract that the Australian government made with Australian job seekers.
That contract was that, if you actively look for work, your government will not only support you to find work but will also financially support you while you look for work. Let's be honest about the kind of financial support that our government provides people looking for work. It is a very modest income. It is already hard to survive on Newstart payments. It will be even harder when they are at zero.

It appears the government is also of the belief that, if you take away support for young job seekers, they will find a job. They will just go out and take any job. What if there are no jobs? The government clearly seems to not understand that there is a jobs crisis in our community. Youth employment in the Bendigo area is above 13 per cent. The majority of the work that young people do today is in the service industry, and, because of other budget measures, that service industry is already contracting, meaning that those young people are going to find it even harder to find work. If you do not have a jobs plan and yet you are going to kick people off any kind of support payment, you are going to force more and more people into poverty.

These changes to Newstart and Youth Allowance are unfair. It is not just me speaking out about this budget and these changes; there are a number of community leaders also speaking out. Ken Marchingo, from Haven; Home, Safe, which is a homeless organisation, said:

What we've seen—
from this government—
is ideology dressed as economics. The notion that people under the age of 30 are somehow so well progressed in their life that they can lose their job, meet their rent, meet their utilities, feed and clothe themselves whilst unemployed … Who on earth are they—
this government—
kidding?
Ken also said that the heavy lifting is being done by the poorest people.

Kim Sykes from Bendigo Community Health said that there needs to be a rethink of these policies as they will further embed disadvantage. She said:

We can't allow a society to be built around that concept.
That is the idea that, if you are poor, without a job and struggling, it must be your fault and your fault alone. Kim said:

There is a real risk that many of the measures in this budget are going to affect the most vulnerable in our community—
and in our society. I agree with Kim and I agree with Ken. This budget does attack the most vulnerable in our community and the bills before us tonight contain some of the cruellest and harshest measures in the government's first budget. Many in my electorate are asking: where is the decency, where is the honesty and where is the humanity of this government? At Listening Post, when I am in the street and when I am talking people on the phone, shock from budget night has become anger—anger that this government could attack the most vulnerable in our community.

The Prime Minister insists that he believes, in the marrow of his bones, that the budget and therefore these changes are fair, but he is wrong. The Prime Minister's budget and the changes in this bill are not only regressive but cruel. They are unfair and they are un-Australian. They tear up a community contract, a social contract, that we have that ensures that we take care of our most vulnerable. They are designed to specifically incur and entrench intergenerational
social, educational and financial disadvantage. These changes target the poor, the sick, the young, the elderly and the unemployed. The changes in this bill will disproportionately affect regional households, including many in my electorate.

I call on those opposite to come out of hiding and speak on this bill and be at least willing to stand up—those first-time MPs from the marginal seats of Hindmarsh, Lindsay and Reid. At least be bold enough to speak to these changes, or come and join us on this side of the House, speaking out against these cruel measures that attack the most vulnerable in our community.

Mrs GRIGGS (Solomon) (20:50): There they go again: more Labor scaremongering. The depths that they will go to do not amaze me. I rise to speak on the sensible budget measures introduced by this government to return to a sustainable welfare system. There is no denying that this budget is a tough budget, but this is a budget that Australia needs to return to sensible levels of government spending and to one day be able to return to surplus. This budget calls on all Australians and all businesses to contribute to, to join or to grow the workforce, to boost productivity and to help build a stronger economy with more investment. Unfortunately, due to the previous Labor government's unprecedented spending spree, all Australians now have to pay for their total and utter incompetence. The Abbott government will work with all Australians to ensure that, when we tighten our belt on the government's spending, we only do it where we can afford to and where it is appropriate. This means supporting our most vulnerable and taking significant steps towards ensuring that the government can live within its means. This government will ensure there is a safety net for those Australians who need it. We will never, ever leave an Australian on their own whilst they genuinely need government support. We will always ensure that those who need extra assistance will get it in their time of need.

Currently Australian taxpayers are paying $1 billion a month in interest on top of the Labor government's debt. It is clear that we have to address this issue. That is what the Australian public elected us to do. It is the government's responsibility to clean up Labor's debt and deficit mess, and that is exactly what we are going to do. This government has reduced the Labor deficits by $43.8 billion through to 2017-18. Australia cannot continue to live beyond its means. Gross government debt is forecast to be $389 million in 2023-24. Compare that with the $667 billion that Labor left, including providing for future tax relief to address bracket creep.

Whilst we are cleaning up Labor's mess we are taking care with the social services budget to ensure that those who need assistance still receive everything they need. The 2014-15 budget includes $146 billion in social security spending. That is approximately 35 per cent of budget expenditure. Those on the other side will have you believe though that we are not doing anything of the kind. These bills introduce a package of measures to give effect to the government's budget spending and savings in the Social Services portfolio. The aim of these measures is to create a sustainable welfare system for all Australians in need. We also aim to increase everyone's ability to contribute to the economy. Everyone who can contribute should contribute. These bills include, as I said, 35 per cent of budget expenditure on social services, including pensions, family payments, unemployment benefits, student benefits, disability payments and childcare support.
With our population ageing, government spending has been growing faster than the economy, especially in the area of age pensions. In 2013-14 spending on the age pension alone will reach $40 billion. This just is not sustainable without making some sensible changes. This is the responsible thing to do to ensure we can actually still afford to pay an age pension in the future. By mid century it is predicted that there will be relatively fewer Australians participating in the workforce and paying tax to support those on the age pension. Without policy reform the cost of the age pension is projected to increase by 70 per cent over the next decade from almost $40 billion a year currently to $68 billion a year.

Let us make one thing clear: the government has not made any cuts to the age pension. Those on the other side will have you believe something else, but let me reiterate: the government has not made any cuts to the age pension. The age pension will continue to go up twice a year, as it does every year, to keep up with the cost of living. But we are making structural changes. This will ensure the long-term sustainability of the age pension.

Another change is increasing the pension age. Because Australians are living longer and healthier lives, reforms were announced in the 2014 budget to ensure the age pension system is sustainable and able to meet the future demands. That is the priority of this government to ensure that the age pension system will actually continue in the future. The increasing costs are due in part to changes in our demographics as well as Australians having a far greater life expectancy than they have ever had before. Between 2010 and 2050 the number of people aged from 65 to 84 will more than double and those aged 85 and over will quadruple. Back in 1909, when the pension was introduced with the eligibility age of 65, Australian men were living till 55 and Australian women were living to 59. Those were the averages. Since 1909 Australians' life expectancy has risen by about 25 years yet our pension age has stayed the same.

Like other governments around the world, this government will raise the age pension age. The previous Labor government scheduled the age pension age to increase to 67 in 2023. Our change will raise the eligibility age in 2035 to 70. These changes are inevitable with an ageing population and are necessary to keep our age pension system sustainable. I will repeat, given that the Labor Party are getting so confused with this simple point: this budget does not deliver any cuts to the age pension. It will continue to increase twice each year to keep up with the cost of living.

We are also making structural changes to the disability support pension. Currently I am fully supportive of, and am involved in, the disability sector in my electorate of Solomon. From 1 July 2014 changes to the disability pension will help support young people with a disability to enter the workforce if they are able to do so. The government recognises that people with a disability who are able to participate in the workforce will have better long-term outcomes if they can engage in the workforce. I have seen these endless benefits firsthand with my engagement with the disability sector.

Being able to earn an income brings an enormous sense of independence, gives confidence, promotes self-worth and gives practical skills to use in everyday life. The social, economic and health benefits of workforce participation cannot be understated. Compulsory workforce activities, such as work experience, education, training and job searching, will help certain disability support pension recipients aged under 35 find and keep a job. However, this
government, as always, has kept a clear safety net in place for when this new measure would be unsuitable. People with a manifest disability or with a work capacity of zero—

ADJOURNMENT

The DEPUTY SPEAKER (Hon. BC Scott): Order! It being 9 pm, I propose the question:

That the House do now adjourn.

Mr ANDREWS (Menzies—Minister for Social Services) (21:00): I require the question to be put immediately without debate.

The DEPUTY SPEAKER: The question is that the House do now adjourn.

The House divided. [21:04]

(The Deputy Speaker—Hon. BC Scott)

Ayes ......................46
Noes ......................85
Majority .................39

AYES

Albanese, AN
Bird, SL
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Collins, JM
Danby, M
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP (teller)
Jones, SP
Leigh, AK
MacTiernan, AJGC
Neumann, SK
O’Neil, CE
Parke, M
Rishworth, AL
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Bandt, AP
Brodman, G
Burke, AS
Butler, TM
Chesters, LM
Claydon, SC
Conroy, PM
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Mitchell, RG
O’Connor, BPJ
Owens, J
Perrett, GD
Rowland, MA
Thomson, KJ
Watts, TG
Zappia, A

NOES

Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK

Andrews, KJ
Baldwin, RC
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Question negatived.

**BILLS**

**Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014**

**Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014**

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.
The DEPUTY SPEAKER (Hon. BC Scott) (21:10): In accordance with the resolution agreed to earlier, I call the minister.

Mr ANDREWS (Menzies—Minister for Social Services) (21:11): These bills introduce a range of 2014 budget measures in the Social Services portfolio. Under these budget welfare reforms, the government will continue to provide assistance for families, seniors, people with disability, carers and those most in need. Importantly, we are targeting assistance towards supporting the most vulnerable Australians while encouraging those who are able to work or study to do so. Our welfare system must be fair, but it also must be sustainable. The budget measures introduced by these bills will help make our welfare system strong for the future. I commend the bills to the House.

The DEPUTY SPEAKER: Pursuant to the resolution agreed to earlier, I will now put the question on the Social Security and Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014 and the related bill. The question is that these bills be now read a second time.

The House divided. [21:13]

(The Deputy Speaker—Hon. BC Scott)

Ayes .................85
Noes .................46
Majority............39

AYES

Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coutlon, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
McCormack, MF
McNamara, KJ
Nikolic, AA
O’Dwyer, KM
Pitt, KJ
Prentice, J

Andrews, KJ
Baldwin, RC
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Matheson, RG
McGowan, C
Morrison, SJ
O’Dowd, KD
Pasin, A
Porter, CC
Price, ML
Question agreed to.

Bills read a second time.

Message from the Governor-General recommending appropriation announced.

**Consideration in Detail**

Bills—by leave—taken as a whole.

**Ms MACKLIN** (Jagajaga) (21:22): by leave—I move opposition amendments (1) to (12) in relation to the Social Services and Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014, and amendments (1) to (17) in relation to the Social Services and Other
Legislation Amendment (2014 Budget Measures No.2) Bill 2014 as circulated in my name together:

Social Services and Other Legislation Amendment (2014 Budget Measures No.1) Bill 2014
(1) Clause 2, page 2 (table item 2), omit the table item.
(2) Clause 2, page 2 (cell at table item 10, column 1), omit "Schedules 5 and 6", substitute "Schedule 5".
(3) Clause 2, page 2 (cell at table item 11, column 1) omit "Schedules 7 and 8", substitute "Schedule 8".
(4) Schedule 1, page 4 (line 1) to page 14 (line 5), omit the Schedule.
(5) Schedule 3, page 69 (line 3), omit the heading.
(6) Schedule 3, item 1, page 69 (lines 4 to 9), omit the item.
(7) Schedule 3, items 3 and 4, page 69 (lines 14 to 19), omit the items.
(8) Schedule 3, item 6, page 69 (lines 22 and 23), omit the item.
(9) Schedule 3, item 7, page 70 (lines 1 to 5), omit subsection 1192(5AA).
(10) Schedule 3, items 8 and 9, page 70 (lines 9 to 16), omit the items.
(11) Schedule 6, page 78 (line 1) to page 88 (line 4), omit the Schedule.
(12) Schedule 7, page 89 (lines 1 to 15), omit the Schedule.

Social Services and Other Legislation Amendment (2014 Budget Measures No. 2) Bill 2014
(1) Clause 2, page 2 (table items 3 and 4), omit the table items.
(2) Clause 2, page 2 (cell at table item 5, column 1), omit "to 8", substitute "to 5".
(3) Clause 2, page 2 (table items 6, 7 and 8), omit the table items.
(4) Clause 2, page 2 (table items 10 and 11), omit the table items.
(5) Schedule 1, item 1, page 4 (lines 7 to 14), omit subsections 1192(5AC) and (5AD).
(6) Schedule 1, item 1, page 4 (line 15), omit ", 20, 35 and 36", substitute "and 20".
(7) Schedule 1, item 2, page 4 (line 21), omit ", 4, 6, 7, 8, 11 and 12", substitute ", 6, 7 and 8".
(8) Schedule 1, Parts 2 and 3, page 5 (line 1) to page 8 (line 23), omit the Parts.
(9) Schedule 6, page 28 (line 1) to page 34 (line 22), omit the Schedule.
(10) Schedule 7, page 35 (line 1) to page 41 (line 9), omit the Schedule.
(11) Schedule 8, page 42 (line 1) to page 49 (line 30), omit the Schedule.
(12) Schedule 9, page 50 (line 1) to page 66 (line 18), omit the Schedule.
(13) Schedule 10, items 1 to 6, page 67 (lines 4 to 20), omit the items.
(14) Schedule 10, items 9 to 22, page 68 (line 4) to page 70 (line 13), omit the items.
(15) Schedule 10, item 23, page 70 (line 14) to page 72 (line 9), omit the item, substitute:

23 Application provision

The amendments made by items 7 and 8 apply in relation to working out the rate of family tax benefit for days on or after the commencement of those items.
(16) Schedule 11, page 73 (line 1) to page 74 (line 3), omit the Schedule.
(17) Schedule 12, page 75 (line 1) to page 78 (line 16), omit the Schedule.

As I have already given substantial indication of the reasons for these amendments in my speech in the second reading debate, I will not take the time of the house. Because of the gag
motion that has been imposed on the House by the government, I will give the opportunity to my colleagues to contribute.

Mr WATTS (Gellibrand) (21:23): I am pleased to have the opportunity to participate in this part of the debate, given that I was next on the list to speak before the government gagged those on this side of the House from contributing on this bill. I have a question for the government in this part of the debate. We have heard a lot of talk about the supposed welfare crisis that is the justification for this bill and an unsustainable welfare system in Australia. We have heard the talk about ending the age of entitlement. My question for those opposite is: where is this crisis?

We can see clearly, when you consider the entire OECD, that Australia spends less on welfare as a proportion of GDP than any other country except Iceland. That is less even than the notoriously parsimonious United States. In fact, we could spend up to $60 billion more on our welfare system and still not meet the US spend as a proportion of GDP. When welfare expenditure in Australia accounted for just 8.6 per cent of GDP in 2013, significantly less than the OECD average of 13 per cent, those on the side of the House ask: where is the welfare crisis?

The Melbourne Institute recently released a report demonstrating that reliance on welfare amongst Australians has been decreasing over the last decade and that the percentage of people of working age receiving a welfare payment each week declined from 23 per cent in 2001 to 18 per cent in 2011. Further, it demonstrated that the number of households that are almost entirely dependent on welfare payments has decreased by almost 30 per cent since 2001. Again I ask: where is the welfare crisis?

These figures deal with the total quantum of welfare. But, if we look at where welfare payments go in Australia, we see a healthy, effective and targeted welfare system in this country. To quote from my good friend Matthew Cowgill at the Australian Council of Trade Unions, ABS figures from 2009-10 show that the poorest 20 per cent of Australian households received an average of $323 a week in cash benefits while the richest received just $22 per week—a ratio of $14.7 to a poor household for every dollar that goes to the richest.

Peter Whitford from the Australian National University has shown that a far larger proportion of our cash benefits go to the poorest households than in any other advanced economy. Not only do rich Australians receive a tiny share of welfare spending but their share is smaller than it used to be in the 1980s and early 1990s. The idea that Australia is a land of rampant middle- and upper-class welfare is a myth.

The next question I have those opposite is: how are the vulnerable in our society supposed to survive if they are unable to find a job in the cruel world created by this bill? The learn or earn policy detailed in this bill is, perhaps, one of the cruelest cuts outlined by the Abbott government in the budget. It is no secret that youth unemployment in segments of Australia is reaching a crisis point. Figures released by the Brotherhood of St Laurence earlier this year indicate that around Australia around 12.4 four per cent of our young people are unable to find work—a figure that is rising. In Melbourne’s west, in my electorate, the figure is even higher—13.6 per cent of young people in Melbourne’s west are not able to find employment to support themselves. These youth need all the help they can get to get back into the workforce. They should not be punished for not finding jobs that simply do not exist. The changes in Newstart and Youth Allowance in the bills under consideration will do this. If after
six months of income support a young person has not yet found a job they will be required to take part in the Work for the Dole scheme. If after this period of time they are still unable to find work, they will lose all welfare payments for a further period of six months. That is six months without any form of income support at all. It is not so much ripping a hole in the social safety net as throwing it away altogether.

I further ask the minister: is it not true that they know what the impacts of these cruel budget cuts will be on people in electorates like my own? The fact that the budget includes money to cover the, quote, 'additional emergency services' required due to this learn-or-earn budget is a dead giveaway. The government is allocating additional money in the budget for the poverty that they are, in fact, creating. It would be funny if it was not so horrific for thousands of young Australians in Australia. There will be thousands of people affected by these cruel changes. The Department of Social Services admitted that they were expecting 500,000 new claims for emergency assistance as a result of these measures—half a million Australians abandoned by the Abbott government all for the sake of an extreme, factless ideological attack on Australia's effective and efficient welfare system. These are measures that will fall hard upon unemployed youth in our country.

The next question I have for those opposite is: how can they look Australian families in the eye after going to last election promising to ease cost-of-living pressures on Australian families and then, after the federal budget, ripping $7.5 billion from family payments? These bills contain freezes on the rates and thresholds of family tax benefits A and B. They also include a freeze on the low-income area for tax benefit A. According to the Department of Social Services, this will see more 370,000 Australian families around $750 a year worse off. So I ask those opposite, who promised to ease cost-of-living pressures on Australian families, how they look Australian parents in the eye.

Ms O’NEIL (Hotham) (21:28): The bills that we are considering in detail today have been the cause of incredible fear in my community in Hotham, and it is with an incredibly heavy heart that I rise to speak against these bills that will really, sadly, see the worst fears of those people in my community realised. If there is one question I have for the minister today it is: how could you do this to people who trusted you so much during the election?

These bills let Australians know how cruel this government is. For those of us who are looking this evening for a silver lining, if there is one out there it is that it exposes the values that sit in the hearts of the decision makers that we sit opposite. What I am coming to realise after a few months in this parliament is that the Australia that the Prime Minister, the Treasurer and Minister for Social Services live in is a very different Australia to that which I see my neighbours living in around East Bentleigh, right in the heart of Hotham.

The Australia that the Treasurer and the Prime Minister live in is a place where poor people go to the doctor too frequently just because they do not have anything better to do. It is where unemployed young people are getting plenty of great job offers but are just too fussy to accept any of them. It is a nation where $800 that many pensioners used to pay their electricity bills is seen as a cash splash. It is a nation where young Australians are simply not paying enough for their university education.

But this is not the Australia that I live in, and I do not believe that these values reflect the values of the Australian people. I believe that as a country we rise together. As our economy...
grows we should all benefit from it, and that sits at the heart of the welfare system that we have.

There are so many truly devastating changes in the bills that are before us today that I do not have time to talk about all of them. But there are three big areas that I want to touch on, which will particularly affect the people that I represent in Hotham. The first is the change to pensions. I looked, for a while, in the Real Solutions document before I came to the chamber this afternoon, desperately looking for the sentence which talked about the changes that would be made to seniors’ supplements and the changes that would be made to pensions. But, alas, all that I found was empty rhetoric about how concerned this coalition was about the living costs of seniors.

The Prime Minister misled and betrayed millions of Australians who rely on government for part or all of their incomes: 2.3 million people are already trying to make ends meet on the age pension. I want to remind the House that when Labor was in government we legislated for the biggest increase to pensions in 100 years, and tonight that increase is being lost.

I want to talk a little about changes to family tax benefits A and B, which will affect many families in my seat of Hotham. I was contacted, quite soon after the budget, by a mother in my electorate—Stephanie. She was recently widowed and is trying to raise two daughters by herself on a part-time public service income. She is a very smart, very motivated woman, and she is trying to plan for her daughters’ futures. She contacted me because she genuinely could not understand what the government was trying to do to her family with the changes to the family tax benefits and what this would mean for her and for her girls.

As a result of the budget, including the measures in the bills that are before us, a single-income couple on $65,000 with two school-aged children will be about $6,000 worse off, every year, by 2016. So I ask the minister, in this consideration in detail: how could you do this to families who trusted you during the election? How could you possibly justify these changes?

It is difficult, amongst a bevvy of absolute nasties in these bills, to single out the cruellest measure but I believe that it is the change that is being made to New Start. What Australia are these people living in that would make them think that they can take unemployment benefits from young people for six months? I do not understand what the plan is here. What do they want these young people to do? Perhaps in the world of the Treasurer and the Prime Minister young people who are in these positions live in family homes with families that can support them, but in my electorate and in many parts of the country that is simply not the case. We are facing crises of youth unemployment around the country. At the same time the government has cut training and apprenticeships it tells young people to earn or learn. I just cannot believe the gall.

The context for this has been fabricated from the very beginning. I do not have time to go into it. We are not in a budget emergency. The Australian budget is in ship shape. Labor took us through a financial crisis and left our economy in great condition. These bills are totally unjustified.

Dr LEIGH (Fraser) (21:33): It is a pleasure, in this debate, to follow the contributions of the member for Jagajaga, the member for Gellibrand and the member for Hotham—three
Labor members whose careers in politics have been founded on the notion that we must work for those more vulnerable than ourselves.

It is a pleasure for me to follow them because the legislation we are debating tonight goes to the heart of the Australian social contract—a social contract that says that an egalitarian tradition is something that Australians hold dear. Australians believe in a fair go. You can see that if you go to any institution in the land. The AFL, for example, manages to be a highly interesting sporting code, where teams go from rags to riches to rags, from the bottom to the top and back to the bottom of the table. Take the military as an example. Its great success has been in its egalitarian engagement. In places like Somalia, it is our military that gets out and talks with common folks rather than standing back and just listening to tribal leaders.

That egalitarian Australia is under threat due to a rise in inequality over the last generation so that inequality is now the highest it has been in three-quarters of a century. We have seen earnings for the top 10 per cent go up three times faster than earnings for the bottom 10 per cent. The income share of the top one per cent has doubled. The top 0.1 per cent income share has tripled. The wealthiest three Australians, who can, together, sit in the back seat of a limousine, have more wealth than the poorest one million Australians—the population of Adelaide.

In that environment you would think that a government should be working to look after the most vulnerable, yet we have a Treasurer who believes that half of all Australians are leaners. I challenge the Treasurer to identify those leaners. Are those leaners aged pensioners like the aged pensioner who contacted me and told me about her life of contribution to the nation, her four working children and her six grandchildren? She said to me, 'I am one of those pensioners whose sole income is the pension. I have no superannuation payments; nothing. I feel sad, depressed and scared for my ability to pay my way when all the cuts start.' Is she a leaner? I would like the Treasurer to tell me.

Is a leaner someone like the single parent who contacted me, who has worked hard to support herself and her two boys and is to be made redundant this year? She is one of 16,500 public servants who are facing redundancy as a result of this government's broken promise on public service job cuts. Is that sole parent raising two kids a leaner? I would like to hear the Treasurer say so to her face.

When the Treasurer talks about leaners is he speaking about carers who are up three, four or five times in the night because the person for whom they care is calling out and they need to be by their side? Is that the kind of person the Treasurer thinks of as a leaner? The fundamental problem with this government is that the members leading the government are unable to put themselves in the shoes of the most vulnerable. They cannot put themselves in the shoes of someone who lacks financial literacy—a low-income earner like those who invested their life savings in Storm Financial, Trio Capital or Timbercorp and lost them as a result of inadequate financial protections. They cannot put themselves in the shoes of an age pensioner who is expecting the pension on which they depend to go up with wages, and who hears the Prime Minister's mealy-mouthed words in question time: 'Pensions will continue to increase.' Well, Prime Minister, they are not increasing at the rate these pensioners expect them to, due to your broken promise.

This is a budget which breaks promises like so much kindling. It is not just a budget which increases the deficit. Let us not worry about comparisons with the Treasurer's budget update
last year; let us make the comparison with the pre-election economic and fiscal outlook. Compared to that, it is a budget that increases the deficit. The great flaw in this budget is that it breaches the fair go test, and that is why this government wants to talk about anything other than the budget. That is why members and backbenchers want to go out and speak to their constituents about anything other than the broken promises and the breach of the social contract. It is a social contract Australians have held dear and which, as previous members have so articulately highlighted, has been buttressed by a means tested social security net.

(Time expired)

Mr HOGAN (Page) (21:38): I wish to ask the minister a question at the end of this because, with my experience of the Minister for Social Services, I realise he is a man of great empathy and compassion. Why do I say that? Because I know the Minister for Social Services does not see victims in our society and our community, as members on the other side would lead us to believe; he sees that every person in our community has potential and he wants every person in our community to have a great chance of having the best life they can. He does not want them to believe they are a victim and that they need saving. He wants them to see themselves as people with unlimited potential, and that is what so many of the elements of this bill are about.

I would like to share with you and the chamber a story that just happened to me in the last few months. I had a group of people come to me in February and March, asking me to be the ambassador for a program which was going to find 75 jobs in a month. We were going to find 75 jobs in 30 days for people with a disability. We sat down and talked with some of the key stakeholders in my community, and we said: 'We do not want it to be a failure. If we get 10 people with a disability a job in the month of March that would be a success, so why don't we say the aim of the program is to get 50 jobs?'

Do know how many jobs we found in the month of March? It was not 50—it was not what we put the figure at. It was not 75, which was the initial target we thought we would set. It was 115. It was 115 because, again, we did not see anybody as a victim. We did not see the shortcomings in anyone. We saw everyone with the potential to have a job and a lifestyle that was going to be more suitable to their enjoyment.

The changes that come into effect for the disability support pension on 1 July will help support young people with a disability to enter the workforce if they are able to do so. One of the people I came into contact with while I was ambassador for this program was two-time Paralympics gold medallist Tracy Barell, who launched what we called the Page disability jobs search. Tracy was born without legs and with only one arm. She is independent; she gets around on a skateboard. She has two children and has won two gold medals but she told the jobs drive launch the hardest thing she has ever had to do was get a job. She said: People sometimes talk to me like I'm deaf. I say, "I'm missing my legs, not my ears."

She went on to say:

We've got dreams and hopes and aspirations that we want to have our own homes and holidays and be able to buy cars. And we want to be able to work to achieve this.

Like Tracy, this bill recognises that people with a disability who are able to participant in the workforce will have better long-term outcomes if they can engage in the workforce. Tracy is confident, but many people on the disability support pension are not, because we have told
them in the past they do not have the ability to work—that they have nothing to contribute to society.

That is plain wrong. Instead of rejecting the many skills and abilities people with a disability have, we should embrace and encourage them. Whether it is compulsory work focused activities such as work experience, education or training, the social, economic and health benefits of active participation for disability support pension recipients under 35 years cannot be overstated. So my question to the minister is: what measures are contained in this bill that will encourage greater workforce participation among people living with a disability?

Ms CLAYDON (Newcastle) (21:43): These bills, collectively, really expose the cruelty this government is subjecting the Australian people to tonight. These bills put on full display a long list of broken promises that were pitched at the Australian people before the election. This is not the budget the Australian people were expecting and it is certainly not the budget the people of Newcastle were expecting to see.

I really want to spend this very limited time for debate highlighting the impacts, for young people in particular, of these measures that are before us. These measures are cutting young job seekers off from Newstart for a period of six months. It is an incredible attack on a generation of young people who are looking for work and who are being pushed into hardship and, indeed, poverty.

These measures are amongst the harshest that are contained within these bills. They will see young people left without income support for a period of six months, possibly longer, at a time when they are incredibly vulnerable and in fact need assistance in order to be actively job seeking. What this government is effectively saying is, 'When you have found yourself unemployed we are cutting you off for six months and you are out there on your own.' I would like to share with the House some lived reality for a constituent of mine, Julie, who contacted me on this very issue. She wrote:

Hi Sharon

I am a 20-year-old who is currently completing a certificate III in cultural and information services at Hunter TAFE. My course finishes late next month and instead of being excited about the future I am utterly terrified thanks to the Abbott government's budget, and for the first time it has made me question if I have a future in Australia.

The Treasurer keeps going on about the best kind of welfare being a job for an unemployed person on Newstart. He would be right if there were actually any jobs being created, and I was not hearing 'We aren't employing anyone at the moment' ringing in my ears every time I go to hand a business my resume, or being told that I do not have enough experience to do the job despite all the work I have put in to ensure that I have the skills they are asking for even when I got to the interview stage.

Please inform Mr Hockey I do not use my Newstart allowance the cigarettes and alcohol, I use it to get myself to job interviews, to help my retired dad to keep a roof over my head, buying interview clothes in the hope that I might actually get an interview and paying for internet access so I can search for jobs online so I can be rejected on the web and have whatever confidence I have left crushed, not just when I meet an employer face-to-face.

Maybe Mr Abbott and Mr Hockey should spend a week actually trying to live on Newstart allowance and looking for work in the current climate because they have no idea what it is like and at the moment I have no belief that I have a bright future ahead of me despite all the courses I have done. Their budget is cruel, inhumane, heartbreaking and scary. Thanks for reading this.
That is the lived reality of one job seeker in Newcastle. The notion that this government provides no hope for a younger generation of Australians is truly horrifying. These young men and women feel that they have been left abandoned. They have seen cuts into the education system, they are seeing attacks on their employment prospects and now they are seeing that this is a government that has no capacity to lend them the support and assistance they are going to require in order to be active participants and productive members of society, helping them when they need some support to go job seeking.

Those attacks on young people at this time when people feel their jobs are insecure and they are finding it especially difficult to find work is perhaps amongst the most vicious aspects of these particular bills before us. It is estimated that there will be some 500,000 new claims for emergency assistance as a result of this particular measure. My question to the minister is how does he intend to provide for those half a million—(Time expired)

Mr ANDREWS (Menzies—Minister for Social Services) (21:48): I indicated at the outset of my remarks that the government will oppose the amendments which have been moved by the Labor Party. It is almost as if the Labor Party live in a parallel universe. In fact, they do. The member for Hotham talked about the big increases under Labor. She did not mention the biggest deficits and the biggest debts that any government had left a successive government in Australia. She said that the budget was left in shipshape. If this was a budget left in shipshape, I would hate to see one that was sinking—$123 billion of accumulated deficits and a $667 billion trajectory of Commonwealth debt is hardly shipshape. If the budget was shipshape then we would not be in this regrettable situation that we are at the present time.

The member for Hotham also talked about youth homelessness. Which was the government that did not continue the funding for youth homelessness and homelessness programs except for another 12 months? It was the Labor Party when they were in government. So the contributions from the Labor Party in relation to these matters are totally delusional. The Labor Party managed the trifecta. I know the Leader of the Opposition likes a punt now and again, but what was the Labor Party's trifecta? First it was deception in terms of saying year after year that they were going to deliver a surplus and never did. The second leg of the trifecta was debt, $667 billion the trajectory for the Commonwealth debt.

Mr Snowdon interjecting—

Mr Hutchinson: Mr Deputy Speaker, I draw your attention to the fact that the member for Lingiari is not in his seat and he is interjecting.

The DEPUTY SPEAKER: The member for Lingiari is out of order. The minister has the call.

Mr ANDREWS: The final leg of the trifecta is the one we have seen played out in this place day after day. After deception and debt we have now got denial from the Labor Party—denial that anything was ever wrong, denial that we have got these huge deficits, denial that we have got the largest Commonwealth debt ever in the history of this country. So we have got deception, debt and denial as the trifecta of the Labor Party.

Can I say briefly in the last few seconds available to me to the member for Page that I want to congratulate him and commend him on that initiative of getting disabled people into employment in his electorate. Disabled people in my experience actually want to be in the workforce. Disabled people want to contribute to the country. That program that the member
for Page has put in place is highly commendable. It is why we are doing things like ensuring that the budget is sustainable, so that we can afford things like the NDIS in the future. I commend these measures to the House. *(Time expired)*

**The DEPUTY SPEAKER (Hon. BC Scott):** The time allocated to this debate has expired. The question is that the amendments be agreed to.

The House divided. [21:56]

*(The Deputy Speaker—Hon. BC Scott)*

Ayes.................48
Noes.................83
Majority.............35

**AYES**

Albanese, AN
Bandt, AP
Bird, SL
Brodie, G
Burke, AE
Burke, AS
Butler, MC
Butler, TM
Champion, ND
Chester, LM
Clare, JD
Claydon, SC
Collins, JM
Conroy, PM
Danby, M
Elliot, MJ
Ellis, KM
Feeley, D
Ferguson, LDT
Giles, AJ
Gray, G
Griffin, AP
Hall, JG (teller)
Hayes, CP (teller)
Husic, EN
Jones, SP
King, CF
Leigh, AK
Macklin, JL
MacTiernan, AJGC
McGowan, C
Mitchell, RG
Neumann, SK
O’Connor, BPJ
O’Neil, CE
Owens, J
Parke, M
Perrett, GD
Ripoll, BF
Rishworth, AL
Rowland, MA
Snowdon, WE
Thistlethwaite, MJ
Thomson, KJ
Vamvakinou, M
Watts, TG
Wilkie, AD
Zappia, A

**NOES**

Alexander, JG
Andrews, KJ
Andrews, KL
Baldwin, RC
Billson, BF
Bishop, JI
Briggs, JE
Broad, AJ
Broadbent, RE
Brough, MT
Buchholz, S (teller)
Chester, D
Christensen, GR
Ciobo, SM
Cobb, JK
Coleman, DB
Coulton, M (teller)
Dutton, PC
Entsch, WG
Fletcher, PW
Frydenberg, JA
Gambaro, T
Gillespie, DA
Goodenough, IR
Griggs, NL
Hartsuyker, L
The DEPUTY SPEAKER (Hon. BC Scott) (22:01): In accordance with the resolution agreed to earlier, I now put the question that the bills be agreed to.

The House divided. [22:03]

Ayes ...................... 84
Noes ...................... 47
Majority ................. 37

AYES

Alexander, JG  Andrews, KL
Andrews, KJ  Baldwin, RC
Billson, BF  Bishop, JI
Briggs, JE  Broad, AJ
Broadbent, RE  Brough, MT
Buchholz, S (teller)  Chester, D
Christensen, GR  Ciobo, SM
Cobb, JK  Coleman, DB
Coulton, M (teller)  Dutton, PC
Entsch, WG  Fletcher, PW

Question negatived.
AYES

Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, JE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bird, SL
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Collins, JM
Danby, M
Ellis, KM
Ferguson, LTD
Gray, G
Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Mitchell, RG
O'Connor, BPJ
Owens, J

Bandt, AP
Brodmann, G
Burke, AS
Butler, TM
Chesters, LM
Claydon, SC
Conroy, PM
Elliott, MJ
Feeney, D
Giles, AJ
Griffin, AP
Hayes, CP (teller)
Jones, SP
Leigh, AK
MacTiernan, AJGC
Neumann, SK
O'Neil, CE
Parke, M
Question agreed to.

**Third Reading**

Mr ANDREWS (Menzies—Minister for Social Services) (22:05): I move:
That the bills be now read a third time.

Question put.

The House divided. [22:07]

(The Deputy Speaker—Hon. Bruce Scott)

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<th>Ayes</th>
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**AYES**

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Randall, DJ
Roy, WB
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Robert, SR
Ruddock, PM
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Van Manen, AJ
Vasta, RX
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Perrett, GD
Rishworth, AL
Snowdon, WE
Thomson, KJ
Watts, TG
Zappia, A

Bandt, AP
Brodtmann, G
Burke, AS
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Claydon, SC
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Elliot, MJ
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Griffin, AP
Hayes, CP (teller)
Jones, SP
Leigh, AK
MacTiernan, AJGC
Neumann, SK
O'Neil, CE
Parke, M
Ripoll, BF
Rowland, MA
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Question agreed to.
Bills read a third time.

House adjourned at 22:09

NOTICES

The following notices were given:

Mr Morrison: To present a Bill for an Act to amend the Migration Act 1958, and for related purposes.
Ms Ley: To present a Bill for an Act to amend the law relating to family assistance, and for related purposes.

Mr McCormack: To present a Bill for an Act to amend the Meteorology Act 1955, and for related purposes.

Mr Pyne: To move:

That:

(1) paragraph (4) of the resolution of appointment of the Joint Select Committee on Northern Australia be amended to read:

“(4) the committee deliver its final report and recommendations to the Parliament on or before 1 September 2014;” and

(2) a message be sent to the Senate acquainting it of this resolution and seeking its concurrence in this resolution.

Mr Pyne: To move:

That, in relation to proceedings on the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014, the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 1), (No. 3) and (No. 5)) Bill 2014, the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 2), (No. 4) and (No. 6)) Bill 2014, and the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (Parliamentary Departments)) Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

(1) the resumption of debate on the second readings of the bills being called on together;

(2) at the conclusion of the second reading debate, not including a Minister speaking in reply, or 60 minutes after the resumption of the second reading debate, whichever is the earlier, a Minister being called to sum up the second reading debate and then without delay, (a) one question being put on any amendments moved to motions for the second readings by opposition Members, (b) any necessary questions being put on amendments moved by any other Member, and (c) one question being put on the second readings of the bills together;

(3) if the second readings of the bills have been agreed to, messages from the Governor-General recommending appropriations for the bills being announced together;

(4) the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 20 minutes at which time any questions necessary to complete the detail stage being put;

(5) at the conclusion of the detail stage, one question being put on the third readings of the bills together; and

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

Mr Pyne: To move:

That, in relation to proceedings on the Excise Tariff Amendment (Fuel Indexation) Bill 2014, the Customs Tariff Amendment (Fuel Indexation) Bill 2014, the Fuel Indexation (Road Funding) Bill 2014, and the Fuel Indexation (Road Funding) Special Account Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

(1) the resumption of debate on the second readings of the bills being called on together;

(2) at the conclusion of the second reading debate, not including a Minister speaking in reply, or 2 hours after the resumption of the second reading debate, whichever is the earlier, a Minister being called to sum up the second reading debate and then without delay, (a) one question being put on any amendments moved to motions for the second readings by opposition Members, (b) any necessary
questions being put on amendments moved by any other Member, and (c) one question being put on the second readings of the bills together;

(3) if the second readings of the bills have been agreed to, any messages from the Governor-General recommending appropriations for the bills being announced together;

(4) the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 30 minutes at which time any questions necessary to complete the detail stage being put;

(5) at the conclusion of the detail stage, one question being put on the third readings of the bills together; and

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

Mrs Prentice: To move:

That this House:

(1) understands that the carbon tax has caused a reduction in confidence and competiveness for small business;

(2) notes that:

(a) the carbon tax has seen gas and electricity prices rise by around 10 per cent;

(b) the former Government did not provide compensation for small businesses hit by the carbon tax;

(c) many small businesses are run at a very slim profit margin and are unable to pass these costs on to the consumers, forcing them to absorb the burden of the carbon tax themselves;

(d) with the cost of doing business increasing due to the carbon tax, small businesses lose confidence, invest less money in their business, and are forced to employ fewer staff; and

(e) under the former Government, too many small business jobs were lost; and

(3) commends the Government’s action to repeal the carbon tax to provide certainty to small business and restore the sector’s competitiveness, viability and capacity to employ.
QUESTIONS IN WRITING

Overseas Aid
(Question No. 126)

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 13 May 2014:

In respect of long acting contraceptives Mirena®, DPMA (marketed as Depo Provera® and Depo Ralovera®) and Implanon®, (a) is she aware of their advantages in assisting poor communities in developing countries to access family planning services, and (b) what action is the overseas aid section of her department taking to make them available to these communities as part of Australia’s overseas aid program.

Ms Julie Bishop: The answer to the honourable member's question is as follows:

Australia’s family planning support through the aid program aims to provide the same range of reproductive health and family planning services for women in developing countries as are supported for women in Australia, subject to the national laws of the relevant nation concerned. Australia provides access to a broad range of modern contraception choices, including long acting methods. This support is provided through partners such as Marie Stopes International, the United Nations Population Fund (UNFPA) and bilateral health programs.

Engineers
(Question No. 166)

Mr Kelvin Thomson asked the Minister for Immigration and Border Protection, in writing, on 26 May 2014:

(1) Is he aware of any large capital works budget blowouts, such as coal seam gas projects in Queensland, due to the use of overseas engineers.

(2) Will he consider removing engineering from the Skilled Occupation List given it is considered ‘borderline’, and there will be many unemployed local engineers because of the impending closure of the car industry.

Mr Morrison: The answer to the honourable member’s question is:

(1) Questions in relation to large capital works projects undertaken in the private sector should be addressed to the Minister for Industry, the Hon Ian Macfarlane, or to the relevant state or territory government.

(2) While the Legislative Instrument giving effect to the Skilled Occupation List (SOL) is made in accordance with migration legislation, the composition of the SOLK has been, to date, based upon the advice of the Australian Workforce and Productivity Agency (AWPA). AWPA analyses a range of evidence when updating its advice on the SOL. The agency considers labour market, education and training, migration and general economic and demographic data, and submissions from stakeholders including industry bodies, trade unions, peak professional organisations and other government agencies.

The advice from AWPA made no specific recommendation to remove any engineering occupation from the SOL for the 2014-15 programme year. Accordingly, no engineering occupations have been removed from the SOL.

It has been announced that the functions currently performed by AWPA will be incorporated into the Department of Industry. Questions regarding the methodology behind compiling the SOL should therefore be addressed to the Minister for Industry, the Hon Ian Macfarlane.
457 Visas
(Question No. 168)

Mr Kelvin Thomson asked the Minister for Immigration and Border Protection, in writing, on 27 May 2014:

(1) How many people are (a) currently in Australia on 457 visas, and (b) expected to arrive in Australia on 457 visas in 2013-14.

(2) Is the Government planning to issue Platinum Cards to employers which would allow them to bring in overseas workers under subclass 457 without any requirement to see if there are Australian workers ready, willing and able to do the job.

Mr Morrison: The answer to the honourable member’s question is:

(1a) As at 31 May 2014 the number of subclass 457 primary visa holders in Australia was 108,540.

(1b) As the 457 programme is demand driven, there are a number of factors including economic conditions, personal employment decisions and processing times which can influence the number of people arriving on 457 visas in Australia in any given year. The department is unable to forecast the number of 457 visa holders expected to arrive in Australia in 2013-14.

(2) There are no plans to issue platinum cards to employers.