COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

House of Representatives

Official Hansard

No. 3, 2012
Tuesday, 28 February 2012

FORTY-THIRD PARLIAMENT
FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
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FORTY-THIRD PARLIAMENT
FIRST SESSION—FIFTH PERIOD

Governor-General

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders

Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

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

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

Party Leaders and Whips

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

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

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

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**PARTY ABBREVIATIONS**

- ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party;
- CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent;
- AG—Australian Greens

## Heads of Parliamentary Departments

- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—B Wright
- Secretary, Department of Parliamentary Services—A Thompson
## GILLARD MINISTRY

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<thead>
<tr>
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<tr>
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<td>The Hon Tony Abbott MP</td>
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<td><em>The Hon Julie Bishop MP</em></td>
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<td><em>The Hon Teresa Gambaro MP</em></td>
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<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong> (Leader of The Nationals)</td>
<td>The Hon Warren Truss MP</td>
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TUESDAY, 28 FEBRUARY 2012

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QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:01): My question is to the Prime Minister. I remind the Prime Minister of her admission yesterday that she had made mistakes over the past 18 months. Was one of those mistakes telling the Australian people, five days before the election, 'There will be no carbon tax under the government I lead'? Will she now apologise for this deception and rescind the operation of the carbon tax until after the next election?

Ms Gillard (Lalor—Prime Minister) (14:03): To the Leader of the Opposition's question: last year this parliament put a price on carbon. It did that because we want our nation to seize a clean energy future. The Leader of the Opposition himself has been in favour of putting a price on carbon. He went to the 2007 election on a platform of introducing an emissions trading scheme. On this side of the parliament, we have always said that the best way of tackling climate change—the cheapest, the most effective way—was to put a price on carbon—

Mrs Bronwyn Bishop interjecting—

The SPEAKER: The honourable member for Mackellar will restrain herself.

Ms GIllard: and we have achieved that.

Mr Abbott: Mr Speaker, I rise on a point of order on direct relevance. It was a simple question: was this statement one of the mistakes that the Prime Minister now regrets? She should directly answer that question.

The SPEAKER: The Prime Minister will be directly relevant to the question.

Ms GILLARD: Putting a price on carbon was the right thing to do, and I stand by it. It was the right thing to do to seize a clean energy future. The Leader of the Opposition is on the public record saying that.

Ms Julie Bishop interjecting—

Ms GIllard: The deputy leader, who interjects, is on the public record saying that. The member for Sturt is on the public record saying that. They all went to the 2007 election pledging to vote for that in this parliament. When it comes to talking about deception on this question, they might like to explain to the Australian people why they were in favour—

Mrs Bronwyn Bishop: Mr Speaker, I rise on a point of order.

The SPEAKER: There is no point of order at this point because all the Prime Minister has said is that, when it comes to the point of deception, they might like to explain to the Australian people. If the Prime Minister were to accuse the opposition of
deception, she would be compelled to withdraw. That could well be coming. It has not yet come. The Prime Minister has the call.

Ms Gillard: Mr Speaker, I am more than happy to rephrase. It falls to the opposition to explain how the most senior figures of this opposition went to the 2007 election campaign saying that they believed in putting a price on carbon, that they would all vote for putting a price on carbon—

Mrs Bronwyn Bishop: Mr Speaker, I rise on a point of order. Clearly, putting together the allegation of what happened in 2007 and the word ‘deception’ goes to intent, and she should withdraw.

The Speaker: Has the honourable member finished?

Mrs Bronwyn Bishop: Yes. There has to be one rule about this word.

The Speaker: The Prime Minister has been asked about a statement made prior to the election and has been asked if she would apologise for that statement. The Prime Minister has the call to answer the question.

Ms Gillard: The senior figures of the opposition should explain why they went to the 2007 election, hands on their hearts, saying, ‘I will walk into the parliament and I will vote for a price on carbon.’

The Speaker: The Prime Minister will become directly relevant and will answer the question.

Ms Gillard: I am asked whether or not carbon pricing is a mistake for this country, and I am pointing out that carbon pricing in this nation has had strong bipartisan support, and that is why it is not a mistake for the nation. It has been supported fulsomely by the Leader of the Opposition. He sought election in 2007 on the basis that he would vote for carbon pricing—

The Speaker: The Prime Minister will return to being directly relevant.

Ms Gillard: and he probably said that in 2007 because he believed then, as did Prime Minister Howard—

The Speaker: The Prime Minister will resume her seat. Next question?

Ms Gillard: that it was the right thing for the nation.

The Speaker: The Prime Minister no longer has the call. Next question? The honourable member for North Sydney on a supp—

Mr Hockey: On a question. You asked for questions: ‘Next question?’ I am standing, asking for the call, sir. No-one else was standing—

The Speaker: No, I was of the view that the honourable member for North Sydney was approaching the dispatch box seeking to ask a supplementary, and naturally I would have accorded him precedence had that been the case. The honourable member for Greenway.

Ms Smyth: For La Trobe.

The Speaker: La Trobe, sorry. Congratulations are in order for the honourable member for Greenway and her husband, Michael, on producing a young Australian. The honourable member for La Trobe has the call.

Telecommunications

Ms Smyth (La Trobe) (14:07): Thank you very much, Mr Speaker. My question is to the Prime Minister. Will the Prime Minister update the House on the latest developments in delivering the structural separation of Telstra? How is the government getting the job done on delivering this and the other major reforms we need to build Australia's future?
Ms GILLARD (Lalor—Prime Minister) (14:08): I thank the member for La Trobe for her question. As the representative of an outer urban electorate in this place, I am sure that she, like many other members, takes plenty of calls in her electorate office and has plenty of people seeking to speak to her on the streets of her community about their inability to get broadband—their inability to get a service.

Today is a landmark day in the development of telecommunications for this country. Today the Australian Competition and Consumer Commission has approved the structural separation of Telstra. Our 100-year-old copper network has served us well but it will not meet the needs of the future. To meet those needs we need superfast broadband. We need the National Broadband Network. And, to ensure that the National Broadband Network can be got to Australians in the most equitable way with services at the cheapest price, we need the structural separation of Telstra so that there are wholesale services and there is retail competition on those services. That is what structural separation means and that is what has been achieved by this government.

This is the delivery of a major reform, much delayed in this country, spoken about for 20 years but delivered by this government, delivered through legislation at the end of last year and now getting the regulatory approvals it needs today. That means that we now have in place the funding, the legislation and the regulatory approvals to get superfast broadband around the nation.

This is another example of the government getting the big things done, the big things that will make a difference to our future prosperity as a nation. It is inconceivable that we can hold our place in a competitive world if we are working on yesterday's technology and other nations are working on the technology of the 21st century.

What today confirms is that in the 2013 election the nation will face a choice. Right around the nation for so many communities that choice will be an incredibly simple one: broadband or no broadband? That will be the choice. Productivity and prosperity in the future, or yesterday's technology? Twenty-first century delivery of healthcare and education services, or leaving our hospitals, GP clinics and schoolchildren behind? On this side of the parliament, we stand for embracing that future and shaping it in Australia's interest, and today is a very important day in ensuring that we get the National Broadband Network done.

DISTINGUISHED VISITORS

The SPEAKER (14:11): The honourable member for Hinkler advises me that in the gallery today we have the Hon. Lin Powell, former Speaker of the Legislative Assembly of Queensland and a former Queensland education minister, and his wife, Mrs Jan Powell. I welcome both Mr and Mrs Powell to the gallery of the House of Representatives on behalf of all members.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Mining

Mr HOCKEY (North Sydney) (14:11): My question is to the Minister for Resources and Energy. I remind the minister of his statement yesterday that the Treasurer 'should take a good, hard look at himself'. Was he referring to the Treasurer's handling of the mining tax, which has had three different versions and five different costings, or is he referring—to use the minister's own words—to the 'character assassination' of the member for Griffith?
Mr Albanese: Mr Speaker, I raise a point of order.

Opposition members interjecting—

The SPEAKER: The House will remain—or become—silent so that I can listen to the Leader of the House on his point of order.

Mr Albanese: I submit to you, Mr Speaker, that the second half of that question is clearly out of order as it does not go to the minister’s responsibilities.

Mr Pyne: Mr Speaker, on the point of order: it is a longstanding precedent in this place that ministers can have their words put to them and simply be asked whether they stand by them. The Minister for Resources and Energy has made those statements and he has a responsibility to either stand by them or repudiate them in this place.

The SPEAKER: My principal dilemma is whether I rule the whole question out of order on the basis that half of it pollutes the whole or whether in fact I direct the minister to answer the first part of the question. I invite the minister to answer the first part of the question, and he will disregard the second part.

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (14:13): I thank the honourable member for the question, which really raised the importance of the mining tax. Our endeavour to put in place a profits based system in Australia is exceptionally important to the future of Australia. It is about time the coalition understood that we are very fortunate as a nation. There is a huge pipeline of investment in Australia to the tune of $455 billion in either planned or committed capital investment.

It is also time they understood that our economy is getting major benefits in the process of this investment, there are other parts of our economy that are challenged by the impact of the dollar and, I might say, disappointing commodity prices, such as the aluminium industry. That is the case internationally at this point in time. I also say to the opposition that only Labor have the capacity to manage this transition, just as we, during the period of 1983 to 1996, were the only party capable of opening up Australia to the process of globalisation.

Mr Hockey: Mr Speaker, on a point of order, the question was about whether, when he said that the Treasurer should take a good, hard look at himself, he was referring to the bungling of the mining tax or the other issue.

The SPEAKER: The second part of the honourable member’s question was ruled out of order. The minister will assist the House if he is as precise in his answer as he can manage. I call the honourable minister.

Mr MARTIN FERGUSON: When it goes to a question of having a good, hard look at yourself, it is time the coalition had a good, hard look at itself. I am talking about its endeavours to use workers and their families—

The SPEAKER: The minister will be directly relevant.

Mr MARTIN FERGUSON: with respect to the transition that is occurring with Qantas, Alcoa and BHP.

Mr Speaker, I thank you for the opportunity to address this matter. The government is hard at work in trying to assist the Australian economy to manage a major investment pipeline whilst looking after those sections of the economy that are challenged by the transition. I say to those opposite: front up to policy and real policy
debates rather than having your heads in the sand.

Economy
Employment

Ms OWENS (Parramatta) (14:16): My question is to the Treasurer. Will the Treasurer update the House on recent global economic developments? Why do these developments make it critical for Australia to have the right policies to support jobs today and into the future?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:16): I thank the member for Parramatta for that very important question about the economy, something that those opposite are not interested in at all. Over the weekend my G20 colleagues met in Mexico, in what continues to be a difficult time.

Honourable members interjecting—

The SPEAKER: The Treasurer will pause while the House returns to silence so that we can listen to the Treasurer's answer. The Treasurer has the call.

Mr SWAN: It does continue to be a difficult time in the global economy but there have been recent policy decisions put in place in Europe, particularly by the ECB, that have eased pressures in markets. Nevertheless, my G20 colleagues have warned again that there are still challenges in the global economy. We do know that Europe does face a very painful period of adjustment and we also know that unemployment is far too high around the developed world and across the developing world. But, in the face of this, there was a very strong commitment from G20 finance ministers to make jobs, employment and economic growth the No. 1 priority in terms of structural reforms in both developed and developing countries.

From our perspective on this side of the House, whether internationally or here, domestically, jobs are our No. 1 priority, and they have been from day one. Two-hundred thousand jobs would have been lost in this country during the global financial crisis if those on that side of the House had had their way. We on this side of the House understand that the dignity of labour is the lifeblood of every one of the communities that we represent, and we understand that prolonged high unemployment and small business closures are the most devastating things that can happen to any community, whether here or in other developed economies around the world. The values that drive us are to make sure that we support employment to the extent we can, to make our economy grow so that we can supply the jobs of the future.

The one thing that everyone on this side of the House is proud of is that today there are more Australians employed than at any other time in our history, with an unemployment rate of 5.1 per cent. We are proud of that. Despite the global challenges, our economy walks tall in the world, and the rock on which our economic policy is built is strong fiscal policy. Bringing our budget back to surplus in 2012-13 is absolutely critical. Compare and contrast that with the farce we have seen from those on the other side of the House: a $70 billion crater in their budget bottom line. On Q&A last night we discovered there is a fourth stooge: Senator Joyce, who could not explain to the people of Australia how they were going to bring the budget back to surplus.

Ms Julie Bishop: Mr Speaker, on a point of order, I believe this is the eighth time that the Treasurer has used that word in reference to members of the coalition, in defiance of your ruling. On that basis, I ask that he withdraw.
The SPEAKER: The Treasurer will withdraw that reference to Senator Joyce.

Mr SWAN: Yes, I withdraw that reference to Senator Joyce, Mr Speaker.

The SPEAKER: And then he will resume his seat. Next question.

Housing, Homelessness and Emergency Management

Mr KEENAN (Stirling) (14:20): My question is to the Minister for Housing, Minister for Homelessness and Minister for Emergency Management. Will the minister outline his future plans for his portfolio over the next 18 months?

Mr McCLELLAND (Barton—Minister for Housing, Minister for Homelessness and Minister for Emergency Management) (14:20): Thank you very much for this opportunity to outline my portfolio responsibilities over the next 18 months. In the important area of emergency management, my focus will be on ensuring a greater focus on mitigation measures, preventative measures, to prevent people from being the subject of natural disasters in the first place. I am publicly on the record as saying, quite frankly, I think there is a lot of attention paid—and appropriately so—to providing assistance to people and communities once they have been the victim of natural disasters. But I think we as a parliament and indeed as dedicated local members—and I have seen many dedicated local members—need to really put a focus on preventative measures.

In terms of my housing and homelessness responsibilities, we will be progressing the National Partnership Agreement on Social Housing. We will be pursuing the Social Housing Initiative, which involves $5.8 billion. By the middle of this year we will have all but constructed some 20,000 properties and will have repaired about 80,000 properties. In addition, under the

National Affordable Housing Agreement we will be putting $6.2 billion into assistance for those who are homeless, including Indigenous Australians. Under the National Rental Affordability Scheme we have allocated $4.3 billion to reduce the rental payable not only by those who are vulnerable to homelessness but also by essential workers such as firemen, police officers, teachers and nurses. That assistance of $4.3 billion has been provided on the basis that proprietors of properties will reduce their rental accommodation to 80 per cent of market value. Work is being rolled out under the Housing Affordability Fund to assist state and local governments to implement infrastructure improvements in areas and get resources into those areas to reduce the cost of development so that those properties can be sold on the market at a cheaper value. Indeed, one example in Melbourne recently saw a $10,000 reduction in market property values. I will shortly be announcing that some 73 areas will benefit under the Building Better Regional Cities Program. (Time expired)

DISTINGUISHED VISITORS

The SPEAKER (14:23): I inform the House that we have present in the gallery this afternoon members of the Australian Political Exchange Council Sixth Delegation from the Philippines. On behalf of all honourable members I extend a very warm welcome to the members of that delegation.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Murray-Darling Basin

Mr WINDSOR (New England) (14:24): My question is to the Minister for Sustainability, Environment, Water, Population and Communities and relates to water buyback policy. Given recent questions raised about the government's
initiative to seek expressions of interest for water in the southern connected system of the Murray-Darling Basin, as it applies to irrigation districts and strategic water purchases, can the minister comment on those concerns and, given those concerns, will the minister also consider attending a meeting of the Standing Committee on Regional Australia in company with the Murray-Darling Basin Authority Chair, Craig Knowles, to discuss progress on the Murray-Darling Basin Plan?

**Mr Burke** (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:25): I thank the member for New England both for the question and for the work he led when the Windsor inquiry looked into Murray-Darling Basin reform. A key recommendation, supported at the media conferences that followed, held by members of parliament on each side of this House, was for the government to put a pause on all non-strategic buybacks. At that time we gave a guarantee that in the north of the system we would only be buying from river pumpers and in the south of the system the general tenders which had been taking place would not recommence until 2013. Those commitments stand.

There have been claims, in this parliament and outside the parliament, from three members of the inquiry that the recent expressions of interest that have been launched are in some way a breach of that commitment. I make it clear to everyone, including members of the Windsor inquiry, that the expressions of interest have been launched so that strategic buyback can take place. Rather than doing a basin-wide tender, rather than going through the other system, which members opposite had always opposed, where value for money was the only indicator, we now actually have a situation where we look to expressions of interest to see whether or not for the local community the purchase is strategic—and that is exactly what the inquiry unanimously called for. I am very happy to meet with members of the committee to talk about this; I am very happy to ask the Chair of the Murray-Darling Basin Authority to meet with members of the committee as well.

This comes down to one really simple dividing line. When we got that unanimous report I actually thought that we had from the coalition members of the committee a willingness to engage in reform and that they would hold themselves to the words of that inquiry—their issue was whether or not the buybacks were strategic. What we have discovered today is that, regardless of the unanimity of the report, there are members opposite whose argument is not just whether it is strategic; they are just opposed to reform of the Murray-Darling Basin. The arguments that they have thrown up in the last few days are a slap in the face to every South Australian member opposite who thought they had a consensus position from the coalition; who thought they were actually on a constructive path forward.

**The Speaker:** The minister will return to the substance of the question.

**Mr Burke:** That is why, Mr Speaker, what has been announced is exactly what the Windsor inquiry called for, is exactly in line with the commitment we made and is exactly what until this week had been a unanimous position from the coalition.

**Distinguished Visitors**

**The Speaker** (14:27): I inform honourable members that we have seated on the floor of the chamber the Hon. Barry Cohen, former Minister for the Arts, Heritage and the Environment. He seems to be seated on the floor of the chamber as often as some honourable members! We welcome Barry to the chamber.
Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Education

Mr Murphy (Reid) (14:28): My question is to the Minister for School Education, Early Childhood and Youth. Minister, will you update the House on the government's education reform agenda, and how will the government keep delivering better and more educational opportunities for our children and young people?

Mr Garrett (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:28): The educational achievements of this Labor government are considerable. We take education seriously, and our commitment to make every school a great school is a commitment that we are delivering on. We have doubled investment in education to over $65 billion, including significant investment in national partnerships, where we work with the states to make sure that kids right around the country get the investment they need in their schools. I thank the member for Reid for his question because he has some 10 schools in his electorate benefiting from funding under the National Partnership on Low Socio-economic Status School Communities—which, incidentally, the opposition has said it will cut, so I know the honourable member realises how important this is.

We have put additional investment into teacher quality because the research tells us that this is the most important thing in improving student results. We have invested in national teacher standards to raise teacher quality. We got that done. We said that we would introduce a national curriculum and we got that done. We now have the first ever national curriculum being taught in Australian schools as we speak. We have delivered over 900,000 computers to every Australian secondary student in years 9 to 12 for this year's schooling.

We said that we would review funding for schooling, and we got that done as well. Last week, the Gonski review on education funding was released and it was well received and praised by almost every education stakeholder—with the notable exception of the member for Sturt. He went out on his own to recycle the hit list scaremongering routine, but no-one was listening.

I was asked about the government delivering better education opportunities for young people. Last Friday, the Prime Minister and I launched the third version of the My School website, providing additional transparency and information for schools and parents. What does it tell us about the investments that we have made and are making? There was one fantastic statistic that can be seen on My School that I want to let the House know about. In 2010, we had 17 literacy and numeracy national partnership schools with results that were substantially below similar schools on My School. In 2012 none of these schools are in this category. That is an absolutely fantastic achievement. The point about this is that this is good education policy in practice. This is delivering on the commitments that we have made to make sure that every kid in every school in Australia gets the best opportunity to get the best education that they can.

We hear bleats, squawks and scare campaigns from those opposite, along with the promise of $2.8 billion in cuts to education. But when it comes to education, those on this side of the House—Labor—deliver. (Time expired)

DISTINGUISHED VISITORS

The Speaker (14:31): In their absence, I welcomed members of the Australian Political Exchange Council Sixth...
Delegation from the Philippines. Now that they are here, I extend a very warm welcome to them once again.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Mr MORRISON (Cook) (14:32): My question is to the Prime Minister. I remind the Prime Minister of her statement: ‘I have made mistakes over the past 18 months.’ Does the Prime Minister include in those mistakes the East Timor processing centre, the Malaysian people swap and a reported failure to consult the former Prime Minister and foreign minister on either of these policies, policies that he described as ‘a walk on the policy wild side’?

Ms GILLARD (Lalor—Prime Minister) (14:32): In answer to the member's question, I did make a mistake: I made a mistake in assuming that the opposition would ever be motivated by the national interest. I made that mistake and I am happy to put my hand up to it. I thought that at some point the opposition that had said 'stop the boats' might be prepared to walk into this parliament and vote to give this government and governments in the future the same powers to deal with offshore processing that governments in the past have had. The mistake that I made was believing that somewhere deep down they believe in the national interest.

Opposition members interjecting—

The SPEAKER: Honourable members on my left, including the member for Fadden, will listen in silence—as will members on my right.

Ms GILLARD: Thank you very much, Mr Speaker. I am being very directly relevant to the question that I was asked.

The SPEAKER: I was not suggesting that the Prime Minister was not; I was just seeking silence so that the response could be heard.

Ms GILLARD: I have learned from that mistake. What I have learned is that there is never a time that the national interest worries the opposition. The only thing that ever worries them is their political interest and the depths to which they will go to pursue their political interests know no bounds. They are prepared to see more boats; they want to see more boats despite the risks to lives. Their pledge to the Australian people is to risk the lives of ADF personnel in pursuit of a policy that they know to be flawed. My mistake was ever believing that they were better than that.

Mr Pyne: Mr Speaker, I rise on a point of order. Given the number of very tragic deaths that have occurred in boats coming to Australia, the suggestion that the opposition welcomes more boats is deeply offensive to me personally and to the opposition and I would ask the Prime Minister to withdraw that offensive remark.

The SPEAKER: There is no point of order. The Prime Minister has finished.

DISTINGUISHED VISITORS

The SPEAKER (14:35): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Solomon Islands. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Education

Ms BIRD (Cunningham) (14:35): My question is to the Minister for Human Services and Minister Assisting for School Education. Will the minister outline to the House how the government has supported Australian jobs by delivering educational infrastructure? How has it impacted on the
Mr BRENDAN O'CONNOR (Gorton—Minister for Human Services and Minister Assisting for School Education) (14:36): I thank the member for Cunningham for her question. Before she was in this place, she was a school teacher. She understands the importance of education. This government fully understands the need to focus on education, employment and the economy. Indeed, this government, when confronted with the global financial crisis, invested a record amount of money into education. As the Minister for School Education, Early Childhood and Youth just said, we have doubled school education funding in only four years. We did so because we understand that it is absolutely critical to manage the economy to help working families. We understand that we need to ensure that those people in communities across the country who depend upon us are able to be supported through those difficult times. We had to make a decision as to where we would invest that money. We rightly invested it in education. As a result, with that particular initiative alone, the $16.2 billion, we managed to support or create 120,000 jobs in this country, a remarkable effort when compared internationally with the way other governments confronted this issue.

We know those opposite neglected school funding in their time in government. There is nothing wrong with flagpoles but you have to go beyond flagpoles and invest in school education. By contrast, we built 4,500 new interactive classrooms, 3,100 libraries, 2,900 multipurpose centres and, one other area I was looking at recently, 280 language and science centres across this country as a result of that initiative. This has been a remarkable effort by the government.

In the end it will always be Labor that focuses on the things that matter. It will always be Labor that puts jobs at the centre of public policy. In relation to this initiative, we focused on jobs to protect the workers in this country and we invested to protect the students who are the workers of the future. This initiative was absolutely critical. Look now at the results. As the Treasurer said today and has said before, we have an enviable unemployment rate of 5.1 per cent. Look around the world: we have an unemployment rate less than half that of Europe and a rate much better than other advanced economies as a result of actions of this government. It will always be the case that this Labor government will invest in education and support jobs.

Ms BIRD (Cunningham) (14:39): Mr Speaker, I ask a supplementary question. I ask the minister, from the answer he has given, how that will impact on communities in the Illawarra.

Mr BRENDAN O'CONNOR (Gorton—Minister for Human Services and Minister Assisting for School Education) (14:39): I am very happy to take the supplementary question from the member for Cunningham. As I said earlier, this initiative has been an extraordinary success for workers and for students across this land. In the electorate of Cunningham, the BER has provided 16 new libraries, 27 multipurpose halls and 27 classrooms. Indeed, we have invested $114 million in the electorate of Cunningham—not only in the electorate of Cunningham but in many electorates across this country represented by those on this side and by those opposite. The difference is those opposite chose to vote against that initiative, which was to support jobs and local communities. The Leader of the Opposition managed to literally sleep through that vote. In the end, he has no interest in jobs and he has no interest in education.
The SPEAKER: The minister will resume his seat. The minister is not being directly relevant.

Asylum Seekers

Mr TRUSS (Wide Bay—Leader of The Nationals) (14:40): My question is to the Prime Minister. I remind the Prime Minister of the revelation by the former foreign minister:

... decisions ... were taken, in my absence ... and then announced and implemented ... without my knowledge, in the case of ... the Malaysia solution ... and then off they went only to discover they didn’t work.

Why was the foreign minister not consulted and why was a cabinet decision announced and implemented without his knowledge on a matter which so obviously impacted on Australia's relationship with Malaysia?

Ms GILLARD (Lalor—Prime Minister) (14:41): There were proper cabinet processes in relation to this matter and we operate a proper cabinet government. Because we operate a proper cabinet government, we are able to assess the policy merits of various proposals. That is why, for example, we will never agree to the opposition's policy proposal to put the lives—

Mr Dutton interjecting—

The SPEAKER: The Prime Minister will resume her seat until the House is entirely silent when he will be given the call. He is making a point which I need to consider.

Mr Abbott: The Prime Minister claimed, just a few moments ago, that the opposition has deliberately put the lives of ADF personnel at risk. She agrees that is the claim she has made. That claim is deeply offensive and she should be required to withdraw.

Ms GILLARD: Thank you, Mr Speaker. Because of proper assessment of policy proposals we will never join the opposition in putting the lives of ADF personnel at risk at sea in pursuit of their so-called ‘turn the boats back’ policy. It has been rejected by senior officers of the ADF as unsafe and risky and the Leader of the Opposition should not stand by it.

The SPEAKER: The Prime Minister will resume her seat. I gather the honourable member for Fadden is deferring to his leader.

Mr Robert: Of course, Mr Speaker. I have respect for my leader as opposed to those opposite.

The SPEAKER: Order! The leader will resume his seat until the House is entirely silent when he will be given the call. He is making a point which I need to consider.

Mr Abbott: The Prime Minister claimed, just a few moments ago, that the opposition has deliberately put the lives of ADF personnel at risk. She agrees that is the claim she has made. That claim is deeply offensive and she should be required to withdraw.

Ms GILLARD: What I am doing is endorsing the words of Vice Admiral Ray
Griggs when he pointed to the risks of turning boats around. He is a man who would know. It follows that if you are putting people at risk at sea you are putting their lives in danger. I am saying that that is the policy the opposition will take to the next election. Of course, the—

Mr Pyne: Mr Speaker, I rise on a point of order on relevance. The Prime Minister was asked why the foreign minister was not consulted about the Malaysian people swap. She was not asked about anything else and she should answer that question.

The SPEAKER: The Prime Minister will be directly relevant.

Ms Gillard: On the question I was asked there was a proper cabinet process. We work in accordance with proper cabinet processes and of course we have been prepared to deal with the opposition in a spirit of goodwill of getting legislation through the parliament. We have been repudiated on that because they have no attachment to the national interest. In this parliament I have pointed to the words of the Chief of Navy on the question of the risks of turning back boats.

Mr Abbott (Warringah—Leader of the Opposition) (14:46): Mr Speaker, I ask a supplementary question of the Prime Minister. We know exactly what the former foreign minister said. He said that he was not consulted and that cabinet processes did not work in this case. Is the Prime Minister saying that the former foreign minister is being deceptive?

Ms Gillard (Lalor—Prime Minister) (14:47): I understand that it is the approach of the opposition to come into this place and throw insults. I have answered the opposition's policy. The matter of substance here is how to deal with border security and border protection, and the biggest matter of substance in relation to that is whether or not you have a plan to put at risk the lives of ADF personnel. The opposition does.

Pacific Highway

Ms Saffin (Page) (14:48): My question is to the Minister for Infrastructure and Transport. Will the minister please outline to the House how the government's record investment in duplicating the Pacific Highway is creating jobs today while building the nation for the future, and are there any obstacles to achieving full duplication of the highway by 2016?

Mr Albanese (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:48): I thank the member for Page for her question. I am glad I can get a question on infrastructure and transport from this side of the House because, no matter what I do, it is pretty hard to get one from the other side of the House. They just simply will not ask a question on these issues, because they are not interested in infrastructure and transport.

Opposition members interjecting—

The SPEAKER: The honourable member for Kooyong will remove himself from the chamber under the provisions of standing order 94(a). The minister has the call.

The member for Kooyong then left the chamber.

Mr Albanese: Right now, today, there are more than 1,600 workers on site working on the Pacific Highway, finishing the Ballina Bypass, Devils Pulpit, Tintenbar to Ewingsdale, Sapphire to Woolgoolga, Bulahdelah Bypass, Kempsey Bypass, Banora Point and Herons Creek to Stills Road.

This is a vital road on which more than 800 people have lost their lives over the last 20 years. It is an important national priority for us and it has been a priority for the New
South Wales government in the past. I wrote to the New South Wales roads minister last month and included a works plan to achieve duplication by 2016. I table my letter to Minister Gay and the work plan. Both Minister Gay and New South Wales Deputy Premier Andrew Stoner have acknowledged that 2016 is achievable. That is why I was disappointed that Minister Gay responded to my correspondence not by writing to me but by giving a letter to the newspapers saying that they would not continue with fifty-fifty funding for the Pacific Highway.

This week the NRMA has called them out. NRMA President Wendy Machin said this in calling for New South Wales to meet its fair share:

It was the Howard Government that set the 50-50 funding split for the Pacific Highway from 2006 and the NRMA has supported this approach since day one.

She should know—a former National Party member for Port Macquarie who knows the highway well and is out there taking a principled position. I table the NRMA release.

Whilst we have been getting on with the job, what we have seen from those opposite—the member for Cowper—is, first, he said it was not a federal problem when he called the Pacific Highway a state road. Then he said dollar-for-dollar funding should be provided for New South Wales. Then, when we put in $1 billion, they said there was not enough construction. They said it does not actually build roads. But now, this week, in defending the inaction from his coalition colleagues he said, 'Go to Sapphire, to Woolgoolga or to Kempsey and look at the scale of the work that is happening and ask yourself where you are going to replicate that six more times.' Now they say there is too much work taking place on the Pacific Highway, and it is not possible. I say to those opposite— (Time expired)

Asylum Seekers

Mrs MARKUS (Macquarie) (14:52): My question is to the Prime Minister. I remind the Prime Minister of her commitment before the last election that she would rule out for offshore processing any country that was not a signatory to the refugee convention. Why has the Prime Minister refused to accept the coalition's proposal to enshrine this requirement in the Migration Act?

Ms GILLARD (Lalor—Prime Minister) (14:52): The present policy of the opposition as I understand it—and it has moved on a number of occasions—is, despite the risks pointed to by the Chief of Navy in Senate estimates, to endeavour to turn back boats and to return asylum seekers to Indonesia, a country that is not a signatory to the refugee convention. And it is to do that in circumstances in which no agreement about any protections for those asylum seekers have been negotiated, including the most fundamental protection to which the refugee convention obligates a nation: to not return asylum seekers to the place where they were persecuted. That hypocrisy from the opposition comes against the backdrop of having said in this parliament that its position is to argue for a change to the Migration Act that limits offshore processing to countries that are signatories to the refugee convention. So the opposition's current policy is a hypocrisy compared with what they said in this place. What they said in this place was a hypocrisy compared with the conduct of the Howard government—

The SPEAKER: Order! The Prime Minister will withdraw the word 'hypocrisy'.

Ms GILLARD: I will withdraw it and replace it with 'complete contradiction' to the policy of the Howard government, which had asylum seekers processed in a non-signatory country, Nauru. Let us just check these
policies over time: they did not care about the refugee convention, then said it was pivotal and now do not care about the refugee convention.

Mr Pyne: Mr Speaker, I rise on a point of order. The Prime Minister was asked about her own complete contradiction, not about our policies. She was asked about the refugee convention, the position she took before the last election and the position she now adopts, and that is the question she should be answering.

The SPEAKER: I am sure the Prime Minister will address the specifics of the question.

Ms GILLARD: I was directly asked about the opposition's policy and whether or not I would endorse it. I was directly asked about that, and I am being directly relevant. If the opposition do not want me to talk about their policy, they should not ask me about it. Let us go down the convoluted road. When they are in government they process in Nauru; it is not a signatory to the refugee convention. They go to the 2010 election saying, in the words of the shadow minister, 'No, it's not a precondition that Nauru is a signatory to the refugee convention.' That is the policy the opposition took to the Australian people. Then they backflipped in this parliament because their political interest was in seeing more boats. They wanted to stymie legislation going through this parliament after the High Court case. Now they appear to have backflipped again with a policy that has all the risks the Chief of Navy has pointed to for ADF personnel. All this convolution points to putting political interest above the national interest. The opposition want to see more boats.

Economy

Mr RIPOLL (Oxley) (14:56): My question is to the Minister for Climate Change and Energy Efficiency and Minister for Industry and Innovation. How is the government supporting Australian jobs, industry and households through the clean energy future package? And how is the government making sure that Australian industry remains competitive and creates jobs and growth into the future?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:56): I thank the member for Oxley for his question. It is an important one. The Labor government's priority is to manage the economy in the interests of working people, to give people a hand to support jobs and to make sure we have a strong economy so that jobs grow. That is why we managed the economy the way we did during the global financial crisis—to ensure that as many jobs as possible were protected and that jobs kept growing.

Commitment to the working people and the working families of this nation is the reason the clean energy future package, containing the carbon price, includes not only household assistance but support for jobs. Today the government released regulations to establish what we have entitled the Jobs and Competitiveness Program. Those regulations are now in place. That program will provide substantial assistance in the form of free carbon permits to the most emissions intensive and trade exposed industries—like the steel industry, aluminium smelting and cement manufacturing. The most emissions intensive industries will receive an initial average of 94½ per cent of their carbon permits for free, meaning that the effective carbon price is reduced from $23 to $1.30.

The government has designed that assistance to support the jobs in those industries. It is especially significant assistance worth many billions of dollars.
over the next few years. If a business can reduce its emissions intensity, its effective carbon price might in fact be less than $1.30 per tonne of greenhouse gases. In fact, it might mean that business has excess free permits that can be sold for a profit. That is built into the design of this support and is a tremendously powerful incentive for companies to reduce their emissions. Any discussion about carbon pricing, the competitiveness of our economy and support for jobs in these important industries has to take these issues into account—not the nonsense that is thrown into this debate by the Leader of the Opposition. We have also put aside a $1 billion program to support investments in clean technology in low emissions technologies. We will continue to support jobs and the competitiveness of our economy while the opposition continues to undermine strong economic management.

Asylum Seekers

Mr PYNE (Sturt—Manager of Opposition Business) (14:59): My question is to the Prime Minister. I refer to the statement by the minister for immigration following last year's federal Labor conference that the government would reintroduce the legislation to allow the Malaysian people swap. Has the Prime Minister asked the Leader of the House to list this bill for debate?

Ms GILLARD (Lalor—Prime Minister) (15:00): In answer to the member's question, as the member probably knows from the discussions over summer, we entered into good-faith negotiations with the opposition in order to see us work together on legislation which would put this government and future governments in the same position as the former Howard government—that is, able to make appropriate arrangements for offshore processing. We actually said to the opposition, in that spirit of goodwill, that we would endorse their stated policy at that time, which was having a detention centre on Nauru, if they allowed us to then have the Malaysia arrangement implemented and we would work together on the appropriate legislative amendment. After days and days of discussions and comings and goings that the shadow minister was involved in and the Deputy Leader of the Opposition was involved in, it became transparently clear—

Ms Julie Bishop interjecting—

The SPEAKER: The Deputy Leader of the Opposition will remain silent.

Ms GILLARD: that the opposition participants in those discussions were not going to enter an arrangement with the government and that the opposition was not serious about the process, and we certainly knew that for sure when we read about it in the pages of the Australian—

Mr Pyne interjecting—

The SPEAKER: As will the honourable member for Sturt.

Ms GILLARD: and it had all been tipped out there publicly. So I say to the member who asked the question I understand that it is the policy of the opposition that they want to see more boats. I understand that, because that is their policy, they will oppose any legislation in this parliament.

Opposition members interjecting—

The SPEAKER: Order! The Prime Minister will resume her seat. I advised the Manager of Opposition Business that he was to remain silent. I assume that by his comment to me from his seat he was trying to get to the dispatch box. I will ignore the fact that some would interpret him as defying my ruling. I will give him the call on a point of order.

Mr Pyne: I thank you, Mr Speaker. On a point of order, Mr Speaker, 600 asylum seekers have perished trying to get to
Australia in the last several years under this government. The suggestion that we would be inviting more boats is deeply offensive. I ask her to withdraw it.

The SPEAKER: There is no point of order.

Mr Albanese: On a point of order, Mr Speaker, the Manager of Opposition Business is a particular offender but not the only one on that side of the chamber going to the dispatch box purportedly to move a point of order but in order to make a political point in debate. It is quite disorderly for the Manager of Opposition Business to do so, particularly under the circumstances in which he had been warned by you.

The SPEAKER: I have not issued a warning. What I have said is he is to remain silent. My interpretation is he started to seek to get my attention before he reached the dispatch box. I am sure he will not be as fast in the future. The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. So what is raised with me by the opposition is a question of process. What I am inviting them to put their attention on is a question of substance, acting in the national interest, and spectacularly to date in this area of policy—like all others—the opposition have failed to do so.

Pensions and Benefits

Mr GEORGANAS (Hindmarsh) (15:03): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Will the minister outline for the House the government's achievements for Australian families and pensioners? How will the government keep delivering for families and pensioners into the future?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (15:04): I thank the member for Hindmarsh very much for that question because I know how much he does, particularly for families and pensioners, in his electorate of Hindmarsh. It is, of course, the case that this government has been getting on with the job of delivering real assistance to both pensioners and households. If you go firstly to the millions of pensioners in Australia, it is this government that delivered the most substantial improvements to the pension and, compared to when the Leader of the Opposition was in government, pensioners are now getting $148 a fortnight extra if they are single pensioners on the maximum rate. That certainly has helped pensioners with their difficulties when it comes to meeting cost-of-living pressures.

The government is also doing many things to help families. It is this government that has increased the childcare rebate to make sure that it does provide that extra assistance with out-of-pocket costs when parents need to take their children to child care and it is this government that has helped parents with the costs of education, most recently with the cost of school uniforms. And, of course, it is this government that has made sure that it improves assistance for those parents who have got older teenagers who are staying on at school—not like those opposite, who are so out of touch and who have got no idea about the costs of older teenagers. It is this government that has made sure that it delivers to those parents, and they are now getting up to $4,200 extra a year to make sure that they can meet the costs of their children.

Mr Albanese: On a point of order, Mr Speaker: is it in order for the member for Bowman to make claw signs across the chamber at the minister for families and community services while she is addressing
the question? We have dealt with these sorts of issues before, Mr Speaker—

The SPEAKER: The Leader of the House will resume his seat.

Mr Albanese: and when we have had these issues before this Prime Minister has shown leadership.

The SPEAKER: The Leader of the House will resume his seat. The action of the member for Bowman reflects on him. I expect he will not do it again. The minister has the call.

Ms MACKLIN: Of course it was this Labor government that introduced Australia's first national paid parental leave scheme, and so far we have seen around 130,000 families get the benefit of that. We have just heard that there has been a row in the Liberal Party in Broome today. Many of the Leader of the Opposition's colleagues do not agree with his policy on paid parental leave. They know that what he wants to do is impose a new tax on Australian families.

The SPEAKER: The minister will return to the substance of the question.

Ms MACKLIN: This government wants to cut taxes for Australian families. The Leader of the Opposition wants to impose a new tax.

The SPEAKER: Order! The minister will resume her seat, and the minister will not defy me in future. Even ministers are not immune from the standing orders.

Mr GEORGIANAS (Hindmarsh) (15:08): My supplementary question is to the same minister. The minister talked about benefits we have delivered for families and pensioners across the nation, but what has this meant for my community in Hindmarsh?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (15:08): I thank the member for Hindmarsh for his question. He does have an electorate with a lot of pensioners living in it, and I can inform him and the pensioners who live in Hindmarsh that more than 28,400 pensioners in Hindmarsh will benefit from the boost to the pension that the government will deliver as part of our clean energy future package. I can also inform the member for Hindmarsh that 53,000 taxpayers in Hindmarsh will receive a tax cut in the middle of this year. Fifty-three thousand taxpayers in Hindmarsh are going to be better off as a result of this Labor government. I can also inform the member for Hindmarsh that up to 2,600 families in his electorate will receive increased family payments for their teenagers who stay at school and more than 8,200 families in Hindmarsh will receive extra support through their family payments in the middle of this year.

These are the real benefits that the government are delivering to people in Hindmarsh because we understand how important it is. We know exactly the pressures that they are under. This Prime Minister and this Treasurer are making sure that the people in the electorate of Hindmarsh are looked after in the way that all Labor members understand is so important. (Time expired)

The SPEAKER: The Leader of the Opposition has the call.

Mr Abbott: I move—

Honourable members interjecting—

The SPEAKER: Leader of the Opposition, you said, 'I move'. did you?

Mr ABBOTT: I did. I am happy to say something else if you would like me to, Mr Speaker.

The SPEAKER: I thought it was going to be original.
Mr Albanese: Mr Speaker, I rise on a point of order. In accordance with standing orders, question time is concluded at 3.10 pm. So, if the Prime Minister could do that, the Leader of the Opposition could then have his show by himself. But everyone else should not have to wait to hear it.

The SPEAKER: The timing for question time is within the competence of the Prime Minister. However, I did give the call to the Leader of the Opposition, who I suspect is going to move a motion to suspend standing and sessional orders. The government might be benevolent with the time for question time today. The Leader of the Opposition has the call.

Mr Abbott: Mr Speaker, my question is to the Prime Minister.

The SPEAKER: No. I believe I distinctly heard the Leader of the Opposition say, 'I move'.

Mr Abbott: Mr Speaker, if you wish me to do that I will do so.

The SPEAKER: No. The only reason I gave the Leader of the Opposition the call is that I saw him first and I thought he was moving a motion to suspend standing and sessional orders. The Leader of the Opposition sought to move a motion and then he sought to ask a question. I will ask the Leader of the Opposition to resume his seat. I will allow the Prime Minister to ask that further questions be placed on the Notice Paper.

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

BUSINESS

Consideration of Legislation

Mr Abbott (Warringah—Leader of the Opposition) (15:12): Mr Speaker, I think that the Prime Minister should stay to listen to this. I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Warringah moving the following motion forthwith—that the Migration Legislation Amendment (Offshore Processing and Other Measures) Bill 2011 be brought on for debate and voted upon immediately.

Standing orders should be suspended because government has no higher duty than border protection and without this legislation this government has no policy whatsoever to protect our borders and to end the crisis on our borders that this government has brought about.

Yesterday the Prime Minister declared that she was going to make a new start. Freed from all the undermining that she thinks she has been subjected to, she was going to get on with the job. She was going to get on with it and she was going to start. Prime Minister, you might as well start by implementing your border protection policy by bringing this legislation on now. Do not be scared of this parliament, Prime Minister. Do not be scared of your own bill; bring it on now. That is what the Prime Minister should do. Standing orders must be suspended because the Prime Minister said yesterday, when she had just got two-thirds support in her caucus:

On occasions like this people often ask you how you feel. Well I can tell you how I feel today, I feel impatient. We are impatient, too. We are impatient to see a bit of action from this Prime Minister. We are impatient—and this is why standing orders must be suspended—to see the government finally bring on its own legislation.

What is this Prime Minister frightened of? What is she scared of? She should not be scared—and this is why standing orders should be suspended—that she lacks the numbers in the parliament. Since the end of last year, this government does have—at
least it should have under normal circumstances—a majority in this parliament. There should be no reason for the government to be frightened now of bringing on the legislation that it was frightened of bringing on before the change to the speakership last year. So I say to the Prime Minister: 'Don't be scared of bringing on your bill. Bring it on now.' But maybe—and this is why this should be tested in the parliament; this is why standing orders should be suspended—the Prime Minister is not so sure about her numbers in this parliament, because we know that the former foreign minister, the member for Griffith, does not like the Malaysian people swap. He has told us he does not like it. He has told us that it was not his policy; that he was not consulted about it; that it was a walk on the wild side. That is why standing orders should be suspended. Why should the member for Griffith not like the Malaysian people swap? Because it is a dud deal for Australia as well as being a cruel deal for boat people.

Standing orders must be suspended so that we can put to the test whether this government really does have the support in this chamber that the Prime Minister claims. The member for Griffith is now on the back bench. We know that the member for Griffith said yesterday that he was going to be totally loyal to the Prime Minister. Well, let us see just how loyal the former Prime Minister, the former foreign minister, will be to the Prime Minister or, alternatively, to his conscience and his principles. That is why standing orders must be suspended. Is this Prime Minister prepared to test her majority on the floor of the parliament? Is she prepared to test the loyalty of the member for Griffith? She should be. If she is impatient to get things done, if she is impatient to get on with the job, if she wants to make a new start, I am suspending standing orders to give her that chance.

Surely, there could be no more important matter before this parliament than border protection. Standing orders must be suspended to enable the Prime Minister to put in place what she says is her policy. It might not be the member for Griffith's policy. Let us see just what the member for Griffith wants to do. If the Prime Minister is anxious that she might lose a few votes from her own side, that some members on her own side might be true to the principles that they have long upheld, that they might be true to their conscience, she can declare this legislation a matter of confidence. That is what she can do.

Standing orders must be suspended because this Prime Minister has been saying that she has been 'ringingly' re-endorsed. Let us see how ringing that re-endorsement has been. She should put this legislation before the parliament. I am giving her the chance to do so by moving this suspension of standing orders and then we will find out just how much confidence this parliament really does have in this Prime Minister. I do not think she is up to it. I do not think she is sufficiently confident in her support on the crossbenches, on her own back benches, to actually allow this to go forward.

The Prime Minister has said repeatedly in this House—and this is why standing orders should be suspended: to test the good faith of this Prime Minister—that the amendments to the Migration Act are a matter of urgency. I quote the Prime Minister on 22 September: The nation's interest today requires that we deal expeditiously with the migration amendments. Well, five months have gone by. What has she been doing? She has just been re-endorsed. She no longer has the albatross of the foreign minister around her neck. What is her excuse? There is no excuse, other than the fact that this is a Prime Minister who is not prepared to test her prime ministership.
on the floor of this parliament. There is no excuse.

The Prime Minister has said repeatedly that she wants every single member of this place to come into the parliament and record their vote. That would be nice, wouldn't it? But she cannot stop the boats. She just wants to stop the votes. I say that a Prime Minister who cannot stop the boats should at least allow this place to vote—allow us a vote on the legislation that she has said repeatedly is so vital for the government's policy. We all know that in the absence of the Malaysian people swap, this government has no policy whatsoever to deal with the surge of boats. She might explain that when standing orders are suspended. There is no policy because the Prime Minister is too proud to admit that her policy has failed. But there is a policy that we know will work, because it has worked in the past. This is why standing orders should be suspended so that one policy can be pitted against another. We know that there is a policy that works. It involves Nauru, temporary protection visas and turning boats around where it is safe to do so. I stress 'turning boats around where it is safe to do so'.

If there was one thing that underlined this Prime Minister's unfitness for office, this Prime Minister's lack of magnanimity and decency, it was the repeated assertions in this chamber today that this opposition wants to put the lives of our servicemen at risk. What a foul and disgraceful smear and slur utterly unworthy of the Prime Minister of this country. I say lots of things about this Prime Minister but I do not accuse her of bad faith and I do not accuse her of deliberately wanting to put people's lives at risk, and she should not stoop so low as to make a foul accusation like that. We have heard a lot of brave words from this Prime Minister since the caucus meeting yesterday. Unless we see serious action, those words will be exposed as just bluster by a bad Prime Minister getting worse, by a failing Prime Minister who knows in her heart that she is unworthy of the high office which she temporarily occupies. Standing orders must be suspended. We must have the vote and this Prime Minister should not be frightened of putting her policy to the test in this parliament.

The SPEAKER: Is the motion moved by the Leader of the Opposition seconded?

Mr MORRISON (Cook) (15:22): Mr Speaker, I second the motion. Standing orders must be suspended because this Prime Minister refuses to bring into this place a debate and a vote on her policy, in this bill, in the same way she refuses to stand before the Australian people and face an election. This is a Prime Minister who has so little confidence in her own policies and in her own minister that she refuses to have a vote on the bill that she boldly said should be voted upon, and that the names for every vote on this bill should be recorded in this place. As the Leader of the Opposition has just said, five months have passed since she said that and there is still no debate or vote in this House.

This is the same bill that the Minister for Immigration and Citizenship, after the Labor conference in Sydney, said that he would reintroduce. It is not on the Notice Paper; it has not been on the paper; and he has not even asked for it to be put on the paper because this minister, through this bill, does not want to test the confidence of this House in his failures as Minister for Immigration and Citizenship.

There are four key reasons why this government does not want this bill to be debated and why we need to suspend standing orders. The first is that the government is in denial. This is a government that is in denial about its own
weak border policies. Almost 16,000 people have arrived on 286 boats since this government abolished the proven measures of the Howard government. Since this Prime Minister was appointed, not elected, 8,500 people have turned up on 131 boats. She said she was going to smash the people smugglers' business model. Well, they have made $80 million on her watch with 8,500 people turning up over the term of her Prime Ministership. What have taxpayers had to foot the bill for while people smugglers on her watch have made $80 million? They have had to foot the bill for blowouts of $3.9 billion. This is a Prime Minister who has put more beds into detention centres than she has put in public hospitals—that is her record.

That is why she does not want to come into this place with her failed plan and test that confidence in this House.

Another reason we need to suspend standing orders is that this government do not want to blow apart the fact that they are misleading Australians about the choices before them. In the bill, which could be brought to this House and voted on today, there is the opportunity for the government to choose between two paths. They can choose the proven path of the coalition or they can choose the measures of the Greens. We know what they have done. They would like you to believe they have no choice and they have to walk away from offshore processing. It is not true. They had a choice. They can choose the Greens' path or the proven path of the coalition. There has been a lot of talk about the Prime Minister's numbers but we in this place all know one thing—the Greens have this Prime Minister's number. They have it every single day that is the path she went down when given the choice. That is why standing orders need to be suspended.

The third point is that Labor lacks support from themselves for this own bill. The Leader of the Opposition has already said that a lot of backbenchers over there are nervous, for a whole range of reasons. There are certainly backbenchers nervous about their support for this bill. We already know that there are members who have spoken out against this bill, but it was the former foreign minister, the resigned Minister for Foreign Affairs, who told us plainly that he was not consulted on the Malaysian people swap and that it did not work. He described the Prime Minister's policy frolics on border protection as 'walking on the policy wild side'. The Minister for Immigration and Citizenship was so convinced by the former foreign minister's arguments on this that he decided to vote for him in the caucus. He decided to vote, effectively, against his own Malaysian people swap to try to make the former foreign minister the Prime Minister and see this Malaysian people swap farce put to an end. It is no wonder he will not bring this bill to this House. Why should this House support it when he clearly does not support it either, in the way that he supported the former foreign minister's condemnation of it?

Finally, this government refuses to do this because they are interested in excuses, not answers. It was revealed by the former foreign minister that it was the Prime Minister who said to him about his failed ETS that the best way to handle it was to do nothing, leave it on the table and blame Tony Abbott. That is exactly what she is now doing with this bill. The Prime Minister needs to understand that when it comes to border protection policies, blaming the opposition is not an answer, it is an excuse. The Australian people are sick to death of the excuses of this government. They expect governments to protect their borders. They expect governments to act. The only thing that can bring about a real change in border protection policy in this place is a change of government so that the proven policies of the
Howard government can be restored. (Time expired)

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:28): I rise to speak on the daily motion by the opposition to suspend standing orders—the 42nd occasion on which it has failed to suspend standing orders in order to indulge opposition members rather than debate the real issues before the nation. Mr Speaker, I will tell you why standing orders should not be suspended. It is because I am looking forward to the debate, which is the next item of business, which they are trying to defer—a debate on the national economy. I want to see what the shadow Treasurer has to say about the national economy because the MPI today is:

The urgent need for the government to restore confidence in their management of the national economy—

an amazing position for them to move at a time when, under Labor and under this Treasurer, we have faster wage growth, lower inflation and record public and private infrastructure spending. For the first time, Australia has a AAA credit rating from all three of the world's leading rating agencies. It is no wonder that they put this item on the agenda as a matter of public importance but then move a motion to run away from it. They are running away from their own record and running away from a debate on the economy. We see that day after day. The Treasurer sits next to me in question time and he gets lonely because he cannot get a question. He chats to Minister Macklin and he chats to me, but he has no opportunity to get questions on the economy from those opposite. That is why we should not suspend standing orders.

I want to debate the economy. I want to debate the strong growth that we have and the fact that the OECD predicts Australia will have the fastest-growing major advanced economy in 2012, which will be the 20th consecutive year of economic expansion, the longest period ever. I want to discuss how our economic growth has led to over 750,000 new jobs and how we have an unemployment rate of just over five per cent, compared with the Howard era average of 6.4 per cent. I want to discuss how we have higher wages under this government and how the weekly pay packet of the average working Australian has grown 7.4 per cent in real terms since late 2007. I want to discuss how Australians are benefiting from lower interest rates by comparison with the Howard government. On average, mortgage repayments are $3,000 a year lower than they were under the Howard government.

I want to discuss how this government and this Treasurer have produced lower taxes. Australians now pay less tax than they did under the Howard government and the third-lowest tax in the developed world. I want to discuss how we have contained inflation. The underlying rate of 2.6 per cent remains squarely in the RBA's target band. I want to discuss the unprecedented pipeline of private sector investment, led by the Minister for Resources and Energy—$455 billion in the resources sector alone. Whilst those opposite have run around and cried like Chicken Little about the minerals resource rent tax and the price on carbon, the private sector itself has responded by putting in that investment—and some of those opposite have responded by buying shares in coal companies and in the resources sector. They say one thing but they do another.

I want to speak. I want to be able to have a debate—that will be ruined if we suspend standing orders—on the record infrastructure spending. I want to talk about the fact that this government has doubled the roads budget, increased the rail budget by more than 10 times and committed more to urban
public transport since 2007 than all previous governments combined over 107 years. The MPI that they are trying to knock off here speaks about confidence. Well, investor confidence in Australia and its longer term prospects—that is, the yields on 10-year bonds—has never been higher. We have a stable banking sector, Asia's second-biggest stock market and the world's seventh most active foreign exchange market. All of that has been achieved. No wonder those opposite are trying to knock off their own MPI by moving for this suspension of standing orders today.

But the great Labor goal is not to have economic growth as an end in itself; we believe that economic growth is about building a more socially inclusive and cohesive society, about enhancing opportunity, not entrenching privilege like those opposite do. On each of the fundamental debates that are before this chamber, that is where the two sides stand, whether it is on the minerals resource rent tax, where we say the big miners can and should pay more and the big miners say they can pay more but those opposite are not interested; whether it is on building superannuation to 12 per cent, which those opposite oppose; whether it is on the investment in infrastructure that those opposite oppose; or whether it is on making sure that we transition to a carbon-constrained economy in a way that strengthens the jobs of the future or just put our heads in the sand and move to their system, that has the same target but which is dominated by climate sceptics and has an approach of market scepticism as well, because they believe in a direct government approach to these issues.

But we believe all of this is about helping people, giving them a lift up. That is why under this government we will see the income-tax-free threshold rise to above $18,000.

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

Mr ALBANESE: These are the issues that I want to discuss in the MPI about confidence in the economy, which is why the suspension should not occur. The suspension should not occur because I want to be able to discuss this government's achievements, such as introducing the new education tax refund to help parents with the cost of schooling, including uniforms, and the fact that we have delivered the biggest one-off increase in pensions in Australia's history—and they are saying over there that on 1 July they will claw that back. What will that do for confidence in the economy, the subject of the MPI which has been put forward by the shadow Treasurer and which those opposite are trying to knock off by suspending standing orders to indulge their fantasies here today? That is why we should not support this position.

We want to discuss what you do with the strong economic growth that we have achieved and that those opposite complain about. About the National Disability Insurance Scheme, those opposite now say—Ms Macklin: On the never-never!

Mr ALBANESE: 'That will just be on the never-never.' It is an aspiration; they do not have any policies anymore. Well, I say, as the Minister for Infrastructure and Transport, you cannot drive on an aspiration. What we have seen from the Leader of the Opposition, who has turned the coalition of yesterday into the 'noalition' of today, is an abandonment of any principle, an abandonment of any policy. He now says that what we should have is just aspirations. Not only are they opposing funding for the Pacific Highway in their own electorates on
the North Coast of New South Wales; they are getting together with their National Party colleagues in New South Wales to say: 'No; we don't want to do any more on the Pacific Highway; we think it's just up to the federal government.'

The SPEAKER: The Leader of the House will be directly relevant to what we are discussing.

Mr ALBANESE: I will, Mr Speaker. The reason we should not knock off the MPI by having this suspension of standing orders is that we should be discussing the MPI and the economic issues put forward by the shadow Treasurer. They put it forward but they are not prepared to make their case. It is not surprising, because what we heard from the Leader of the Opposition in his contribution in this debate today is essentially that, when it comes to the issue of asylum seekers, not only is he so negative that he now says no to all of this government's policies; he now says no to his own policies—his own policies that they had when they were in government. When they were in government, they supported Nauru. They supported Nauru, and it was not a signatory to the UN. But now they will not vote for legislation—and this motion is to bring on a bill, to have legislation voted on, which is consistent with their policy but which they show their relentless negativity in opposing. This suspension should be rejected because the day-after-day moving of suspension motions has reduced this process to a farce. (Time expired)

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

Mr Pyne interjecting—

Ms Julie Bishop interjecting—

AYES

Abbott, AJ  Alexander, JG
Andrews, KJ  Andrews, KL
Baldwin, RC  Billson, BF
Bishop, BK  Bishop, JI
Briggs, JE  Broadbent, RE
Buchholz, S  Chester, D
Christensen, GR  Ciobo, SM
Cobb, JK  Crook, AJ
Dutton, PC  Entsch, WG
Fletcher, PW  Forrest, JA
Gambaro, T  Gash, J
Griggs, NL  Haase, BW
Hartsuyker, L  Hawke, AG
Hockey, JB  Hunt, GA
Irons, SJ  Jensen, DG
Jones, ET  Keenan, M
Kelly, C  Laming, A
Ley, SP  Macfarlane, IE
Marino, NB  Markus, LE
Matheson, RG  McCormack, MF
Mirabella, S  Morrison, SJ
Moylan, JE  Neville, PC (teller)
O'Dowd, KD  O'Dwyer, KM
Prentice, J  Pyne, CM
Ramsey, RE  Randall, DJ
Robb, AJ  Robert, SR
Roy, WB  Ruddock, PM
Schultz, AJ  Scott, BC
Secker, PD (teller)  Simpkins, LXL
Smith, ADH  Somlyay, AM
Southcott, AJ  Stone, SN
Tehan, DT  Truss, WE
Tudge, AE  Turnbull, MB
Van Manen, AJ  Vasta, RX
Washer, MJ  Wilkie, AD
Wyatt, KG
Albanese, AN  Bandt, AP  Bowen, CE
Bird, SL  Bowen, G  Brodman, G
Bradbury, DJ  Byrne, AS  Bryne, AM
Burke, AE  Cheeseman, DL  Collins, JM
Butler, MC  Crean, SF  Danby, YM
Champion, ND  D’Ath, YM  Emerson, CA
Clare, JD  Elliott, MJ  Ferguson, MJ
Combet, GI  Garrett, PR  Gibbons, SW
Danby, M  Gray, G  Grierson, AP
Dreyfus, MA  Hayes, CP  Husic, EN
Ellis, KM  Jenkins, HA  Husic, EN (teller)
Ferguson, LDT  Jenkins, HA  Husic, EN (teller)
Fitzgibbon, JA  Jenkins, HA  Husic, EN (teller)
 Georganas, S  Kelly, MJ  King, CF
 Gillard, JE  Leigh, AK  Livermore, KF
 Grierson, SJ  Lyons, GR  Macklin, JL
 Hall, JG (teller)  Marles, RD  McClelland, RB
 Husic, EN (teller)  Melham, D  Mckinlay, DL
 Jones, SP  Murphy, JP  Mcclintock, CB
 King, CF  Oakeshott, RJM  McMillan, N
 Livermore, KF  O’Neill, DM  O’Connor, BPJ
 Macklin, JL  Parke, M  Owens, J
 McClelland, RB  Pliibersek, TJ  Perrett, GD
 Mitchell, RG  Rishworth, AL  Ripoll, BF
 Neumann, SK  Rudd, KM  Roxon, NL
 O’Connor, BPJ  Shorten, WR  Saffin, JA
 Owens, J  Smith, SF  Smyth, L
 Perrett, GD  Snowdon, WE  Smyth, L
 Ripoll, BF  Smith, SF  Smyth, L
 Roxon, NL  Smith, SF  Smyth, L
 Saffin, JA  Snowdon, WE  Smyth, L
 Sidebottom, PS  Sonntag, M  Swan, WM
 Thomson, CR  Symon, MS  Swan, WM
 Vamvakinas, M  Thomson, KJ  Thomson, CR
 Zappia, A  Windsor, AHC  Vamvakinas, M

PAIRS

Coulton, M  Rowland, MA

Question negatived.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:49): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:
Innovation Australia—Report for 2010-11.

Debate adjourned.

QUESTIONS TO THE SPEAKER

Questions in Writing

Mr CRAIG KELLY (Hughes) (15:49): Mr Speaker, I rise to seek your assistance under standing order 105(b) concerning a question in writing to the Treasurer to which I have not received a reply for well over 60 days. Understandably the Treasurer has been very busy over recent days, but I ask that you write to the Treasurer about question No. 728 appearing on the Notice Paper in my name.

The SPEAKER (15:50): The additional words are unnecessary but, under the provisions of standing order 105(b), I will certainly write to the Treasurer.

MATTERS OF PUBLIC IMPORTANCE

Economy

The SPEAKER (15:50): I have received a letter from the honourable member for North Sydney proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The urgent need for the Government to restore confidence in their management of the Australian economy.
I call upon those members who approve of the proposed discussion to rise in their places.

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

Mr HOCKEY (North Sydney) (15:51): Mr Speaker, this Prime Minister can only rebuild economic confidence in this government by dumping the Treasurer in the upcoming reshuffle. The last dumped Labor Treasurer, John Kerin, was widely regarded as a decent man but an incompetent Treasurer. In stark contrast, this Treasurer's incompetence is matched by his behaviour and his words. His continuation in this portfolio is a mistake and will continue to undermine business and consumer confidence at a crucial moment in time.

To be Treasurer, one must believe in economic values that grow the economy and deliver hope, reward and opportunity for everyday Australians. We need a Treasurer who displays confidence and clarity in the great public debates, we need a Treasurer who is across his brief and we need a Treasurer with a steely determination to advocate policies that may be unpopular but ultimately are right. We should have known that this Treasurer was not up to the job when in the immediate wake of the 2007 budget he cowered in his office rather than prosecute an economic argument against his predecessor. If he could not do it in opposition, it is no wonder his colleagues lament the straw man's performance in government. On coming to office in 2007 the Treasurer desperately searched for a critical narrative against his opponents.

Mr Clare: Madam Deputy Speaker, I rise on a point of order. The member for North Sydney should be relevant to the MPI. This is about confidence in the Australian economy and he has not mentioned it once.

The DEPUTY SPEAKER (Ms AE Burke): The Minister for Home Affairs will resume his seat. The member for North Sydney has the call.

Mr HOCKEY: The Treasurer could not argue the toss on fiscal policy in 2007, nor unemployment, nor corporate governance, nor prudential supervision. He could not argue the toss—

The DEPUTY SPEAKER: But the member for North Sydney, like everybody else in the chamber, will be aware of standing order 90. Occasionally people should reflect upon that.

Mr HOCKEY: The Treasurer could not argue the toss on productivity, national savings or tax reform. The coalition's proud legacy had intimidated this Treasurer. He was a Labor Party state secretary desperately searching for a critical word or a weak indicator. After declaring 'Kevin Rudd and federal Labor understand the pressures on working families', the Treasurer thought he had found the river of gold when he declared war on inflation and added that 'the inflation genie is out of the bottle'. Not only did this declaration of war reveal his failure to grasp the impact of the already unfolding liquidity crisis in Europe and the United States but also the government began introducing policies that made inflation worse. New taxes on alcopops and motor vehicles increased everyday prices and added to inflation. The actions of the Treasurer left analysts and economists confused. Moreover, the public was left bewildered when the Treasurer was asked the inflation rate in a MYEFO press conference and for an agonising two minutes searched for the answer. After declaring war on inflation, he could not tell you what the enemy looked like.

On top of this, the Treasurer was responsible for major policy backflips like
Fuelwatch, GROCERYchoice and the on-again off-again on-again changes to employee share schemes. This further undermined public confidence in this Treasurer. Last week the Treasurer lambasted the member for Griffith's decision-making as 'dysfunctional' and yet it was the Treasurer who was hand in glove, side by side, with the member for Griffith as they rolled out the response to the global financial crisis. At first there was a collective denial that Australia would be hit. In fact, I was accused in this place in 2008 of talking down the Australian economy when I warned of the impending crisis. But then the penny dropped and the Treasurer began warning of impending devastation. The government went into crisis management but a key player, the Governor of the Reserve Bank, was not even in the room. The Treasurer and the member for Griffith were as one in the cabinet room with the Secretary of the Treasury. As partners they made a series of mistakes. For example, the government has had two different versions of government guarantees on retail deposits, which has added to confusion and panic amongst depositors in banks. It left investors in cash management trusts and investment vehicles bewildered and lost. Dysfunctional was the Treasurer's flawed Ruddbank, which could be used, according to the Treasurer, to fund projects like the $1 billion 79-storey Vision Tower in Brisbane. Thankfully for taxpayers the Vision Tower went into liquidation two months later without taxpayer contributions and Ruddbank went into the policy coffin.

With the second stimulus, which the coalition warned was flawed, erratic and wasteful, as partners the Treasurer and the member for Griffith rolled out a pink batts scheme that led to four deaths and wasted $2.4 billion, a school hall program that blew out to cost $16.2 billion and involved the worst waste of money since the Whitlam government, and a program that sent $900 cheques to 16,000 dead people and 27,000 people living overseas to stimulate the Australian economy. Dysfunctional be thy name. The waste continues today, with set-top boxes estimated to cost $350 a home but with Senator Conroy now admitting that the boxes could cost up to $1,528 each in rural areas. Gerry Harvey says he can do it for $168.

As if enough damage had not been done, we now have the emergence of the true narrative on tax reform. It was the Treasurer who commissioned the Henry tax review that cost $10 million. It was the Treasurer who adopted only a handful of the 138 recommendations. It was the Treasurer who ordered a further tax review, followed by a delayed tax summit, followed by a further tax review, followed by more indecision, false hopes, obfuscation and delays. When it comes to the mining tax, the member for Griffith and the Minister for Resources and Energy have dumped the dead cat on the table. The member for Griffith told the Weekend Australian just last Saturday:

We had reservations about embarking on something so complex but Wayne's view was that without it, his credentials as a reforming treasurer would be shot to pieces.

So the Treasurer was not motivated by a good policy or the budget deficit or the best terms of trade in 100 years—he wanted a mining tax to address his own lack of confidence in his own performance. Moreover, when the Treasurer released the tax he made a complete hash of the issue. As reported on the front page of the Financial Review today, the mining tax package has had to be rescued and restructured by the Minister for Resources and Energy on at least three separate occasions, with five versions of the revenues to be raised. No wonder the minister for resources said that
the Treasurer 'should take a good, hard look at himself'. It is hard to believe he does not look in the mirror every day! Of course when the chips are down you may not want the Treasurer to be by your side in the battle. As the member for Griffith said just last Saturday on the mining tax:

And when the brawl became its most intense, Wayne didn't seem to be around at the end …

The Treasurer is no man of courage—and we need a man of courage to guide the Australian economy. For example, immediately before the coup the Treasurer proclaimed his loyalty to the member for Griffith on at least three occasions, describing the member for Griffith as 'a terrific Prime Minister' on ABC radio. At the same time we now realise the Treasurer was thinking differently. These days the Treasurer describes the Rudd years as dysfunctional and the man he worked closely with as 'paralysed with indecision' and someone who found it 'very difficult to provide respectful leadership in the cabinet'.

However, the Treasurer was less than forthcoming with his colleague the member for Griffith. As the former prime minister said to Laurie Oakes just last Sunday:

I was doing my absolute best to run the country and to bring us through the global recession, totally focused on that. None of my colleagues in cabinet meetings or privately, including Mr Swan, who is now most vocal in his opposition, ever said that to me. I had very long and direct conversations with Mr Swan in the lead-up to the events of the coup on the 23rd and 24th of June that year. And at no time—at no time—did he reflect to me that there was any fundamental concern or any significant problem that would cause me or require me to change course, do something radically different, in order to retain the position of Prime Minister. In fact, the only time I found out that Mr Swan had changed his position on this was when I rang him after the coup had been launched, where he said to me simply, ‘Oh. I’m backing change.’ That was it. No prior warning. No nothing.

The words of the member for Griffith not a year ago, not two years ago, not five years ago but just last Sunday. So now we know the Treasurer has no courage, no conviction and no loyalty.

It has been the member for Lilley who has got things so badly wrong. On banking policy he has had a confused approach to out-of-cycle interest-rate movements at various times, describing them on the one hand as commercial decisions but on the other hand he warns, 'Don't let the banks off the hook.' Recently he said the banks are highly profitable and even suggested that they are trying to gouge their customers on rates. He urges people to shop around with banking. But under him the four major banks have gone from 75 per cent of market share to 86 per cent of market share for housing loans outstanding.

It was not the member for Griffith who rejected a carbon tax emphatically just before the 2010 election, as this Treasurer did. Then he proceeded to implement one. We well remember on the 7.30 Report, after I had just debated the Treasurer, when it was put to him by Kerry O'Brien that there would be a carbon tax, he said it was not going to happen, it was fanciful. What happened as Treasurer a few weeks later? He was party to the announcement by the Prime Minister that Labor was going to have a carbon tax. But again this man who is straight out of the Wizard of Oz, who is a lion with no courage, did not go along to that press conference even though the Prime Minister was announcing the largest new tax in modern Australian history. He cowered under his desk in the Treasurer's office. He is no man of courage. He says it is a huge reform to the Australian economy but when it was actually announced where was he? He was in his office. He left the hard, heavy lifting on the
carbon tax to the now crippled Prime Minister, to the member for Lyne who was gushing at the time, and to the Leader of the Greens, Senator Bob Brown. The only thing that was not there was the ghost of Kevin Rudd. That was what was missing. But what we do know is that when it comes to credibility on the carbon tax you cannot believe anything this Treasurer says. It was not the member for Griffith who described a carbon tax package as roughly budget neutral, then announced a tax leaving the budget at least $3 billion worse off. It was not the member for Griffith who came up with the idea of dumping an emissions trading scheme in 2010. It was the Treasurer and the now Prime Minister who offered that advice and encouraged the then Prime Minister to change his position and demanded in response to opinion polls that the government not proceed with an emissions trading scheme.

It was not the member for Griffith who omitted the deficit number from the 2009 budget speech. Remember that? He could not bring himself to say it. It was not the member for Griffith who did not know in this building what the inflation rate was at a press conference or what the government's debt was when he was asked by one of our colleagues. It was not the member for Griffith who could not recall when Labor last delivered a budget surplus, in answer to a question from our friend over there. It was not the member for Griffith who nervously shattered a glass in an ABC studio after the last budget when he was quizzed on the details of his own budget work. It was not the member for Griffith who has taken a committed surplus next year on a free round-the-world flight, from a promise to a determination to a best shot and back to a promise. It was this Treasurer, the member for Lilley who was breaching the confidence of the Australian people at a critical time when Australians are cocooning and saving, fearful about what the future might hold for them and the volatility of the global economy. It is this Treasurer who is confused, uncertain, clumsy and incoherent. In order to save the Australian economy this Treasurer must go and must go now.

Mr CLARE (Blaxland—Minister for Home Affairs and Minister for Justice) (16:05): The member for North Sydney is usually a pretty good speaker but that would have to be one of the worst speeches he has ever given in this place. It was a 15-minute boring spray. It was so boring the member for Moncrieff was on his BlackBerry through the whole speech; the member for Cowan, who has left now, was on his BlackBerry as well; and the member for Menzies was on his iPad through the whole speech—such enthusiasm the opposition showed to support their shadow treasurer.

It has been a tough week for the government but one thing has been tougher than that, and that was sitting through that speech. It has only taken 15 minutes from the member for North Sydney to remind us why this Labor government is so important, why unity is so important, because the alternative is that. The alternative is a 15-minute spray with nothing about the economy. This is an MPI about confidence in the economy and the member for North Sydney did not even talk about the importance of confidence in the economy. He just made an attack on the Treasurer, the man who helped to lead this country through the global economic crisis. That is a bit rich coming from this opposition led by a man who Peter Costello said you could not trust with the economy, by a man who his former boss John Hewson said was innumerate, by somebody who thinks that the NBN is just for video games, by someone who opposes everything in this place and
stands for nothing. He is the Nancy Reagan of Australian politics without the astrology—say no to everything, just rancid, dripping, relentless negativity. The greatest threat that our disunity poses is that it puts Australia and the Australian economy at risk of that.

A political party pays a heavy price for disunity because disunity camouflages your strengths and camouflages your opposition's weaknesses. Conversely, unity changes everything. Unity is your ticket to the contest. When you are united the people of Australia give you permission to explain your achievements and what you plan to achieve in the future. They also give you permission to legitimately critique your opposition. This opposition deserves to be critiqued. This is supposed to be a debate about the economy. The fact is, our economic record is strong and the opposition's is not. Our sweet spot is their weak spot—economic management.

The most important job of a federal government is to keep the economy strong. That is important because it means people have jobs. It means they can afford to look after their families. They can buy a house. They can pay off the mortgage. They can make sure that their kids have a good education. And that is what drives the government. That is why the Treasurer acted quickly during the global financial crisis. And the result of that? It meant that Australia was one of only a few countries around the world that did not go into recession in the last four years.

The Australian economy—this will put this debate in perspective—is now eight per cent larger than it was before the global financial crisis. Compare that to the rest of the world: Canada has grown by 2.8 per cent; Germany has grown by 1.8 per cent; the United States has not grown at all; Italy has shrunk by 4.1 per cent; Japan has shrunk by 2.8 per cent; France has shrunk by 4.2 per cent; the great United Kingdom has shrunk by 3.7 per cent; and, at the same time, Australia has grown by eight per cent, more than any of those countries. This is the real measure of confidence—growth.

What is its impact? The impact is jobs for Australians. We have created more than 700,000 jobs in this country in the last four years at a time when the 20 biggest economies around the world have lost 20 million jobs. Our unemployment rate is half that of many other countries around the world. Our unemployment rate is 5.1 per cent; in the US it is 8.3 per cent; in the UK it is 8.4 per cent; in Greece it is 19.2 per cent; in Spain it is 22.9 per cent. This is our record and it is something we on this side of the House are very proud of.

We have also cut income taxes. From 1 July this year someone on $50,000 a year will pay 21 per cent less in tax than when we came to government; someone on $35,000 a year will pay 40 per cent less tax than when we came to government; and, someone on $20,000 a year will pay no tax at all. We have increased the childcare rebate. We have increased the pension. We have introduced the first paid parental leave scheme in Australia's history. We are increasing superannuation from nine per cent to 12 per cent. This means someone on $50,000 now who is 30 years old will have an extra $100,000 to retire on. Next financial year we will return the budget to surplus ahead of every other major advanced economy in the world—the fastest budget turnaround since records have been kept.

What does all this mean? It means for the first time in Australia's history that we have a AAA credit rating from all three ratings agencies—something the great Liberal Party never achieved. These are the facts that reveal the real strength of the Australian
economy. After just over four years of this Labor government, the Australian economy is stronger now compared to the rest of the world than ever before. Unfortunately, a lot of this has been masked. It has also masked the opposition's incompetence.

Well, I say, enough of that. This debate gives us an opportunity to shine a light on the crack economic team we just saw on display a moment earlier—the presumptive airs of Peter Costello and John Howard, the Leader of the Opposition, the member for North Sydney, the member for Goldstein, that great team which said we were going to go into recession and we did not, the team which said we would lose one million jobs when in fact we created 700,000 jobs, the team which said stimulus was not necessary to keep the Australian economy strong during the global financial crisis, the team which said that the global financial crisis was a hiccup, the team which refused to have their policies costed by Treasury at the last election and asked another company to do it for them. I remember the member for Goldstein said that their work 'would be as good as you could get anywhere in the country, as good as Treasury'. That did not prove to be the case because when Treasury had a look after the election they found an $11 billion hole in their costings and a professional conduct tribunal ended up fining the two accountants who did that work for the Liberal Party.

It gets worse, because the $11 billion hole we had just after the election has now turned into a $70 billion black hole. To put that in perspective for everyone listening today, that is about the same amount as the cuts the Greek government will have to make. One minute they promise a surplus, the next they do not. One minute they say they will have tax cuts in their first term, now they do not. This is amateur hour, and I say that apologising to all the amateurs around Australia. Why? Because the Leader of the Opposition and his crack economic team are writing cheques that the Liberal Party cannot cash. They are making promises that will mean they cannot return the budget to surplus.

Mr Fletcher: That is not to talk about four deficits in a row.

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Bradfield!

Mr CLARE: It will mean that when this government brings the budget back to surplus the Liberal Party would deliver deficit after deficit across the forward estimates.

Mr Fletcher interjecting—

The DEPUTY SPEAKER: The member for Bradfield is warned.

Mr CLARE: Perhaps the most perplexing element to this crack economic team's economic record is their decision to take away tax cuts from small business and give it back to big mining companies. This is the party that was born out of small business—Menzies' forgotten people, the people they once said they would look after—and they now want to rip away tax cuts for small business and give it to billionaires, to big mining companies. Robert Menzies would be spinning in his grave if he heard this now. This is not the party of Menzies anymore. It is not even the party of John Howard or Peter Costello anymore. Remember what I said earlier: you would not trust this man to run the economy. Nor should the Australian people. They want a debate about the economy. I say, terrific. Let's compare our record against your record. Have a look at these figures. Jobs are
higher now than they have ever been before—more than 11,400,000 are now employed. Inflation is lower now than it was when the Liberal Party left office. Under us, underlying inflation is 2.6 per cent. When they left office it was outside the RBA's target band at 3.7 per cent. The cash rate is lower than it was under them. It is 4.25 per cent, while it was 6.75 when they left office. The cost of the average mortgage is lower now than it was when the Liberal Party left office. An average family—and there are plenty of them in my electorate—paying off a mortgage of $300,000 now pays $3,000 less a year in mortgage repayments. Government spending is also lower. Under this government real spending growth averages 1.5 per cent over the forward estimates. Under them, spending blew out to 3.7 per cent over the last five years. Under this government real wages have also grown faster. Real wages have grown by eight per cent since November 2007. Real wages grew by only 5.4 per cent over the last four years of the last Liberal government. These are the facts and this is our record.

It is a fact that politics is about choices. At the next election the people of Australia will have a choice. If they vote for the Labor Party they will get this sort of economic management. If they vote for the Liberal Party, who knows what sort of economic management they would get. If they vote for the Labor Party they will get tax cuts. If they vote for the Liberal Party, we now know that tax cuts are just an aspiration. Vote for the Labor Party and you will get a $70 billion black hole. Vote for the Labor Party and you will get a national disability insurance scheme. If you vote for the Liberal Party you will not. If you vote for the Liberal Party, as the people of New South Wales have seen in the last few weeks, you end up with disabled kids on the side of the road waiting for a bus that never comes.

That is the choice the people of Australia will have, and it is time it was known. It is time that this lazy, incompetent opposition, who cannot even speak about the economy for 15 minutes—and I am encouraging the next speaker to try to speak about the economy for longer than the member for North Sydney—was exposed for what they are. They are not the party of Menzies any more. They are not the party of Howard and Costello any more. They cannot even pretend to be Peter Costello or John Howard by standing on their shoulders.

We are happy to have this economic debate. We are happy to have it every day of the week, because we have the record and we are very happy to compare it against yours. When you compare our record on the economy to yours the choice is clear.

Mr TONY SMITH (Casey) (16:20): We have just seen another performance from the minister opposite that sums up so much about the failings of the Labor Party today, the failings of this government—the worst government in living memory—and the effect that is having on business confidence right around Australia. The previous speaker just spoke about how if they can get unity on their side they will highlight their strengths. What the Australian people have seen in the last week are the two Labor parties. In the last week they have seen the real Labor Party, and that of course is the hate party. As of today they are now seeing the resumption of the Labor Party they have known since
2007, the fake party. The actions of this government show their administrative incompetence in program delivery. Couple this with the 24-hour, seven days a week display we have seen of their inability to work with each other. Their views of each other, views spoken from their own mouths, have rightly given the Australian people the horrible message that this government are not spending 24 hours a day, seven days a week working on the problems that require solutions and nor are they working 24 hours a day, seven days a week to strengthen the economy. Instead, they have been working 24 hours a day, seven days a week attacking each other. You do not need to take our word for it on the urgent need for the government to restore confidence. There is survey after survey. Last week the Morgan survey showed a fall in consumer confidence. It showed a reduction through this year and over the course of last year. But it is not just those surveys. The former foreign minister and Prime Minister himself, when he gave that infamous press conference from the Willard hotel in Washington DC, cited damaged confidence in the Australian economy. He cited business leaders who had made this very point to him about the dysfunctionality of the current government.

When you look at the fake party it is quite understandable that when the Australian public look at the troubles in Europe and look at the troubles in the budget in the United States, which they have been digesting for a couple of years now, they look to Canberra and want to know that the government is spending every minute of every day working on these problems—and they want to know that the government is competent. In both fields they have seen the answer. They have known for some time that the government is administratively incompetent. The simple proposition that incompetence here in Canberra creates a lack of confidence right around Australia is something that only those on the other side of the House would deny.

A lack of competence in the Lodge and a lack of competence in the cabinet room leads to a lack of confidence throughout the Australian economy. Those in small business, and families, look at the quality of the government and make a judgment about its ability to deal with difficult situations. I could argue, as most public commentators would also argue, that this has been on display for at least a couple of years. I could recite all the failed programs and, as the shadow Treasurer quite rightly did, the Treasurer's incompetence in his job and the way he has changed position on the economy over the course of his Treasurership.

The last week has been an extra revelation that dims the confidence of the Australian community. They have seen the true Labor Party—the hate party. We have seen it on display. The shadow Treasurer quite rightly read out some of the colourful quotes we have seen over the course of the last week. I will pick up just one set of contributions that says so much about those opposite, and it is from the member for McEwen, who a couple of weeks ago went public against the member for Griffith. He said he was a coward, in the Melbourne Herald Sun. He said he should 'put up or shut up'. He said:

And when they lose then they and their mates should just go to the backbench and then wander off at the next election.

We will see how much courage the member for McEwen has today if the Herald Sun follows him up. We will see whether he still thinks the member for Griffith and those who supported him should leave at the next election.

But it gets better. After engaging as best he could in the hate party and showing the Australian public his true agenda and what
he spends his time on, here he was this morning at a doorstep, looking the cameras in the eye and saying to the Australian people and his electorate: 'Can I tell you, last night it was business as usual with everyone. We were all together having a good time.' This is absolutely unbelievable. It is this sort of deception that the Australian people see.

*Government members interjecting—*

**Mr TONY SMITH:** Those opposite do not get it. They are prattling on opposite, but they do not get that their administrative incompetence and what they have done in the last week damages business confidence. Do you understand this simple concept? The Australian public look at you—the most incompetent government in living memory, with the most pathetic backbench in living memory. You said for 18 months that the member for Griffith was absolutely fantastic, right up until the day before the member for Griffith had to go. You had the Treasurer of the country, two weeks before the member for Griffith was politically executed, saying what a great job he was doing. The Treasurer then released this extraordinary statement about the dysfunctionality of the government under the member for Griffith.

Yet those opposite think that somehow this does not send the signal to the Australian community that all is not well in Canberra. If you are looking at investing in a small business, or if you are running a small business and thinking about expanding, you might be thinking: 'They are having some tough times in Europe. How are things going in the Australian economy?' Do you really think the incompetent display you have put on, where you have revealed exactly what your priorities are and the lack of cohesion and lack of purpose in your government, has no possible effect on business confidence?

Those opposite have now gone back to the fake party. The one thing—the only thing—I would agree with the previous speaker on is that the next election will be a choice. When the Australian public go to the ballot box, they will have a choice between hope for reward and opportunity and the continuing chaos that they have seen since 24 November 2007. There is one thing this government could do to improve business confidence. It is, as the Leader of the Opposition said over the course of the last week, to let the people of Australia have an election to make that choice that the minister opposite was talking about. So let them make the choice and that will restore business confidence, because they will have the chance to elect a government of grown-ups that is capable of managing the Australian economy.

**The DEPUTY SPEAKER (Hon. BC Scott):** Before I call the member for Parramatta, while I was reluctant to call the member for Casey to order a couple of times, I note that the use of the words 'you' and 'your government' is a reflection on the chair. I remind all members that when they are addressing their comments it is not 'you' or 'your' and they should be referring to people by their title or the particular arm of government or opposition.

**Ms OWENS (Parramatta) (16:30):** Thank you, Mr Deputy Speaker, and it would have been truly terrible if the member for Casey meant to inflict on you that level of personal abuse that he seemed happy to spray forth for a full wasted 10 minutes. The matter of public importance that we are supposed to be debating today, one which I thought we were going to debate and I looked forward to, is about the level of confidence in the management of the Australian economy. It is actually a serious matter, it is a matter of public importance and I would have hoped that the opposition would have actually had something to say about the economy. But what we have had instead in this House from the first speaker, the member for North
Sydney, and from the second speaker, the member for Casey, has been 25 minutes of wasted time filled with personal abuse and a personal attack on the Treasurer, not on his record but on the perception that they have of his character, presumably one that they got from spending the last two days looking through whatever rubbish they could find in the media.

This is ridiculous. We should be talking about the economy and there is much to talk about. If they have any more speakers—and I hope they do not because, quite frankly, I think we have got better things to do in this place than listen to that level of nonsense; we really do have more to do than listen to that nonsense—that want to talk about the economy please let them stand up and do so; otherwise, we should move on to some serious business, because that is what we try to do in this House.

But let us talk about the management of the Australian economy since that is the issue that the shadow Treasurer actually put on the agenda. Let us talk about what people have to say about the Australian economy and our management of it. Let us start with someone that those opposite know quite well. Let us start with the Leader of the Opposition and what he has to say about the Australian economy:

On the face of this comparative performance, Australia has serious bragging rights. Compared to most developed countries, our economic circumstances are enviable.

That was a direct quote from the Leader of the Opposition when he was out of the country speaking to people in the United Kingdom, not something he is prepared to say here. When he is here he is happy to do his best to tear down confidence in the Australian economy at every opportunity, looking for anything he can find that might make people frightened or might make people doubt the strength of the Australian economy. But once he gets out of here to a place where there are not voters listening—or he thinks they are not listening—he speaks the truth in that context:

On the face of this comparative performance, Australia has serious bragging rights. Compared to most developed countries, our economic circumstances are enviable.

So I would say to the opposition that, if they want to put forward a matter of public importance about the need for the government to restore confidence in the management of the Australian economy, they could start with their own behaviour. They could start talking openly and honestly about what has been happening in this country and around the world over the last four years and about exactly how strong we are. They could actually talk about the economy instead of engaging in 25 minutes of useless personal attacks on character. What an extraordinary waste of the time of this parliament.

In a moment we will see who else has something to say about the Australian economy. For a start, we have a AAA credit rating from all three of the rating agencies. That is the first time in Australia’s history that we have had that AAA rating from all three of the rating agencies—not something that those on the other side have ever managed to achieve and not something that they are prepared to mention in Australia. They are not prepared to acknowledge the strength of the economy in this country at all. They will go overseas and do it there but in no way will they do it here. Let us talk about what Governor Stevens of the Reserve Bank had to say just last Friday:

Our rate of unemployment has a 'five' at the front and the next digit is a small number. Inflation is about where we want it and our banks are strong. Our government finances, despite some pickup in debt in recent years, are … that basically we are a AAA-rated country and rightly so—there are not
many of those. We are attractive to foreign investment. The government did not end up having to own any banks as a result of the crisis. There is a lot that is good about this picture.

That is a direct quote from the Governor of the Reserve Bank as recently as last Friday. Let us look at the underlying conditions that actually lead to people having that view, that lead to us being rated AAA by three agencies and that lead to the Leader of the Opposition saying, when he was out of the country, that we have ‘serious bragging rights’.

Let us see why the Leader of the Opposition thinks that Australia has ‘serious bragging rights’ when it comes to its economy. We have low unemployment at 5.1 per cent. That is compared to 8.3 per cent in the US and 10.4 per cent in Europe. We have more people employed now than we have ever had in the history of Australia, and that is in spite of moving through the global financial crisis, which has hit the rest of the world incredibly badly. We in this country were shielded by the quick action of this government and we have unemployment in the low fives. That is an extraordinary achievement and it is worth bragging about when you go overseas—and the Leader of the Opposition thought so too. Our economy has grown seven per cent since the global financial crisis while others are only just recovering or are struggling to do so. We know that many are not recovering and we know that around the world there are countries that are still seriously struggling but our economy has grown by seven per cent. We have received some timely reminders quite recently. In January 46,000 jobs were created with the unemployment rate again trickling down to 5.1 per cent, which was virtually unchanged from 12 months ago. So that is 46,000 jobs in January.

Our investment pipeline is another indication of how investors see this economy and the strength of Australia moving into the future. A report from Access Economics shows our investment pipeline remains intact. It increased to $913 billion in the December quarter, which is again an extraordinary statement of faith in the Australian dollar and is perhaps something that the Leader of the Opposition might want to brag about in this country as well as when he is overseas. We have seen improvements in both business and consumer confidence in the last couple of weeks, in spite of the opposition’s very serious attempts to talk down the economy in this country as often as they can. Consumer confidence was up by 4.2 per cent in February, and the NAB monthly business survey showed a slight increase in business confidence in January. So we are seeing very real improvements in that area. Last week the Australian share market had its strongest weekly performance in three months, which is also something we can take as a sign that things are moving along as they should.

Let us look at the comparisons between this government and the last one. Again, if the Howard government had achieved what we are achieving I suspect that the Leader of the Opposition would be bragging in this country as well as overseas. For example, real spending growth averages 1.5 per cent over the forward estimates compared to 3.7 per cent under the last five years of the Howard government. Our tax as a share of GDP will be 21.2 per cent in 2011-12 compared to 24.2 per cent under the Howard government. In other words, as a share of GDP, tax is less under the Labor government than it was under the Howard government.

Mr Buchholz interjecting—

Ms OWENS: I know from the interjection opposite that the opposition do not like to acknowledge that. They do not like to acknowledge the achievements so far.
They do not like to speak the truth in this country. They just wait till they go overseas to do it. They brag overseas and run a fear campaign in this country.

_Mr Buchholz interjecting—_

_Ms OWENS:_ Honestly, if the member for Wright wants to interject he should look at the words of his own leader. The Leader of the Opposition speaks the truth when he gets out of this country, when he is not putting votes ahead of the interests of this nation. When he puts votes ahead of the interests of this nation he has nothing but negative things to say and when he goes overseas and wants to piggyback on the success of Australia he speaks the truth and talks about our 'bragging rights' in the management of this economy. The opposition should look at their own behaviour first, really.

At the moment the cash rate that families are working with is 4.25 per cent. It was 6.75 per cent when the Howard government lost office. It was 2.5 per cent higher under the Howard government than it is now. The standard variable mortgage rate is down to 7.3 per cent compared to 8.6 per cent when we first came into government. Our credit rating is AAA, which we have never achieved before from the three credit agencies. We have grown by eight per cent since November 2007, when in the last four years of the Howard government it was 5.4 per cent. So, in the biggest global financial crisis, real wages have grown more under this government than they did under the last one. There is much to be proud of with this. It is just such a shame that the Leader of the Opposition cannot say that in Australia. _*(Time expired)*_

_Mr CHESTER_ (Gippsland) (16:40): There would not be another electorate in Australia that would be more interested than mine in the topic of this afternoon's matter of public importance debate. There is a crisis of confidence in my electorate, and it is directly linked to the uncertainty that this government has created through its reckless decision to legislate for the world's biggest carbon tax. The government like to claim that the job losses we have seen in the manufacturing sector have all been caused by external factors—that is, the high dollar at work and a range of other excuses—and that it is simply not their fault. My simple answer to that is: why make it harder? Why make it tougher for Australian manufacturers and other businesses, including the agricultural sector, to compete on world markets? People are losing their jobs today as a direct result of the lack of confidence in the future and the cost implications of the carbon tax.

The fundamental flaw in this Prime Minister's whole strategy lies in the fact that she still has not dealt with the breach of trust with the Australian people in relation to the carbon tax. Every other problem that has been put in front of this Prime Minister stems from that fundamental breach of trust with the Australian people where she famously ruled out a carbon tax before the election and has now set about implementing it without getting a mandate from the people.

This week the Australian people have had a very close look at the internal machinations of the Australian Labor Party and, I must say, they have been repulsed by the ugly sight that they have seen. We have seen bullying, threatening behaviour and intimidation. The previous speaker chastised the member for Casey and the member for North Sydney for allegedly indulging in personal abuse of members of the other side, but if we want to see personal abuse all we need to do is turn on the television and listen to Labor ministers talking about their colleagues. It has been an appalling example of how this government is dysfunctional at its very heart. I would actually not be able to...
use in this place some of the phrases and descriptions that those ministers have used, Mr Deputy Speaker. You would pull me up because it would be unparliamentary to use those sorts of phrases. But they are the phrases that ministers have felt free to use to describe each other. That dysfunction, that ugly side of the Australian Labor Party, has torn away at the confidence of the Australian people. They expect so much more from our elected leaders. What we are experiencing now is a deterioration in confidence as a direct result of the dysfunction which starts in the Prime Minister’s office.

That dysfunction has lead to an erosion of confidence in communities like mine in Gippsland. I meet with the owners of small businesses all the time, and what they are telling me, particularly in relation to the carbon tax, is that the job losses have started already. Small engineering firms are now reporting back to me that the major power stations are doing only the absolute minimum they have to do in their maintenance programs. Any discretionary expenditure has been wound back and the jobs have been reduced. A small engineering firm that may have been getting $10,000 or $20,000 per week in jobs through the power stations is now looking at $1,000 or $2,000 per week. They are saying, ‘One job is lost over here and another one over there.’ They are not the headline-grabbing job losses we have seen with some of the major losses around the state; they are happening on a smaller scale—and this is before the carbon tax has even been introduced.

I have a practical local example. I have a letter here from a major engineering company which in the middle of last year was in the throes of, well advanced in, its plan to purchase a smaller engineering firm in the Latrobe Valley. The plan was to take all the six staff from the small engineering firm. The firm had progressed as far as receiving planning approval, expanding their workshop and negotiating the final terms and conditions. I will not name the firm, but I will quote what they said in relation to their planned purchase. Their letter states: ‘The announcements by the federal government yesterday with regard to a carbon tax and the ensuing power station closure discussions have caused our board of directors to require more time in order to develop a strategy for the group companies within the Latrobe Valley.’ In the time that has passed subsequent to that letter they have pulled out of the sale, because they have no confidence in the future of power stations in the Latrobe Valley under this government’s carbon tax regime.

It is not just this side of the House which recognises this lack of confidence in the business community. I have a quote here from the member for Griffith. A lot of people have given some free character assessments of him in the past week. In a statement from Washington last week, the member for Griffith said:

I also believe it is affecting the business community and I agree with recent statements by peak bodies to this effect.

It is important that business confidence is maintained in Australia—the economy and jobs are core to what any responsible government is about.

The member for Griffith is referring there specifically to the dysfunction at the very highest levels of this government. The minister for industry and resources said in relation to the carbon tax:

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

It is not just members on this side who are raising concerns about the carbon tax and the impact it is having on confidence in the
The issue of the carbon tax is one that is being followed very closely in my community. Naturally, because we have the brown coal-fired power stations, we are very much at the pointy end of the debate. For people in this community, it is about their jobs; it is about the lives that they can lead today; it is about the future that their children may have and whether they can obtain a trade and get to stay and work in the Latrobe Valley; and it is about what role they can play in the future economic growth of our great nation. From the moment the government broke its promise in relation to the carbon tax, there has been a crisis of confidence in the Latrobe Valley.

In addition to those engineering firms which I have referred to and the larger power stations, the business community hate the uncertainty that has been created by this circumstance. All of this is coming from a Prime Minister who was quoted in the media quite recently as saying that she wants to run the economy 'in the interests of working people'.

Mr McCormack: Humph.

Mr CHESTER: I hear the member for Riverina scoff, with good cause. The Prime Minister's comment will come as a huge surprise to the people in my electorate. It will also come as a huge surprise to the power station workers in my electorate. The Prime Minister and every member of the government has voted to kick them out of their jobs. There are hundreds of power station workers in the Latrobe Valley today who will lose their jobs under the carbon tax Contract for Closure scheme. There can be no greater blow to the confidence of a regional economy than unemployment. This government and every member of it has voted to sack blue-collar workers in the Latrobe Valley, and now they sit there silently—not a word. Members opposite are sitting there silently, just as they sat silently during this debate on the carbon tax. Not one of them stood up for the workers in the Latrobe Valley; not one of them had the guts to stand up for the blue-collar workers in the Latrobe Valley who will lose their jobs under this government's carbon tax. Those jobs are in the hands of Labor MPs. The future of those families in the Latrobe Valley is up to those opposite.

I just question whatever happened to that grand old party, the grand old Australian Labor Party, that proudly claimed to stand up for the workers of this nation. The workers that I speak to do not want Labor's household assistance package. They do not want Labor's transition plan. They do not want Labor's promise of new green jobs. They want the security of the job they have got today.

Ms Grierson: You'll take them back to the fifties.

Mr CHESTER: Finally, someone has spoken up and referenced the fifties. In the fifties, the power station workers in the Latrobe Valley had a job, and you are going to take it away from them. Your government is prepared to take away the power station workers' jobs in the Latrobe Valley under its Contract for Closure scheme. I invite the member opposite to stand up and explain to me how she is going to stop that. Quite clearly, there is no interest among members opposite to actually stop the carbon tax and the Contract for Closure scheme and the way that it will cascade through regional economies like a toxic waterfall.
This carbon tax will take money out of households, which means there will be less money available to be spent in regional businesses. In essence, it is a blight on the Australian community that this government is inflicting upon households, businesses and heavy industry at a time when we can least afford it.

Just after the Prime Minister's treacherous disposal of the member for Griffith in 2010, she fronted the Australian public and said, 'There will be some days I delight you and there may be some days I disappoint you.' I have a tremendous view of the Labor party backbench from where I sit, and I am not seeing a lot of smiling faces. I am not seeing a lot of delight. In fact, I see a lot of disappointment written all over their faces. But this carbon tax is not about them. It is about the power station workers I just spoke about. It is about honest, hardworking men and women who just want to earn a reasonable pay and look after their families. It is about businesses and industry leaders who want to stay competitive and export their products around the world without being handicapped in the race by a tax that none of their competitors will pay.

I say to the Prime Minister: all we have seen is disappointment. You have not delighted anyone in the Latrobe Valley. So why won't you not dump this tax before Australians really start to get hurt? The question that the people of the Latrobe Valley are asking this Prime Minister is: why are you making it harder for businesses to make a quid? Why are you making it harder for businesses to compete on world markets? And why are you making it harder for businesses to employ people, develop new skills and invest in the future of the our nation? It is no wonder that the Australian people have lost confidence in this Prime Minister. (Time expired)

Mr SYMON (Deakin) (16:51): It is a pleasure to speak on the matter of public importance this afternoon. I think the title, 'The urgent need for the government to restore confidence in their management of the Australian economy', has been well put, because the government has been doing that. There is only one side of this parliament that has not been. It is the side that has been out there day after day, whether we are in parliament or back in our electorates, talking our economy down. Every time a measure is put to this parliament to improve Australia's economy, who talks about ripping it down? Of course it is the opposition.

We hear the same old story, and it has not mattered which leader they have had over that side of the chamber. I remember the former Leader of the Opposition, when we were dealing with the first stimulus package, saying, 'There were really no problems in Australia; we did not need to worry about things like that'—talking the economy down, and it has continued ever since. We hear it every day in this place at question time. We hear it almost every day when another motion to suspend standing orders is moved and, of course, defeated. This has become a bit of a joke on the Australian public because it is the government doing the work to not only build our economy but also make life better for working people and families in Australia.

I have listened to some of this debate and heard opposition members talk about all sorts of things, but when it has come to economic management and jobs they seem to stray off a little, and I wonder why. When you look overseas and see what has happened there, you find examples of countries that have dealt with the global financial crisis in a different way. In Australia, as I can prove, we have done better than other countries. We have done better by investing not only in building
infrastructure but also in jobs. That is a great thing. It is not just a short-term thing. It is not money that is handed over to a private bank to help bail it out, to help pay out shareholders. It is money put into community infrastructure that will last for years, for decades.

Even better than that, although we get the infrastructure, we provide jobs along the way, jobs in the construction industry for thousands and thousands of people, many in my electorate and many in surrounding electorates. That is a great thing because, quite honestly, as so many tradespeople, engineers, consultants and architects and everyone involved in the construction industry told me during 2008, 2009 and into 2010, 'We would not be working if it were not for these programs.' That is simply true. Work had dried up in the construction industry. There was no private investment going around and an awful lot of people did not know where their next job was going to be. For those who do not know the construction industry, it can be quite itinerant. Many workers in the industry literally go from job to job. Sometimes they may work for months on a job; sometimes it may only be a day or two. If there is not another job to go to then that is a particularly worrying time because it can be a long time until the next one comes up.

By putting in programs like the Building the Education Revolution, this government was able to provide thousands and thousands of jobs in that industry. Electorates like my electorate of Deakin have benefited by an $80 million investment in new school buildings. Those will last for decades. They have refreshed and upgraded our schools and are a wonderful community asset that will outlast many of those members in this chamber.

Figures on the great work done locally on the economy speak for themselves. In total, our economy has grown seven per cent since the global financial crisis while other countries, as I have said, are still struggling to recover lost ground. As we know, an additional 46,000 jobs were created in January this year and Australia's unemployment rate is now at 5.1 per cent. That is an even better achievement when compared to a rate of 8.3 per cent in the US and 10.4 per cent in Europe. If we look back, we see that during the worst of the global financial crisis the US unemployment rate reached 10.2 per cent, or a total of 15.7 million people out of work in October 2009. Here in Australia the unemployment rate rose to 5.7 per cent before going back to 5.1 per cent now.

We invested. That is one of the great reasons Australia is better off than other countries which have had to deal with the global financial crisis. We have something to show for it. Unfortunately, there are many countries in Europe and many countries in the Americas that have put an awful lot of money in and really do not have a whole lot of results to show for their money. Not only did we invest in schools, we also invested in the Nation Building Program. Out of that, again, came more local jobs and more local infrastructure. That was a great help, a saviour, to many in my local area.

We had large projects such as the Springvale Road underpass funded through that program. As a result there were hundreds of jobs created there and the community got a lasting benefit, one that will serve for decades to come. It was a job that should have been done not just a few years ago but decades ago as well. A six-lane road with a railway crossing and 218 trains a day does not add up. All it means is traffic congestion from one side of the suburb of Nunawading to the other. Now that the work
is done you do not even notice that it is there—I suppose that is a real compliment. If people do not notice the traffic jam, that is a good thing. Where it once was, even on a Sunday afternoon, if you had driven a car along Springvale Road you could well have been banked up for half a kilometre, even more, in a traffic jam. Peak hour times during the week were, of course, far worse.

If we go back to 2009 and recall some of the votes in this place, it was the opposition which moved an amendment that would have taken away the funding for that project. If that had been the case, those hundreds of jobs would not have been created and the infrastructure would not be there. That is part of the story as to how Australia-wide 200,000 jobs were saved. It is much easier to express when you have local examples. Many people look at large numbers and, although the large numbers may look impressive—including to people in this place—quite often they need to be given local relevance that I can show someone.

It may not need to be hundreds of millions of dollars or millions. It can be quite small amounts, but it makes a big difference to a local community organisation. Maybe the organisation has been able to upgrade its pavilion or playing ground and has been looking to do that for years and years to make life better for its club members. Of course, not just one club uses most of these grounds, it is a vast range of them. Investing in the community, as we have done in government, is one of the best things a Labor government can ever do. It has meant that so many people—not just in my electorate but also in every electorate across Australia—have been able to have better community facilities, better education facilities and better health facilities. Money has also gone in and, again, by building, expanding and improving services the community gets the benefit. That is the great thing about our investment during the global financial crisis and onwards, because we are the party that cares about jobs. We are the party that cares about people's living standards. It is important, and Australia has to have the strongest economy we can achieve. By doing what we have done and by continuing to do so, we can say—and we know—that more than 700,000 jobs have been created over the past four years. That rate of growth in jobs, in sheer numbers, is amazing given what we have been through with the downturn that still persists today in so many countries across the world.

We can go on to where things can go from now. Just recently in this House, of course, we debated the minerals resources rent tax. The money that will flow from that once it is passed by the Senate will flow back and assist the community. It will flow back from companies that can afford to pay it to small businesses that could really do with a tax cut—from companies that can afford to pay it to people who could really do with an increase in their superannuation savings.

These sorts of things are important and do matter, and they make a difference to the long term. They are important and of course there are many more of them, and this is not the only example. There is the tax write-off for small businesses of $6,000. It is a magnificent thing for a small business to be able to invest and know that they do not have to wait—(Time expired)

The DEPUTY SPEAKER (Hon. BC Scott): Order! The discussion is now concluded.
COMMITTEES
Corporations and Financial Services Committee
Gambling Reform Committee

Membership
The DEPUTY SPEAKER (Hon. BC Scott) (17:01): Mr Speaker has received messages from the Senate informing the House that Senator Hanson-Young has been discharged from the Parliamentary Joint Committee on Corporations and Financial Services, and Senator Bilyk has been discharged from the Joint Select Committee on Gambling Reform and that, in accordance with the resolution agreed to by both houses, Senator Sherry has been appointed a member of the committee and Senators Di Natale and Madigan have been appointed as participating members.

BILLS
Nuclear Terrorism Legislation Amendment Bill 2011
Members of Parliament (Life Gold Pass) and Other Legislation Amendment Bill 2012
Returned from Senate
Messages received from the Senate returning the bills without amendment or request.

Intellectual Property Laws Amendment (Raising the Bar) Bill 2011
First Reading
Bill received from the Senate and read a first time.
Ordered that the second reading be made an order of the day for the next sitting.

Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr BUCHHOLZ (Wright) (17:03): In continuation on the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011: unsurprisingly, Labor jumped on our proposal and accused us of being in breach of the WTO agreement. It should come as no surprise that these allegations were completely false. Not only are the preliminary affirmative decisions consistent with the WTO provisions; they are consistent with what Labor was advocating just a few months before. I imagine that must have been quite embarrassing for the honourable members involved.

Labor’s disastrous record on manufacturing policy is best reflected in the 28 separate months of contraction in the sector and the loss of more than 136,000 manufacturing jobs in Australia since 2008. Those people who choose to listen in on parliamentary debates or choose to ferret through reams and reams of Hansard would now be starting to question and scratch their heads as the previous speakers, when they were debating the urgency of the need for the government to restore confidence in their management of the Australian economy, were saying something completely in contrast to that. Speakers in this House who will precede this part of the Hansard were making the point that a Labor government was actually creating jobs. Now I have got up as the next speaker and said that 136,000 manufacturing jobs have been lost. Someone is wrong.

I support this bill and I support the truth being told. I support this Customs amendment bill, as we do a number of bills, but the reason I want to make the point that
so many jobs have been lost in the manufacturing sector is that last year we had a 0.02 per cent growth rate in employment. So when we hear people on the other side saying that these jobs have been created, they are telling half the story. They are talking about the jobs that have been created and neglecting the truth that for every job that has been created another job has been lost under their leadership by determination of a 0.02 per cent growth rate. We can all spin until our heads fall off, but the truth of the stats will never escape us.

Sadly, this is a government that has already seen fit to punish manufacturers relentlessly by increasing regulation, discouraging commercialisation, slashing incentives for research and development, and, worst of all, introducing a job-destroying carbon tax. It shows no signs that it will be interested in fighting for the growth of an Australian industry. Nevertheless, it is the view of the coalition that the amendments under consideration here today go some of the way towards addressing a few of the stakeholders' concerns relating to the national antidumping system, and I am happy to give my support to the bill. I am happy to give my support, because there are so many times that I have stood in this House for the betterment of the nation and supported bills that have been put up by this government.

I also bring your attention, Mr Deputy Speaker, to the government's continual line of the negativity of the opposition when I stand here giving support for a bill. We constantly hear the drone from the government that the opposition is so negative and it is 'no, no, no, no'. I am thinking, 'This is wrong,' because I know myself that I stand in this House and support bills. So, to add some fact to the debate, I went to the Parliamentary Library at the end of last year and I asked them to correlate for me (1) the number of bills that went through the House and (2) how many bills were supported by the opposition and how many were opposed. An interesting fact came out, and this is not party spin; this is actual fact from the Parliamentary Library. From memory, the opposition supported 97.4 per cent of the bills. So that is a far cry from the rhetorical spin that the government puts on about the opposition having this 'no, no, no, no, no'. When you go through and actually have a look at the bills that we said no to, including the cognate bills, I think the climate legislation had 15 or 21 pieces to it. I am counting those, but if you put that together and call it one bill then it actually means that we opposed only 13 per cent of the legislation that went through this House. So it is a far cry from the 'no'. If anything, the tide is actually starting to turn for who is saying no. Today, when we put up a suspension of standing orders, it was this parliament that said 'no, no, no' for the 42nd time to a suspension of standing orders.

Dr Leigh: Mr Deputy Speaker, I rise on a point of order on relevance. It seemed to me that the member for Wright was continuing the MPI.

The DEPUTY SPEAKER (Hon. BC Scott): There is no point of order. The member is speaking on the bill. I remind the member for Wright of the bill before the House. I would also say that I thought I heard him say 'lying' during his address. If that was the case, I ask him now to withdraw that reference to the government benches.

Mr BUCHHOLZ: If I did say that, I do withdraw out of respect for your deputy speakership, sir. There is no way I would do such a heinous—

The DEPUTY SPEAKER: No, you will just withdraw it.
Mr BUCHHOLZ: I withdraw it. You are dead right: there was no point of order. To conclude, I support the amendment.

Dr LEIGH (Fraser) (17:09): It is my pleasure to rise to address the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011, a piece of trade legislation that sits proudly in a Labor legacy of trade reform. The opening up of Australian markets which has been so much to the benefit of Australia's workers and consumers is fundamentally a Labor story. It was Gough Whitlam in 1973 who first cut tariffs, and then Bob Hawke and Paul Keating who continued through the tariff cuts. But they did so with a view that open markets would be good for Australia but that that process of dropping the tariff walls would entail transition costs. So they put in place a car industry plan and TCF plans, recognising that industry would need time to adjust. Those changes have been enormously beneficial for Australian families. They have put on average $3,900 per annum into the pockets of Australian households, according to a report by the Centre for International Economics. Open markets have also meant that Australian industry has become more competitive. That has meant more export jobs. It has meant more opportunities for Australian workers.

But it is also important that the government ensure that Australian companies are protected from unfair trade practices by other countries. This legislation is making the most important improvements to Australia's antidumping regime for more than a decade. The improvements will include an increase in Customs staff working on antidumping by 45 per cent. It will include increased funding to hire experts and to assist Australian manufacturers in lodging applications for remedies against injurious dumping or subsidisation. The government has established an International Trade Remedies Forum that will provide advice to the government on the effectiveness of the improvements to the antidumping system and will report on options for further improvements. That forum has met a number of times, considered various discussion papers and worked in cooperation to develop an anticircumvention framework.

Underlying all of this is our compliance with Australia's World Trade Organisation obligations. It is absolutely critical that we comply with WTO laws, because those WTO deals have been so important in underpinning our future prosperity. I am proud to say that I worked for 18 months for the late Senator Peter Cook, who negotiated for Australia the last WTO round of tariff cuts, the Uruguay Round. I am equally proud to say that it was my predecessor as the member for Fraser, Bob McMullan, who stepped into Peter Cook's shoes at the very end and whose signature appears for Australia on the Uruguay Round agreement. Trade talks can sometimes seem a little arcane, but underpinning them is the notion that we are taking rocks out of harbours. It is good for us to take the rocks out of our own harbours; it is better yet if we can get the rocks out of the harbours of other countries.

But the opposition seem not to recognise this. They have announced that they intend to reverse the onus of proof in antidumping cases, in clear breach of Australia's international obligations. The sharper knives in their drawer know that this cannot be done without risking other countries taking us to the WTO for retaliatory action. They know that they would involve punitive tariffs on Australia's agricultural or manufacturing exports. When you are allowed to impose punitive tariffs, countries think pretty hard about how to hit their neighbours. There is a famous World Trade Organisation case in which the European Union was allowed to impose retaliatory tariffs on the United...
States for a breach of WTO rules. It was an election year, so the Europeans decided to impose their retaliatory tariffs on exports from key swing states like Florida's orange juice concentrate. It did not take long before the Americans capitulated and complied with WTO obligations. Much the same would happen to Australia were we targeted with retaliatory tariffs. It is very clear that this would be the case. In a public submission to the Senate committee looking at this issue in May last year, the Department of Foreign Affairs and Trade was unequivocal in its advice. It said:

Australia cannot impose an onus on the importer to prove the goods have not been dumped …

The opposition claims that, from two months into an investigation, preliminary affirmative determinations can create a shift in the balance of an investigation requiring the foreign producer, rather than the Australian company that believes it has been damaged by the dumping, to prove its conduct has not hurt Australian industry. That is not correct. PADs are already used in accordance with Australia's WTO obligations, but these obligations make it clear that it is still necessary to make a preliminary finding that there is dumping and consequent injury to a domestic industry.

The opposition have a desire to ride roughshod over our international obligations when it comes to antidumping. It is just one of a series of incidents in which the opposition have threatened to tear up the international trading rule book—the rule book which has done so much to bring prosperity to Australia; the rule book which has ensured that Australia could export almost $300 billion worth of goods and services to the world last year.

Last August, the coalition supported an antitrade private member's bill on compulsory palm oil labelling. That would have breached Australia's obligations under the World Trade Organisation. It would have slugged Australian businesses with compliance costs of $150 million. Just before that, the shadow agriculture minister drafted a bill which sought to overturn a World Trade Organisation ruling that New Zealand apples be allowed into Australia, subject to scientifically based quarantine conditions. Had that private member's bill gone ahead, as the opposition well know, it would have put Australian trade in jeopardy.

It is just another piece of the puzzle as to how the Leader of the Opposition has consistently taken the antimarket view. He has taken the antimarket view on climate change, the use of voluntary water buybacks to alleviate desalination of the Murray-Darling Basin, the use of countercyclical fiscal policy to save Australia from recession when the global financial crisis hit, and the use of good economics that tell you that when you go to an election you should have an independent parliamentary budget office look at your costings rather than a team of accountants that has been fined or a catering company. Each day it is more and more clear that the opposition have lost all economic credibility and are willing to put at risk Australia's trading relations for simple points scoring.

I turn to some observations which have been made on the issue of antidumping by the Chairman of the Productivity Commission, Gary Banks, when he spoke at the annual dinner of the Australian Chamber of Commerce and Industry on 23 November last year. I have to say that Mr Banks is not particularly complimentary about antidumping, but it is important to look to his statements to see where he regards the real problem lies. He said:

In its recent report on anti-dumping, the Commission nevertheless recognised that notions of unfairness had become so entrenched that
retaining some form of anti-dumping system was inevitable, and on balance may serve to prevent something worse (as is sometimes said of FIRB). We therefore opted simply to moderate its potential to impose costs on Australian industry and consumers …

Mr Banks went on to talk about some of those costs. He then said:

However, no such ambiguity is to be found in the Opposition’s recently announced policy, which pushes the boundaries of allowable restrictions. Getting the right balance in anti-dumping policy between addressing perceptions of fairness and avoiding actions that would be costly domestically—and harmful to our bilateral relationships (including with China)—is a very difficult challenge for policy makers and always has been. Unfortunately the Opposition’s policy falls well short of the balance required, and has now made harder the Government’s own efforts to hold the line.

Mr Banks has highlighted the real problem with the coalition’s economic populism in the area of trade—that is, it not only threatens our economic prosperity but threatens our diplomatic relations. In this century, the Asian century, we are—

Mr Craig Kelly: Mr Deputy Speaker, I rise on a point of order going to relevance. This is about antidumping. I do not know what the speaker is talking about, referring to the coalition's policy.

The DEPUTY SPEAKER (Hon. BC Scott): There is no point of order. I have been listening to the member for Fraser. He has been talking about customs tariff. I have noted the first reading speech and the member for Fraser is in order.

Dr LEIGH: I refer again to the speech on antidumping by the Chairman of the Productivity Commission. That speech highlighted the very real risks of the opposition's strategy—the opposition's growing economic populism. Getting the balance right on antidumping is critical in this century, the Asian century. It is absolutely vital that we preserve strong economic and diplomatic relationships with the countries in our region. We are enormously fortunate that growth moves in the world from Europe and North America to Asia, to be concentrated in the fastest growing region of the world. The Asian century presents challenges to Australia, to be sure, but the opportunities are far greater—the opportunities to engage in strong trading relationships with countries of our region. We have great potential in services exports, education, finance, law and architecture—all of these sectors will benefit greatly from our strong trading relationships with the countries of our region. Getting the balance right on issues such as antidumping is absolutely critical. Australia's trading relationships are critical to our economic prosperity. In 2011, our exports to North Asia rose 18 per cent, with shipments to China rising 24 per cent, to Japan rising 16 per cent and to ASEAN countries rising 23 per cent. Australia's trade is projected to more than double by 2025. This strong trade performance is only made possible in a rules based trading system.

Australia is a founding member of the global trading system, and we play by those rules. We may not like it when we lose the Ashes, but we still play by the rules of cricket. In the same way, we do not always like every decision made by the World Trade Organisation, but if we take our bat and ball and go home we hurt the jobs and the prosperity of many Australians.

There are now over 150 members of the World Trade Organisation, and many more are joining up. It is a rare country in the world that wants to thumb its nose at the World Trade Organisation, but that what those opposite want to do. They have chosen the low road, the economic populist road, at every possible turn. Australia's alternative Deputy Prime Minister, the Leader of the
Nationals, condemned the Trans Pacific Partnership as a ‘thought bubble’. Well, Deputy Speaker Scott, I can tell you it is a thought bubble that is being advocated by President Obama and something that should seriously be considered for the welfare of Australia. The day after the Deputy Leader of the Opposition said the government should accelerate negotiations on a trade deal with China, the Leader of the Opposition repudiated her and said it should be put on the backburner. It really reflects the fact that those opposite are not that interested in economics or the fundamental reforms which will raise the prosperity of our nation.

Estimates by the Centre for International Economics found in 2009 that one worker in seven in Australia was involved in the production of exports and one in 10 in import related activity. That makes one in five workers involved in trade related activity—exports, imports or both. Just imagine a set of policies that would lose one in five workers their job, that would shut off Australia's trade with the world and that would jeopardise our international trading relationships. That is what we face with the economic populism from those opposite. They are willing to say anything in order to win a vote but not willing to have the long-term conversation with Australians about the great benefits that will come to this nation in the Asian century. I commend the legislation to the House.

Mr CRAIG KELLY (Hughes) (17:24): I rise to speak in support of the Customs Amendment (Anti-Dumping Improvements) Bill (No. 2) 2011. According to the explanatory memorandum, this bill seeks to implement a few new aspects to Australia’s existing antidumping regime, including establishing a new appeals process to replace the existing appeals mechanism; establishing the International Trade Remedies Forum, which will be a stakeholder body of representatives from manufacturers, producers and importers, as well as industry associations, trade unions and relevant government agencies; and providing for flexible extensions to time frames for an investigation, a review of measures, the continuation of an inquiry or a duty assessment. Those extensions are to enable robust analysis where investigations involve particularly complex arrangements or involve large numbers of countries or interested parties, and to enable consideration of a response to critical new information that could not reasonably have been provided earlier.

Although the coalition will be supporting this package of modest amendments, I would like to make a few comments on the bill: firstly, to dispel the misinformation being peddled by the government about the effect that these changes will have to Australia’s antidumping regime; secondly, to highlight the government’s hypocrisy in terms of their claim to be protecting Australian industry; and, thirdly, to highlight the further hypocrisy in the alarming degree of divergence of our legislative approach to dumping on an international and domestic basis.

To start with, the purpose of Australia’s antidumping regime is to protect Australian manufacturers and producers from dumped or subsidised imports that would affect their viability. We all support that. However, the explanatory memorandum to this bill states that dumping:

… occurs when an overseas supplier exports goods … at a price that is designed to ultimately lower competition.

This is simply incorrect. Under the World Trade Organisation's definition, dumping is not just selling goods below cost for an anticompetitive purpose. The World Trade Organisation's definition of dumping also includes merely selling a good for a lower
price in a foreign market than is charged for the same good in the exporter's domestic market. Effectively, antidumping legislation attempts to ensure that a firm makes the same level of profits on an export sale as it does on a domestic sale and that the export sale is not subsidised.

Under World Trade Organisation agreements, dumping is, rightfully, condemned if it merely causes or threatens to cause material injury to a domestic industry of an importing country. There is no threshold under WTO regulations to prove that a firm alleged to have engaged in dumping had a substantial degree of market power, that the dumper had a substantial share of the market, that the dumping continued for a sustained period, that the dumper had the purpose of damaging a competitor or competition or that there existed a dangerous probability of recoupment. All that is required for dumping to occur, under WTO rules, is that goods are sold for a lower price in a foreign market than is charged for the same goods in the domestic market and that there is the possibility of it causing material injury to a domestic competitor. Essentially, dumping is merely geographic price discrimination on an international basis—the selling of the same goods at different prices in different markets—where the markets are able to be segmented by international borders.

If we are to stand here in this parliament, with speaker after speaker condemning dumping—geographic price discrimination—across international markets because it causes or threatens to cause material injury to an Australian business, we must also condemn geographic price discrimination when it occurs internally, within our own borders, and causes or threatens to cause material injury to an Australian based business. Otherwise, we in this place are hypocrites.

Yet, while we legislate for strengthening our provisions to deal with international geographic price discrimination under our own domestic competition laws, we have all been all but silent on the issue of geographic price discrimination when it occurs internally, within our own borders. This silence and inaction has allowed the Australian supermarket duopoly to use the anticompetitive practice of geographic price discrimination, or dumping, across segmented domestic markets, to destroy competition and to cause material injury to small Australian businesses.

In the home of free market capitalism, the USA, the Robinson-Patman Act has a specific provision against geographic price discrimination. That act provides, in part:

It shall be unlawful for any person engaged in commerce, in the course of such commerce … to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor …

American legislators have considered a violation of this act so detrimental to competition, to economic opportunity and to consumers that any person engaged in such geographic price discrimination can, upon conviction, be subject to one year's imprisonment. Likewise, EU competition law has provisions to deal with geographic price discrimination within internal boundaries of the EU. Yet under our competition laws here in Australia we have no effective provision to deal with geographic price discrimination. Therefore, across Australia today, we see the supermarket duopoly using the anticompetitive weapon of geographic price discrimination to drive their more efficient small business competitors from the marketplace, after which they slug consumers with excessive price increases.
Just one example is in Western Sydney, which I am sure the member sitting at the table, Mr Bowen, will remember. A survey found that one member of the supermarket duopoly was charging between 51 per cent and 402 per cent higher prices in one market than it was charging for the same items in another market less than four kilometres away. This caused material injury to a smaller competitor by driving it from the market, after which prices were jacked up by close to 100 per cent. Although such discrimination is not only anticompetitive and manifestly unfair and unjust to the general public, especially the elderly and the less mobile, when it comes to acting to repair Australia's competition laws to ensure that we have an effective provision against geographic price discrimination this parliament has gone missing.

For that small business in Western Sydney, once it was driven from the market, what did it matter whether the goods were dumped into its market by an overseas based firm or by a larger competitor operating in thousands of domestic markets? It made no difference at all. Under our existing laws, that small business would have a remedy if the dumping were undertaken by a larger foreign competitor, but it would have no remedy if this were undertaken by a larger domestic competitor.

An effective and workable dumping regime treads a very fine line. An antidumping regime that is too complex can easily be used as a protectionist measure which harms the Australian economy. For example, many Australian manufacturers rely on imported components to manufacture goods in Australia. However, an antidumping regime that is too complex can result in these manufacturers being tied up in red tape defending a dumping claim made against a vital business input that they have obtained from overseas.

We also need to tread very carefully before finding a foreign company guilty of dumping and before imposing countervailing duties. We need to be very careful before implementing such an overvigorous antidumping regime that is burdensome to free trade, as other countries may implement similar measures against Australia. In the past, Australian exports have rarely been subject to antidumping duties, and only one product from Australia has ever been subject to countervailing measures by a WTO member. This was back in 2000, when the European community imposed countervailing duties on synthetic polyester fibres exported from Australia.

However, as one of the few people in this place who has had to make things in Australia and export them into international markets, and having participated in international trade fairs across the globe, I can assure you that it is the practice of many Australian exporters to sharpen their pencils when competing in an international marketplace, and they are prepared to accept lower levels of profit on exports that they are on domestic sales. Under WTO rules, sharpening your pencil for an export order or selling goods in an export market for less than you would in a domestic market is considered dumping.

We also need to be very clear about this bill. It is not about stopping cheap imports. It has only the potential to stop goods being imported into Australia when they are sold below cost or below the price for which they are sold in a foreign market. Therefore, I am greatly concerned by the 'Don't dump on Australia' campaign being waged by the leaders of the Australian Workers Union. The union's website makes the following assertion:

The fate of AWU members rests with the creation and enforcement in Australia of a strong antidumping regime.
The truth is that the fate of AWU members has very little to do with the creation and enforcement of a strong antidumping regime. The fate of AWU members, and that of workers around Australia, rests with Australian industries remaining internationally competitive.

If the Australian Workers Union were truly concerned about the fate of its members it would be doing everything humanly possible to make sure Australian industries can remain internationally competitive, and they would be voicing their opposition, loud and clear, to this government's policy of burdening Australian firms with the world's largest carbon tax. Instead, we have had absolute silence from the AWU on the introduction of the world's largest carbon tax, which will simply place Australian industry at a competitive disadvantage. We can have the strongest antidumping provisions in the world, but if we have a government that is prepared to inflict upon Australian industry the world's largest carbon tax, placing it at a competitive disadvantage, this will allow firms to produce goods overseas at lower costs than they can be produced for in Australia, and this will cost Australia jobs. Yet officials at the Australian Workers Union are abandoning their union members by failing to stand up to this government and oppose its carbon tax.

There is also the practical difficulty of determining when goods are dumped. What is the normal price for a good? How is that calculated? Is it the price last week, is it the price last month or is it the price last year? For commodities, is the price going to be in the future? What about exchange rates? How do you calculate exchange rates, especially in the current market, where we see such extreme currency fluctuations? How do you calculate the price in the domestic market, where different costs may result in the same goods being sold at different prices in different regional markets in the one country? And then there are the terms of sale. How can any price differential be explained by different trading terms, credit risks or statutory warranties? Was there a discount for quantity? This makes it very difficult, if not impossible, for an Australian Customs official to determine whether a good is being exported into Australia at a price that is different from the exporter's local market.

And when determining whether goods are being sold at higher prices in foreign markets, how do you compare apples with apples, as many products exported to Australia are simply not the same as those being sold in home markets? Where an apples to apples comparison cannot be made, Customs officials can look to the price charged by an exporter in another country to make a calculation based on a combination of the exporter's production costs, other expenses and normal profit margins. It is simply impossible for an Australian Customs official to accurately determine what the price would be if the good were theoretically available in a foreign market. Thus, any estimation of prices by Customs is purely an arbitrary figure. These are just a few of the difficulties that our Customs officials face in implementing this legislation.

If this government were serious about having a new and beefed up antidumping regime, you would think the government would be giving Customs new resources to adequately investigate claims of dumping. But the government is not actually increasing the resources available to Australian Customs officials to deal with these added responsibilities. The only conclusion is that the government is not serious about having an effective antidumping regime in Australia. This bill and the AWU's Don't Dump on Australia campaign are nothing
more than a smokescreen to divert attention from the undeniable fact that imposing the world's largest carbon tax on Australian industry will make it more expensive to manufacture goods in Australia and will send production offshore, resulting in more and more goods being imported into Australia. That is the complete hypocrisy of this government, for which they stand condemned.

Ms RISHWORTH (Kingston) (17:39): It was interesting to hear the last speaker. Early in his speech I was not sure if he was calling for the nationalisation of the supermarkets and outlawing discounts altogether. But I want it to be clear to the House that he made an incorrect statement. He said that this government has not increased the resources going to Customs. He should have read the last bill, which we introduced in March 2011. It increased staff working on the antidumping regime; in fact, there was a 45 per cent increase in staff working in this area. I wanted to clarify that point and put it on the record because we have been working very hard at increasing the resources to actually deal with this problem—something the Howard government ignored for their whole 11 years in office.

I am very pleased to support the Customs Amendment (Anti-Dumping Improvements) Bill (No. 2) 2011, which builds on the legislation already introduced by this Labor government to improve Australia's antidumping system. Dumping has a negative impact on local Australian businesses, especially small businesses, in the areas of manufacturing and primary production. I think it is important to make a distinction between the concepts of dumping and promoting free trade, because they are two entirely different things.

Australia is an exporting nation and, as a result, it has been in our interest for many years to gain access to more markets around the world to export our goods and services. Trading with other nations has increased our national prosperity and has insulated us, especially during the global financial crisis. As a result, there has been a longstanding bipartisan commitment over many decades to reduce trade barriers through agreements and cooperation. Since Paul Keating, in 1994, did the trade negotiations through APEC, we have seen the reduction of trade barriers in our region and a huge opportunity for Australian companies, with around 18,500 doing business in ASEAN countries.

However, the practice of dumping is not trade liberalisation; it is the manipulation of markets. Dumping is a practice whereby overseas companies deliberately and maliciously sell products in foreign markets at grossly below their normal value and in an overabundance which is deemed predatory to normal competition. Injurious dumping is a problem; in short, it leads to the manipulation of markets through predatory pricing.

I believe this is something that we need to tackle. What we have seen as result of dumping is that damage is done to domestic producers, weaker competitors are driven out of the market and the surviving business, usually the business doing the dumping, looks to recoup its costs by raising prices well above competitive levels, leading to a big monopoly in the market. We have seen that this is a problem here in Australia. Australian Customs dumping notices in Australia last year showed that manufacturers of paper, glass, food and steel were hurt, with most of the dumping being done by companies from Russia, China, the US, Indonesia and Thailand.
These unfair practices have been and continue to be a great threat to our national economy and to Australian jobs. That is why this government has acted to strengthen our antidumping regime to prevent this anticompetitive behaviour. As I said, this is after years and years of inaction by the Howard government. We have seen the coalition in recent days cry some crocodile tears in this area. But during their whole time in office they were not interested. It took the election of a Labor government for something to be done in this area.

The World Trade Organisation recognises that dumping can cause material injury to domestic markets; indeed, the WTO allows countries to take action against dumping that causes material injury. Here in Australia, any industry that believes dumping is occurring and is threatening, or could threaten, material injury can apply to the Customs department to investigate and impose measures to redress the situation. The measures are designed to offset the effect of injury in the form of a duty or the importer accepting an undertaking that future trade will be done at or above the minimum export price. It is of critical importance that our antidumping system is working efficiently and effectively to ensure that our domestic markets are not adversely affected by this predatory behaviour. This is of particular importance in the current economic climate, where, as a result of the strong Australian dollar, sections of our economy are under pressure. One of those sections is manufacturing.

As I said, it took this Labor government to focus on what we need to do. We asked the Productivity Commission to look into our antidumping system. After very extensive consultation with all the stakeholders, this Labor government acted to improve our antidumping system with our first tranche of reforms, introduced in March 2011.

There were five key areas of these reforms. The first was to improve timeliness, through, as I mentioned before, a significant increase in the numbers of Customs staff able to work on antidumping issues; the introduction of provisional measures at the earliest opportunity, to remedy the negative effect on dumping sooner; and the introduction of a 30-day time limit for ministerial decisions on antidumping cases.

The second area was stronger compliance, through a dedicated resource within Customs to boost monitoring of measures to ensure compliance and combat attempts to circumvent any antidumping duties.

The third area was to improve decision making, through the greater use of trade and industry experts in investigating complaints; the introduction of a more rigorous appeals process supported by more resources—once again something that the previous speaker failed to recognise; clarifying the list of injury factors that can be claimed by domestic industries; clarifying Customs' approach to injury determinations; and providing flexibility in allowing extensions of time to complete complex cases.

The fourth area was better access to the antidumping system, through a new support officer to support small and medium business and downstream manufacturers and producers to actively participate in antidumping investigations; improving access to imports and subsidies data; clarifying the data requirements for making an application; clarifying the parties who can participate in investigations, to include relevant industry associations, unions and downstream industries; and providing a more flexible basis for parties wishing to seek a review of existing measures.

The fifth area that we focused on was providing greater consistency with other countries, through regular consideration of
the practices and decisions of other countries and allowing Australian companies to combat a wider range of subsidies.

These were the amendments that were focused on in our first tranche of reforms, and the bill before the House today adds amendments that build on the excellent work already done. There are a number of new areas that this bill looks at. The first is a new appeals process. The second is an International Trade Remedies Forum. The third is more flexibility in seeking an extension of time to investigate dumping claims.

I will briefly go through each of those. The first involves the implementation of a review panel that will have at least three people to replace what is now just one officer carrying out investigations. This amendment will provide a further tier to the review process and allow trade unions and downstream industries to participate in the administrative reviews. I think this is a very important addition and will allow for claims of dumping to be properly investigated.

The second is the establishment of an International Trade Remedies Forum. This is an important aspect of the improvements. The International Trade Remedies Forum will constantly monitor the system's effectiveness and provide advice and feedback to the government. It will oversee the implementation of our reforms into legislation and ensure that we continually consult with business, industry, employee associations and trade unions.

The third involves time extensions. We have seen some very complex cases in the area of dumping. This amendment allows the CEO of Customs to ask for an extension, or more than one extension, with the approval of the minister, so that they can investigate very complex cases.

All in all, these amendments build on the government's great work already in this area. I certainly support them. After years of the coalition's inaction and ignoring of this area, I was quite surprised that the Liberal Party, when the government announced its reforms, quickly came out and decided to have a policy. Unfortunately it was a hollow policy which seemed to renege on their many years of bipartisan commitment to free trade. In fact, the coalition's policy was not only ill thought through but, if it were ever implemented, could make Australia violate its international trade obligations and risk retaliation against Australian exporters, which would inevitably result in trading partners taking Australia to the World Trade Organisation. This would put at risk millions and millions of dollars worth of exports—for example, $110 million worth of sugar, $39 million worth of Tasmanian chocolate and $52 million worth of automotive exports. That is what the coalition's policy is going to put at risk. It will not benefit consumers. It will not improve the system. It would be a responsible action of the opposition to leave their policy behind, to support and get behind these amendments and to stand up for our manufacturers, whether they be domestic producers or exporters, and work properly on this issue, not just try to get a headline for the day.

I am pleased that this government has looked at this, to improve the system so that many people—including industry bodies and downstream manufacturers—have better access to our antidumping system and so that we get fast outcomes from this. I commend the bill to the House. I hope that the opposition supports these changes.

Dr STONE (Murray) (17:52): I too rise to speak on the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011. This is a bread-and-butter issue for the people in my electorate because, after all, we
are the food bowl of Australia and we find ourselves constantly being attacked by product brought in from overseas which is offered at below the costs of production and all of the other costs involved in getting the product to Australia. This is a serious problem.

Of course, we, along with New Zealand, do not subsidise our farmers. We have product constantly knocking on our door which comes from, say, the eurozone, where they are trying to diminish their levels of subsidy but there is still a very significant level of support for their growers, whether it is for preserved and processed summer fruits or for dairy product. We find ourselves constantly having to look to government to provide some sort of protection through a good antidumping regime.

I am very pleased that the Labor Party have at last understood the difficulties of people who try and make things in this country—the manufacturers and the food growers. They have come very late to this scene, so I suppose it is not a great surprise that again they have got it pretty wrong. Of course we agree with having a robust and timely antidumping regime in Australia. The problem is that there has to be acknowledgement that that also needs resourcing.

It is all very well to invite us to get excited about the fact that trade unions are now going to be invited to take part in appeal processes. I am sorry; I do not get very excited about that, because of course trade unions are only involved in some areas of manufacturing in Australia, and almost every year we see that level of involvement going down as the workers walk away from trade union membership. But that, apparently—we are told by the previous speaker—is something to be very proud and pleased about and is, she says, a hallmark of the success of the government’s changed legislation.

I say that a hallmark of good legislation and a real change for antidumping regimes in Australia would have been if they had said that there were genuinely additional resources to make an antidumping regime work. We know they are robbing Peter to pay Paul. They are going to be taking away resources currently dedicated to quarantine services, to Biosecurity Australia, and they will be putting them across to the antidumping regime. There is just one other element for my food producers which cannot possibly be any further reduced in terms of government service—that is, the biosecurity or quarantine services.

We have an extraordinary problem in Australia, being an island nation and being a nation with a climate from Mediterranean right through to a tropical type seasonal regime, so we are vulnerable to a whole range of pest species, feral animals and new insects. We need a robust and vigorously upheld quarantine system, a system that has inspections, a system that makes sure that there is more than the odd container occasionally looked at as it comes through the wharves. Unfortunately, we are now experiencing some pests and diseases like the new, terrible myrtle rusts, which are affecting our eucalypts and the Asian bee invasion. We have new species of feral animals and insects coming into Australia, where we can only imagine the damage that is going to be wreaked over time because there has been no biosecurity or adequate quarantine response.

Of course, our greatest fear is apple and pear fire blight. While we have managed through the industry to have the demand for fresh apples from New Zealand dampened by an appeal to fellow Australian consumers not to touch that product, we were also
appalled to find that, after the announcement when Julia Gillard stood up in the New Zealand parliament and said, 'I'm sorry we've been keeping your apples out; we promise we won't be bad anymore, and you can come in when you like,' we saw the first flood of attempted exports of fresh apples from New Zealand to Australia and, lo and behold, there was over 30 per cent contamination of the cartons of fresh apples that they tried to land on us. They included the insect the leaf curling mite, which is a major problem. We can only imagine that some of the trash within the boxes contained the European canker we dread and, of course, the bacterial infection of apple-pear fire blight itself. It cannot be seen by the naked eye, so, if the trash was in the boxes and if there were living, breathing insects which were designated pest species, heaven help us when it comes to the bacteria itself.

This legislation, the Customs Amendment (Anti-dumping Improvements) Bill, has to be given additional new resources if we are to take it seriously. But we are told no, the resources are going to be shifted across from biosecurity and quarantine services. That is just not on. I am in great fear and dread of the consequences of that for the phytosanitary condition of our products in the future and our chances to fight away disease.

I am also very concerned about the fact that the real issues for my manufacturers and for my growers have not been addressed at all with these changes. The real problem is: how does a tomato grower or small manufacturer extract from that other country the cost of its labour, the cost of all its other inputs, the cost of the storage of its product and the full cost of transport to land it in Australia? Yet that is what we are still expecting an Australian manufacturer or grower to do. You need more than a couple of individuals helping out in that process. They say, 'Look, we're shortening time frames; it's going to be quicker and easier.' The point is that it takes quite a bit of resource, effort and indeed time to prove your case that the product from overseas landed in Australia is being sold at under the costs of production for that product.

Today we have the Australian citrus growers angry to find more cheap produce arriving in Australia. Egyptian oranges are reportedly selling for $10 a case at the Sydney retail fruit market, compared to $16 for an Australian case. Riverina Citrus believes the oranges have been dumped and wants the Australian government to check if the Egyptians have subsidised the exports. The group claims most local fruit this season is already being sold at below the cost of Australian production and therefore these cheap imports will further damage their industry. Australian citrus growers have had a very hard time in recent years. They just do not have the resources to head off to Egypt any time soon. So they are begging the Australian government to check out this situation for them. I say good luck, because there is no indication at all that the International Trade Remedies Forum that we are being told to celebrate is going to be able to step in and do anything fast.

We are told that there will be changes to extension of time for reviews, which will allow Customs and Border Protection more flexibility in dealing with complex matters and scope for consideration of new information. I have already mentioned we
are told to celebrate the fact that additional stakeholders will be allowed to be involved in consultation going forward. In particular, we are to celebrate trade union involvement in there. Well, none of that helps the Aussie citrus growers from the Riverina who, right now, cannot survive too many weeks of not being able to sell their product because they have a new contestant in the marketplace selling oranges for $10 a case when they are taking—rock bottom, below the cost of production—$16 for an Australian product. This is our dilemma.

The only way we can actually do right by Australian manufacturers—the workforces, the owners of Australian manufacturing who still make things in this country—and the only thing that will really help them get a fair go in this country is through a properly resourced antidumping regime where the government of the day holds their hand in getting information out of other places, often information that belongs to the governments of other nations. That onus of proof of dumping, of material damage to the Australian product, is hard to do for an under-resourced, struggling Australian manufacturer.

We have to understand that a lot more resource has to be put into this. There has to be a lot more listening to the industries themselves, whether they are small manufacturers of gadgets and widgets or the last of our Australian food manufacturers, who are trying to hold up their end despite the problems that they face with the high Australian dollar and with food labelling in Australia, which allows consumers to have a guess at what 'made from imported and local ingredients' really means. These are the problems also confronting them right now.

Meanwhile, we know that if we do not get this right, if we do not get genuine antidumping improvements soon—if we lose our citrus industry or our pear industry—we are not going to be able to recover quickly or ever in the ongoing history of Australian food security. It takes more than 10 years for a pear tree to come into production; it will go on bearing for 90 years. But if you knock out the viability of that pear orchard now, you are not going to see anyone stupid enough to try again in the near future if our government policies remain as enemies of the people.

In conclusion, we, the coalition, understand the incredible importance and significance of having a robust, properly resourced antidumping regime. We want to see adequate resources put into this. We have real concerns about Labor's unwillingness to resource Customs and its decision to fund its changes through cost shifting. We want to see a much better approach. We are going to launch our new policy for the next election and we certainly are not going to sit back and say, 'There has been a bit of lip-service paid, the unions can now have a say, so the job is right.'

Mr KELVIN THOMSON (Wills) (18:04): I heard the member for Murray talking the talk in relation to support for local manufacturers and producers, but the fact is that she was a member of a government that was in office from 1996 to 2007 and therefore had 11 years in which to strengthen Australia's antidumping regime, but it took no action to do so. So it is one thing to talk the talk now but another altogether to walk the walk when the opportunity was there.

The Customs Amendment (Anti-Dumping Improvements) Bill (No. 2) 2011 represents the second tranche of legislative reforms implementing the government's policy of streamlining the antidumping system. I spoke in the parliament last year on the first tranche and I am speaking again on this tranche because I consider that this is an
important issue at a time when manufacturing is under significant pressure in this country due to the high exchange rate caused by the mining boom. As I said back then, the fate of Australian workers in trade exposed industries rests with the creation and enforcement in Australia of a strong antidumping regime in order that nations do not take advantage of our generosity of spirit in trade matters.

Dumping occurs when an overseas supplier exports its product to Australia at a price below the price it charges in its home market or below the cost of production. Where dumping causes material injury to an Australian industry producing similar goods, action in the form of additional customs duty can be applied. The Howard government neglected Australia's antidumping system for its 12 years in office. A lot of right-wing politicians and economists who advocate globalisation and free trade do not actually believe in any rules or any government action at all. They want the market to sort everything out and they deride any measures which assist or safeguard or promote Australian manufacturing as protectionist. They do not actually believe there is anything wrong with dumping; they think it is just another manifestation of the free market at work. They think that the lower priced import will be good for consumers. But I believe we cannot have it both ways. We cannot allow our eyes to light up at the prospect of cheap imports yet at the same time bemoan the fact that we have over 600,000 people on unemployment benefits and over 800,000 people on disability support payments.

There is quite understandable dismay at the job losses which are occurring at the moment in our manufacturing industries. We need to understand why this is happening or else it will continue and could indeed get worse. It is not good enough to say that the job losses are a consequence of the high Australian dollar. Saying that is not untrue, but it is a recipe for passivity and inaction. The high Australian dollar in turn is a consequence of right-wing political and economic approaches which have dominated Australian policymaking for a long time. If we do not actively seek to have a manufacturing sector and manufacturing jobs, we will lose them. I agree with the economist Dani Rodrik, who says that countries ignore the health of their manufacturing industries at their peril. He says that high-tech services demand specialised skills and create few jobs, so their contribution to aggregate employment is bound to remain limited. Manufacturing, on the other hand, can absorb large numbers of workers with moderate skills, providing them with stable jobs and good benefits. For most countries, therefore, it remains a potent source of high-wage employment. Indeed, the manufacturing sector is also where the world's middle classes take shape and grow. Without a vibrant manufacturing base, societies tend to divide between rich and poor—those who have access to steady, well-paying jobs and those whose jobs are less secure and whose lives are more precarious.

Dani Rodrik says that in the United States the fall of manufacturing's share of employment has been damaging to productivity because labour productivity is substantially higher in manufacturing than in the rest of the economy. The bulk of new employment in the United States has come in personal and social services, which is where the economy's less productive jobs are found. The migration of jobs down the productivity ladder has shaved 0.3 percentage points off US productivity growth every year since 1990. In Latin America, redundant workers have ended up in the worst performing
activities, such as informal services, causing economy-wide productivity to stagnate.

I want to add my voice to the concerns being expressed about the offshoring of Australian manufacturing. I agree with that economist Herman Daly, who says that offshoring production is not trade. No goods are traded. It is absurd that offshoring should be defended in the name of free trade. Offshoring increases imports, increases the trade deficit and lowers either employment or wages. The policy of free trade is based on the doctrine of comparative advantage and one of the premises on which the doctrine of comparative advantage rests is the international immobility of capital. But offshoring involves moving capital abroad—if we were fair dinkum about free trade as a policy we would restrict capital mobility and offshoring.

The idea that manufacturing jobs are degrading and that everyone is going to be re-educated to become a mining engineer or an investment banker is delusional. Manufacturing jobs are worthwhile jobs holding families together, holding communities together, and we should not let them slip away.

The Productivity Commission released a report making 20 recommendations to improve Australia’s antidumping system. The Labor government has consulted with industry stakeholders widely about the improvements needed, and now the government is acting to strengthen our economy for the future by making it harder for dumping to occur in Australia. In June 2011 the government announced a package of reforms to Australia’s antidumping regime. These reforms will result in better access to the antidumping system for industries, including for small to medium sized businesses; quicker and better dumping decisions; improved quality of decision making; greater consistency with other countries; and stronger compliance with antidumping measures. These are the most important improvements to Australia’s antidumping system in more than a decade. These changes will improve the system’s effectiveness. They will improve the way we administer global antidumping rules in Australia and better align our laws and practices with those of other countries.

Our suite of improvements will keep our economy strong and provide greater support and greater certainty for our local industries, workers, families and communities against unfair dumping practices. The changes will provide certainty and confidence for business while at the same time ensuring that we meet our World Trade Organisation obligations. Better support can be provided to our industries and workforce with a modern, rigorous and better resourced antidumping system. We will provide more certainty for local manufacturers and primary producers and therefore more confidence to invest in the future, because the rules against unfair dumping practices by foreign firms will be more effectively applied.

We want to maintain confidence in international trade and that means having confidence in the rules. All WTO member countries have the right to take action against unfair trading practices. Many governments, and in particular the Chinese government, intervene directly and extensively in their country to the benefit of their own industries. According to the WTO rules, however, WTO members, including China, can only do this in a manner which does not cause or threaten to cause injury to foreign suppliers of like goods. Of all the WTO members, China faces the most antidumping actions because of the dumping of product below what is regarded as normal value and because of their recourse to export subsidies. In recent months both the US and Canada have begun
to adopt a more aggressive position on China's disregard for WTO rules. This could make Australia a greater target for the dumping of goods, further undermining Australian industries and jobs.

There are two main ways in which Australian manufacturers of like goods can be injured or threatened with injury by exporters assisted through government policies—first by dumping and second by industry subsidies. I have had concerns expressed to me by the company Advanced Cables Pty Ltd in relation to conclusions released by the Australian Customs and Border Protection Service following an investigation into the dumping of electric cables from China into Australia. Advanced Cables has requested that Customs examine actual sales transactions to determine whether dumping has occurred. The Australian cable making industry has suffered injury in the form of loss of profits, loss of profitability, staff retrenchments, loss of market share, underutilisation of plant capacity, an inability to raise capital, price suppression and price depression. Customs, in its visit report following its investigation of Advanced Cables, has found that the injury suffered was due to damage inflicted on the market by imports from the importer, Electra Cables Pty Ltd of New South Wales.

The Australian cable manufacturing industry has been attempting to compete with dumped imports from China for six to seven years. Figures provided to Customs confirm that the industry has lost millions of dollars in sales to imports from China, and Customs has confirmed that the industry has suffered on a number of fronts. So it is absolutely foreseeable that unless action is taken to force the Chinese to compete fairly with Australian manufacturers the industry will eventually succumb. All up, the cable making industry in Australia employs over 800 people and it is probable that the majority of these jobs, if not all, will be lost if these trading practices are allowed to continue. I have asked the government to re-examine this issue, and I repeat that request here. The ACTU has highlighted antidumping measures in their Union Action Plan for Jobs, which recognises that the commodities boom will not last forever and that 'a hands off, leave it all to market forces' approach to the issues in our economy would be a high-risk venture. We know from experience that taking a hands-off approach to the future of Australian jobs will mean that the number of workers in insecure work will continue to grow. They have recommended that we build on the establishment of the International Trade Remedies Forum to clarify the meaning and proper implementation of key WTO provisions and to commission a detailed examination of at-risk companies and communities to make recommendations that will help to maintain and expand manufacturing employment in those areas. We should provide unions with a statutory right to petition for dumping investigations and review and identify the anticompetitive barriers maintained by other countries in sectors such as meat processing with the aim of urgently negotiating their removal.

The Australian Workers Union should be acknowledged for its Don't Dump on Australia campaign, which has highlighted the issue of illegal dumping so as to give local manufacturers the chance to compete on a level playing field. The AWU has been working with the AMWU, the CFMEU and industry to put a spotlight on the threat to the economy and local jobs from illegal dumping. The AWU is very supportive of the government's reforms. It says:

Unions will be able to bring cases, where dumping is occurring, to the attention of the customs department and have the matter dealt with in a timely manner.
The changes will result in a more responsive and effective antidumping system, one that is easier for companies to access when bringing their cases forward. More staff and more market expertise in Customs will lend higher priority to antidumping cases, and it is clear that Australian manufacturers need more support in turning these cases around.

The changes are in line with Australia's World Trade Organisation obligations. They will also provide greater consistency with the antidumping systems of other jurisdictions, such as Canada, the EU and the United States, and deliver stronger compliance mechanisms. The AWU has been pushing for this reform for some time now. The fate of their members in manufacturing rests with the creation and enforcement of a strong antidumping regime in Australia.

The government's improvements to the antidumping system take account of the recommendations of the Productivity Commission report tabled in 2010, Senator Nick Xenophon's private senator's bill, the views of state and territory governments and submissions made to the government by stakeholders. The government has accepted, either in full or in part, 15 of 20 recommendations of the Productivity Commission's antidumping report. The reforms will reduce costs for Australian business seeking remedies against dumping and improve timeliness and transparency for all parties to antidumping investigations.

Local industry is worth defending. The Labor government is committed to a strong manufacturing industry. Australia-wide the industry employs around one million Australians. Manufacturing is central to a balanced economy. We need to be conscious of the structural pressures on manufacturing which flow from the mining boom, the high value of the Australian dollar and global economic conditions. We have seen these pressures manifest recently with job cuts in the car industry and with Alcoa announcing a review of its Point Henry operations. All countries have the right to take action against unfair trading practices and get a genuine level playing field. Dumping is not acceptable, and I commend the government for bringing this bill forward and I wish it a speedy passage.

Mr EWEN JONES (Herbert) (18:18): I also rise to speak on the Customs Amendment (Anti-Dumping Improvements) Bill (No. 2) 2011. This bill makes three sets of minor changes to Australia's antidumping system, aiming to improve the effectiveness of the current system. The coalition recognises that there are concerns with the framework that Australia currently has in place to deal with dumping problems, and supports measures taken to ensure fairness for Australian companies and their workers.

Dumping is a serious problem for Australian manufacturers and across a large range of industries. It takes place when an international manufacturer floods the local market with their product at a price below that which they charge in their own country, forcing out local manufacturers who simply cannot compete in the unfair match-up. This poses a threat to North Queensland's and the nation's manufacturers and is something that, as a part of the coalition, I want to see strong action taken against.

There have long been problems with our antidumping regulations as they currently stand, and this has had negative consequences for Australian businesses. To date it has taken extensive pressure, not just from the coalition but from industry groups, businesses, unions and everyone affected by Australia's trade, to finally see action from the government. One problem has been the process for having an investigation made over a claim of dumping, which has been a
source of frustration for many companies. The time frame for this process is often drawn out over an unacceptable length of time and the result is frequently seen by those involved to be ineffective. There are also substantial costs incurred by businesses that raise possible cases of dumping for investigation. It is a lose-lose situation for North Queensland businesses that are suffering financially as a result of dumping—they can either continue to fight the losing battle or further suffer financially to pay and have something done about it. This cost burden is preventing companies from being assisted by an antidumping system that should exist entirely to help them.

Our current system also has a greater expectation on local businesses to prove the case of dumping in a market rather than placing the onus on the accused foreign competitor to prove that they are not involved in illegal dumping. This is where the coalition makes the point that, at a certain level, the investigation should be taken away from Customs and given to the department of industry, which can follow up these things—because the first thing that Customs should be doing is protecting the country.

This bill represents the government's second lot of changes to antidumping regulations. It provides for the introduction of a new appeals process and establishes the International Trade Remedies Forum, a new body that will allow for a discourse between representatives from each stakeholder group, including producers, importers and government. And it aims to provide flexible extensions for the time frame under which investigations take place. We support the establishment of this body as an opportunity for industry to articulate problems they experience with antidumping measures and how these can be fixed.

This bill also makes amendments to the rules in place related to the time frame for dumping investigations. We also support these measures, but I am wary of the risk that the extensions to the time frame may be granted too freely. I hope that the government does not allow a relaxed approach like this to take place.

Finally, the bill makes changes to the appeals process. In response to this, the coalition are well aware of the problems that exist in Australia's current antidumping provisions and consider making appropriate amendments to this a matter of priority. That is why we support the initial steps being taken in this bill. We have our own comprehensive antidumping policy which goes further than the government's current plans. To begin with, we need to see the government shift the administration of dumping investigations away from Customs to the Department of Innovation, Industry, Science and Research.

The Customs and Border Protection Service already has its hands full and this pressure has only been increased as a result of this government's extensive cuts to the agency's budget. Dumping investigations are also more appropriately handled by a department that has economic and industry knowledge. It is the job of the department of industry to have this industry awareness and it makes sense for them to take over antidumping measures, allowing Customs to focus on the core purpose of border protection that it is designed for. We also need to see a shift in the burden of proof that dumping has or has not occurred away from local businesses and onto foreign competitors defending themselves from dumping allegations. Importantly, this should be dependent on the department of industry having a reasonable level of evidence that dumping may have taken place. This protects foreign companies from
accusations that have no grounding, while taking the cost burden associated with proving the existence of dumping away from the companies that are the victims of such measures. This measure would bring us into line with the system that other countries have in place and would mean that Australia's antidumping regulation will help Australian businesses.

The coalition would also commit an additional $2½ million per year to hire an additional 20 specialist antidumping staff to improve the quality and speed of dumping investigations. That is what we are after here—so that once a thing is identified, we are able to act on it as quickly as is humanly possible. These additional resources are badly needed, despite the government's continuous funding and job cuts to the Customs and Border Protection Service. We also believe that the 40-day limit on submissions to an investigation should be more strictly adhered to. In the current system extensions to that deadline seem to be too easy to obtain, unfairly dragging the process out. Better penalties are also needed against those who do not cooperate properly with an investigation.

In Townsville we are looking to expand our international reach. We want to capitalise on the benefits of trade and increase our inbound tourism, but this government's customs regulations have hampered us at every turn. In 2010 we got direct international flights out of Townsville airport when Strategic Airlines started flying to Bali. This was a huge opportunity for the city's tourism market. To get this in place, Strategic had to fly Customs officials up to North Queensland and put them up for a few days while they made their inspections. Some would say that was just the usual practice of throwing up barriers in front of a new business venture or that this was just paying for a government junket for the weekend. But we needed their numbers in Townsville then and we need their numbers now, and we need them permanently.

Clearly with trade opportunities in a city like Townsville, we have to be looking at having Customs services based in the city. I was speaking to Chris McMahon from North Queensland Customs Services about this issue. He has been working with Customs in Townsville for around 40 years. He believes that the city's staffing has slipped from 27 to about half that number. We must remember that Townsville is still an international airport. Customs are there to make sure we are all safe and they are there to facilitate trade. If we do not have the staff, we cannot process the products in and out of our airport and the port. This gets back to the point that we are still using Customs staff to do the investigation. We can get Customs to do what they are supposed to be doing. If staff want to specialise, they can move to the department of industry and specialise. Customs staff are better used in protecting our borders and making sure we are safe from disease and other things that come into our county.

I also spoke to Barry Holden who, in his capacity as CEO of the Port of Townsville Ltd, reiterated the importance of Customs in keeping disease out of Townsville. He said that, in his experience, the Customs officials in Townsville are doing a great job and that, contrary to Chris McMahon's report, at the moment the number of staff there are adequate. He did, however, point out that, as Townsville grows and the port expands, with more container traffic will come a need for a greater Customs presence.

The Asian honeybee is an example of something which has come in through the Townsville port. Could Customs have got on top of that with their staff numbers? Could they have found it? That is the big question.
which everyone wants an answer to. The Mount Isa to Townsville Economic Zone has just released a 50-year plan—real plans producing real growth which must be supported by all levels of government. We must get Customs doing what they are supposed to do. They must hand the responsibility to the department of industry to make sure this can happen.

We are seeing massive growth through the North West Queensland Mineral Province. We are talking about the expansion of not just our port but also the port at Abbott Point. We are talking about major things happening in Townsville. Customs should not have to deal with these particular issues. They should be getting back into facilitating trade. We must make sure that the people of Townsville and North Queensland and the North West Queensland Mineral Province have hope and opportunity every time to progress their businesses.

Finally, I spoke to Patricia O'Callaghan from Townsville Enterprise Ltd, who focused on the importance of growth in trade in the region. She said that, from a TEL perspective, Customs officers are doing their best in Townsville to assist with keeping the country safe from imported pests and other risks associated with bringing goods into the country. TEL are trying to grow our trade and tourism sector. Knowledge and educational tourism with our nearest neighbour, PNG, is a top priority for the city. We must ensure that our Customs officers are on the ground working hand in hand to ensure our port and our international transport is handled efficiently. We have situations at the moment where people with tuberculosis are arriving in Townsville and Cairns. We must get on top of these things. We have it all through Torres Strait. This is what Customs people are going through. I want changes made to the department of industry to take the bureaucratic work away from the Customs department—they flag it, they get on top of it and away they go.

I will also take this opportunity to thank the North Queensland Toyota Cowboys, who on the weekend will be hosting 97 Papua New Guinean trade students, who are currently undergoing certificate II and III courses at Barrier Reef Institute of TAFE in Townsville. This is an example of what can happen when two cities come together. Townsville has a sister city relationship with Port Moresby. Our institute of TAFE is doing fantastic work bringing these people in. We are increasing our relationship with Ok Tedi and getting their management people to Townsville to increase their level of training so that the Papua New Guinean nationals can then progress up the ladder. This is a great two-way trade that we should be participating in. Customs play a very real part in it.

The key message coming from everyone I have spoken to about this in Townsville is that we need to be working on building our international connections to drive our economic expansion in the region. How can we strive for trade growth in North Queensland when our Customs presence is going in the other direction?

The antidumping legislation is not about xenophobia or being anti trade; it is simply about fairness to Australian industry. It is good to see the government finally respond to the coalition's fight in this area. I know we do have arguments over who starts what and that sort of thing, but let us put that to the side. I support this bill for the measures it takes, but it cannot afford to stop here when it comes to working with Customs to help local businesses.

Trade is crucial to the economic prosperity of Australia and I want to see Townsville harness the opportunities that the trade of goods and services provides. To
encourage this we need to make trade as easy as possible. We need the right infrastructure and we need fewer regulations, ones that enable rather than hamper trade prospects, as much of it currently does. A strong and efficiently run Customs in the city will help us achieve this. This bill is a good step, but it is not the end of the road for antidumping measures or for building up a robust Customs agency.

Mr STEPHEN JONES (Throsby) (18:32): Australia is a country that enjoys the benefits of trade with the world—we always have, at least since European settlement. Our country has been a better place because we have traded with our neighbours and partners. In 2012 it is the source of our prosperity. It is the reason we have low unemployment. Indeed, our unemployment is half that of most of our trading partners. I am thinking of the United States in particular. It is the reason we have jobs growth in this country, while other countries, and particularly Europe, are adding daily to the queues of the unemployed. It is the reason we have GDP growth in this country while in Europe and other places their economies are stagnating, if not in recession. It is one of the reasons Australia continues to call itself a lucky country. Anybody who has travelled overseas in the last 12 months and come back to Australia will look through the shrill calls from those opposite about how bad things are here, because they will know that the reality is that Australia has come through the global financial crisis in remarkably good shape and we are well set up to prosper over the decades ahead.

In simple terms, trade means that we can produce and sell more than we consume domestically and earn income. It also means that we can buy and consume many goods domestically that we could not produce here or could not produce at a price that would be affordable to people who come from backgrounds like my own. It produces income, wealth and prosperity.

But you cannot have an open trading system without rules. Trade is distorted if countries manipulate their currency. A number of people who have contributed to this debate have observed the fact that there are countries with which we trade that manipulate their currencies or appear at least on the face of it to have a currency that is significantly depressed, which means that our exporters are at a significant disadvantage when it comes to competing with them on global markets. Our domestic producers are significantly disadvantaged when they are competing with goods coming from their shores.

We also have a breach of the system when a business dumps goods in Australia at a lower price than it costs to manufacture them. When a business or a business with the support of a country dumps goods on our markets at an abnormal price, that is not fair trade nor is it free trade. That is simply rorting the rules to the great detriment of this country. It wipes out jobs and it wipes out businesses—good decent businesses that are struggling to compete in a highly competitive international market, and workers who have dedicated their lives to honing their skills working day in and day out producing goods in the workplaces they are dedicating themselves to. They simply cannot compete against somebody who is cheating or rorting the rules. That is why we on this side of the House in our role as advocates for a fair and open trading system need to ensure that our industries have the tools to deal with alleged dumping and ensure that Australian goods are not facing unfair competition.

The Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011 represents
the second tranche of legislation brought forward by this government to implement important reforms to Australia's antidumping system. It follows on from the package of reforms announced by the government in June last year. These reforms are designed to provide better access to remedies for Australian industry and to ensure those remedies are available as quickly as possible. I note that in your contribution to this debate, Mr Deputy Speaker Thomson, you referred to the antidumping campaign that is being waged by the three main unions in the sector: the Australian Workers Union, the Australian Manufacturing Workers Union and the Construction, Forestry, Mining and Energy Union. The government's response, with these two tranches of legislation, is in part a recognition of the validity of the campaign being run by that coalition of unions. I might also say—and I know this from my personal dealings with the union representatives as well as the businesses and the business organisations—that the claims being put by these unions have the full and wholehearted support of the business community and the union movement, as does the legislation we are putting in place.

We are aiming to improve the robustness and transparency of antidumping and to introduce stronger compliance mechanisms. In short, we are trying to make the system more responsive, easier to use and easier to navigate to get an outcome—because that is what it is all about. The bill before the House will provide improvements in the robustness and transparency of antidumping decisions made by the minister or the CEO of the Australian Customs and Border Protection Service. The bill will implement a new appeals process to replace the existing mechanism and will provide more flexibility in seeking extensions of time during the course of investigations.

The bill also provides a legislative basis for the International Trade Remedies Forum, which met for the first time in August last year. This second tranche of reforms directly responds to the community concerns about the appeals process. I have had a number of businesses in my electorate raise these concerns with me—as I am sure you have, Mr Deputy Speaker, in your electorate, because I know you have a strong manufacturing base in the electorate of Wills, as I do in the electorate of Throsby. They have concerns about the appeals process and the provision of adequate time for investigations and for ensuring stakeholder consultation in the future. I know you would be aware, Mr Deputy Speaker—and I know that the minister, who is also in the chamber at the moment, would also be aware—that businesses do not lightly enter into antidumping actions. They do not lightly enter into these actions, because they are costly, because they are complicated, because they divert resources away from the main game of the business—which is to produce and manufacture goods—and because they come with the very real prospect of damaging relationships with suppliers and clients. So when an allegation is made by a business you can bet your bottom dollar—and in some instances it is the business's bottom dollar!—that they are alleging a serious case. We as a government, as well as the agencies of government, should be responsive to these allegations.

The bill implements a number of changes to the process for appealing decisions of the minister or of the chief executive officer of the Australian Customs and Border Protection Service. A review of decisions made by the minister will be made by a new three-member panel, appointed by the minister on the basis of relevant expertise. Under the new appeals framework in this bill, in order to initiate an appeal the panel
will need to be satisfied that the applicant has established that the minister did not make the correct and preferable decision. This higher threshold for appeal will help deal with the current situation whereby around 80 per cent of ministerial decisions are appealed to the Trade Measures Review Officer by one of the parties to the proceeding.

The bill will also ensure that the panel will make recommendations directly to the minister as to whether the original decisions should be affirmed, revoked or substituted. Where reinvestigation of a particular finding is required, the panel will direct the branch to reinvestigate that finding and to report back to the panel to inform its recommendation to the minister. This measure will deal with the perception that the International Trade Remedies Branch is conflicted in reinvestigating its own decisions.

The second group of reforms in the bill will allow more flexible extensions to the time frames of an investigation, review of measures, continuation inquiry or duty assessment. Australia's antidumping system contains one of the shortest investigation time frames anywhere in the world at 155 days. At present only one extension to that time frame can be sought, and it must be prior to the publication of the statement of essential facts at day 110. This can mean that extensions, where required, tend to be for significant periods to anticipate any possible further need for an extension. So what we are proposing in this bill implements the recommendation of the Productivity Commission to allow for more flexible extension of investigation time frames.

I have mentioned that a part of the bill is aimed at introducing and providing statutory recognition for the International Trade Remedies Forum. There is currently no stakeholder body to provide feedback to the government on the operation of the antidumping system. The government, in its earlier policy announcement, announced that it intends to remedy that absence. The government has established an International Trade Remedies Forum to provide strategic advice and feedback on the implementation of the reforms. This is important because it provides an ongoing dialogue between the industry and the government about how we continue to refine and improve the system. It will also provide some important feedback that might be dealt with through other means if there are serious and systemic breaches that may not need to be dealt with through the antidumping legislation but through other means available to government.

We have heard a lot over the last six months about the government's commitment and the opposition's alleged commitment to manufacturing, but there are some stark differences. We have a package of reforms and policies that are aimed at addressing the challenges that are being confronted by manufacturing. I—and I know you too, Mr Deputy Speaker—say that more needs to be done. But let us not overlook some of the excellent work that is being done. Let us look at the antidumping legislation—the second tranche of bills that is now before the House. This is a significant reform that deserves, and should enjoy, the support of the entire House. Late last year the Prime Minister convened a manufacturing jobs forum here in Parliament House, inviting stakeholders, particularly stakeholders from the manufacturing sector, to focus on what practical steps can be taken by government to assist the manufacturing sector, which is going through one of the most difficult trading environments and structural adjustments at any time in its history. I am very pleased to see that a renewed focus on Australian industry participation plans is also going to be looked at to ensure that that
massive pipeline of investment in the resource sector and the jobs and prosperity that are being generated by that also flow back to the manufacturing sector so that people who work in fabrication shops and in steel mills in electorates like my own will gain some of the benefits of that massive pipeline of investment. Quite simply, we want a chop of some of the contracts that are being let in the north-west and in Queensland at the moment as a result of the resources boom.

We can pause and look at the fact that we have finetuned and improved the research and development tax incentives, making it more attractive for existing firms and new firms to invest in the stuff that is going to make a difference—in research and development, and new processes and new technologies which will enhance productivity and enhance their competitiveness in domestic and international markets.

As for my own electorate, I am delighted to have been a part of the parliament which put in place the Steel Industry Transformation Plan. I would have preferred that we never had to. I regret that we had to, but we had to put in place the Steel Industry Transformation Plan, voted for by all of those on this side of the House and voted against by those on that other side of the House. It is a plan with $300 million worth of assistance for our two primary steel producers, BlueScope and OneSteel, to restructure their businesses to ensure that we continue to have a steelmaking capacity in Australia, particularly in my electorate. The BlueScope steelworks at Port Kembla continue to produce high-quality steel at a competitive rate for the domestic market.

There are the Clean Energy Future funds, with over $10 billion to be made available over the out years to ensure that our domestic manufacturing industry has the funds available to assist in innovation, to ensure that we are lowering energy use and using clean energy as part of our manufacturing future. Again, I am very pleased to say that, as a part of this government's response to the announcements by BlueScope that they would be exiting the export steel market and focusing on the domestic market and making redundant close to 800 workers, the government put in place an important regional investment fund to provide over $30 million in assistance and an initial $10 million for the workforce to assist it in these very difficult times. So this is a part of our overall program for manufacturing, and I commend the bill to the House.

Mr SECKER (Barker—Opposition Whip) (18:47): I rise to speak on the Customs Amendment (Anti-Dumping Improvements) Bill (No. 2) 2011 even though it is 2012. This is the No. 2 bill of who knows how many more as this government is drip-feeding this legislation. Late last year I spoke on the first bill, which detailed four changes, and now this bill in front of the House legislates a couple more of the 29 total changes outlined in June last year. So that is six out of 29 in nearly nine months. I ask this of the responsible ministers, which could be anyone given the mess on the other side currently—but I will assume that those responsible are still home affairs minister Brendan O'Connor and trade minister Craig Emerson—when will the rest of the changes be legislated? Over six months have passed since the first bill was debated and with the two bills combined we are not even halfway through Labor's 29 changes proposed in June 2011.

Australian businesses will have to wait another two years for all the changes to be legislated. This is exactly the uncertainty that I hear businesses in my electorate talk about
when they tell me their fears of this government. Back in 2008, Labor indicated that it wanted revisions to the antidumping system. It has taken far too long and we have this huge period of inaction: first the Productivity Commission review of Australia's antidumping regime in 2009 and then the 18 months that Labor took to respond. As I mentioned earlier, Labor made some changes in June last year and as we are nearly in March of the next year I believe this government lacks the determination and commitment necessary to deliver reform and to deliver it in a timely manner.

I have always believed in free trade—but it has to be fair. International dumping is the enemy of free trade as it undermines business and public support for free trade. That is why we have to have the World Trade Organisation and the rules on the basis that, where a product is proved to be dumped and harming a local industry, you can use tariffs to fight against that unfair trade. I come from a free-trade basis. In fact, it is the issue that got me really interested in politics all those years ago. But I also believe it has to be fair, and that is where we need policy that combats illegal activities of overseas businesses who seek to sell into Australia by selling below cost.

Australian businesses are generally resilient and tough, and have become so from reforms over the last 30 or so years, and I give credit to both sides of parliament for those reforms. So there is no doubt that if they are given a fair go they will withstand that pressure, innovate and produce. However, it is very difficult for Australian businesses to move forward in the current climate when they come up against forces such as a cheap product being dumped into the country on top of the looming threat of a carbon tax, the two-speed economy and the price of the Australian dollar. I believe that, with appropriate measures in place, Australian businesses would feel confident that they had the backing of a government that understands the issues they face and is willing to support them. This government is giving businesses no such feeling.

It can be a difficult decision for businesses to launch a case against dumping. The current process is too cumbersome, slow and prohibitively expensive for many businesses to actually utilise. When rulings are made, they are often too late and do nothing to address damage to a business or industry. Certainly the feedback I hear around my electorate is that the time and money invested just in putting a case together is hugely consuming. I am not saying it should be dead easy, but I think everyone recognises it is way too hard, it is way too expensive, it takes too long and by that time the industry can be in such a situation that it will not survive.

An example of this in my electorate is Kimberly-Clark, which I have spoken of often in this place. Millicent is a town with just over 5,000 people, about 700 of whom are employed in the Kimberly-Clark factory. Many more are employed in related industries. The factory uses a lot of wood products which are grown in the local area and it is a very strong part of the whole economy down there. In fact, the forest industry alone is worth more than $3 billion a year to the local economy. It is not a small industry. It is not just a very substantial part of the direct local economy around Millicent; it is also important for another 100 kilometres around the area, where there is a lot of forestry. The factory takes those wood products and makes tissues, toilet paper and those sorts of things. In fact, I believe they are the only Australian manufacturers of those things.

This government's own Productivity Commission report showed that other
countries were dumping tissue and toilet paper in Australia to quite an extensive degree. They were dumping not at five or 10 per cent—in fact I think most companies in Australia can still compete with that—but at up to 60 per cent below the cost of production. Kimberly-Clark spent over $100,000 alleging that cheap toilet paper was being dumped on the Australian market, but it was unsuccessful in getting any action on dumping by this government, even though it was proven. That is not to forget that in early 2009 this government overturned a previous ruling to prevent the importation of thousands of tonnes of cheap toilet paper into Australia from China and Indonesia. The same offending paper undercut the Australian product and tens of millions of the rolls were sold. But even after Kimberly-Clark undertook a costly and consuming process it was unsuccessful. The end result was that the Kimberly-Clark mill announced a shutdown of two of its paper tissue machines at the Millicent tissue mill and lost 170 workers. The mill was supplied by the Tantanoola pulp mill which is basically next door and the mill was subsequently put up for sale, placing a further 65 jobs at risk. Kimberly-Clark said the system ‘certainly hasn't worked’ and:

Dumping has occurred, the (Australian) industry has suffered, and the gates are open for imported competition which is effectively unfair competition.

The high cost in having to fund an investigation means it's only open to the larger companies - smaller companies can't afford it and have to put up with the unfair competition.

The government should be well informed about this issue, considering that they commissioned the report into dumping. I was certainly floored that, even after the government's own Productivity Commission report saying that product was in fact being dumped in Australia at up to 60 per cent below the cost of production, Labor chose to take no action. Here we are, well over 12 months down the track, and this government has made some changes to their antidumping policy, but it is nowhere near enough and there is no indication of when further changes might be legislated.

In contrast, the coalition will set about ensuring a level playing field for Australian industry by repealing job-destroying taxes, providing competent government—something that this mob would not know anything about—and giving industry policy certainty. The coalition's plan will, firstly, transfer antidumping responsibilities from Customs to the department of industry. The coalition will make the department of industry responsible for Australia's antidumping regime. Antidumping is currently administered by Customs, an agency which is already under pressure dealing with large numbers of illegal boat arrivals. Those pressures have only been exacerbated due to cuts to the Customs budget. Customs also lacks the economic and industry knowledge that is often needed to successfully investigate and pursue antidumping actions. By transferring antidumping responsibilities to the department of industry, Customs can better focus on border protection, while the department of industry can bring its expertise and resources to bear to enforce a more effective antidumping regime.

Secondly, we will reverse the onus of proof in dumping investigations. Provided that the department of industry has sufficient evidence to show dumping is reasonably likely to have occurred, we will require foreign businesses subject to an antidumping action that has lasted for at least 60 days to demonstrate that they are not dumping goods in Australia. The department of industry will make preliminary affirmative determinations, where appropriate, in
dumping cases that have lasted beyond 60 days. Preliminary affirmative determinations are expressly allowed under article 7 of the WTO antidumping agreement and do not breach Australia's free trade obligations. That is a very important point.

Under the current system it is incumbent upon Australian businesses to prove that rival imported products are being sent to Australia at below cost price. This disadvantages local firms by forcing them to mount often complex, onerous, expensive and time-consuming actions if they want to demonstrate that they have been adversely impacted by dumping. There is a significant imbalance in the obligations faced by local businesses. Cases can last for years and cost hundreds of thousands of dollars, and by that time it might be all too late. Our competitors have better and more effective antidumping regimes and, by reversing the onus of proof, the coalition will make Australia's antidumping regime more effective, more responsive to the interests of Australian businesses and jobs, and better aligned with antidumping systems adopted by other nations.

Thirdly, we will commit more funding to dumping investigations. The coalition will provide an additional $2½ million dollars per year to the department of industry so that more resources are available to improve the number, quality and speed of dumping investigations. Since coming to office, Labor has weakened Australia's antidumping regime by relentlessly cutting funding to Customs. For example, in the 2011-12 budget Labor axed a further 90 staff from Customs on top of the 250 that were cut in the 2010-11 budget. Fourthly, we will hire an additional 20 specialist antidumping investigators. The coalition will provide an additional 20 specialist personnel within the department of industry so that dumping investigations can be thoroughly pursued. These will be new personnel devoted to antidumping enforcement.

Fifthly, we will introduce more stringent and rigorous enforcement of deadlines for submissions. The coalition will make dumping investigations faster and more effective by mandating a 40-day limit on party submissions to the department of industry. Under the current system, submissions by all parties are due within 40 days of the start of a dumping investigation. However, Customs currently offers a wide range of potential grounds for extensions to that deadline. This means Australian businesses can face lengthy and damaging delays in resolving dumping cases. Our major competitors apply far more stringent and rigorous standards on deadlines for submissions. We will tighten submission rules and grant extensions only in those situations where there is a compelling case for them to be allowed.

Sixthly, we will crack down on those overseas producers who do not cooperate with dumping investigations. The coalition will more actively apply penalties against parties who fail or refuse to cooperate with investigations. We will also ensure that the sanctions imposed on non-cooperating parties are substantially higher than those applied to other parties. This will strengthen Australia's antidumping regime, more closely align it with those of other countries, and ensure our industries and businesses are not disadvantaged by recalcitrant foreign parties.

Seventhly, we will strengthen enforcement of the provisions of the WTO agreement on subsidies and countervailing measures. The coalition will more actively apply penalties against parties who fail or refuse to cooperate with those investigations. We will also ensure that the sanctions imposed on non-cooperating parties are substantially higher than those applied to
other parties. This will strengthen Australia's antidumping regime, more closely align it with those of other countries, and ensure our industries and businesses are not disadvantaged by recalcitrant foreign parties.

Not long after we announced our policy, the former Minister for Home Affairs, Brendan O'Connor, and the former Minister for Trade, Craig Emerson, were out there spreading untruths. This government falsely claimed that our proposed use of preliminary affirmative determinations contravened WTO rules. They do not. In our antidumping policy, we stated that, where satisfactory evidence exists, we would require foreign businesses subject to an antidumping action to demonstrate that they are not dumping goods in Australia. Interestingly, not long after, Michael O'Connor, who is Brendan's brother and National Secretary of the CFMEU, publicly supported our plans to reverse the onus of proof in trade disputes. (Time expired)

Mrs GRIGGS (Solomon) (19:02): I rise to speak on the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011. As my colleague and friend the member for Barker said, the coalition supports the amendments as a measure towards improving a system that at present is too slow, too cumbersome and prohibitively expensive for many Australian businesses to use.

Australian industries and business, particularly in the manufacturing sector, have been disadvantaged by a flawed antidumping regime—a regime where rulings are often made too late or provide no leverage to address damage caused to a business or industry. In July 2008 at the 22nd COAG meeting, a commitment was made by all Australian governments to continue with national competition reforms consistent with the economy-wide reform agenda. At the same time a review of the effectiveness of Australia's antidumping system was referred to the Productivity Commission, which finalised a report at the end of 2009 with a public release in May 2010.

It took the government 18 months to respond with some changes introduced in June 2011, even though the Labor government indicated in 2008 its intent to revise the antidumping system. In the period from July 2008 to the report completion in late 2009, one company in particular felt the impacts of a cumbersome antidumping system. In December 2008 the then Minister for Home Affairs, Bob Debus, as the result of an investigation conducted by the Australian Customs Service, imposed dumping duties on Indonesian and Chinese tissue products. It had been found that Chinese imported tissue products undercut the Australian market by between two and 25 per cent, while Indonesian tissue products undercut the local products by some 33 to 45 per cent. Unfortunately, in 2009 the decision was reversed and the dumping duties relating to the imported Chinese and Indonesian products were removed.

Kimberly-Clark unsuccessfully pursued the dumping of this cheap imported tissue product through all channels, including advising state and federal government representatives about the potential damage to the local industry. In early 2011 Kimberly-Clark shut down two paper tissue machines at the company's Millicent Tissue Mill in South Australia, with the loss of 170 jobs. As reported by the ABC at the time, a company spokesman stated:

Dumping has occurred, the (Australian) industry has suffered, and the gates are open for imported competition which is effectively unfair competition.

They further stated:

The high cost in having to fund an investigation means it's only open to the larger companies -
smaller companies can't afford it and have to put up with the unfair competition.

It is quite clear from this case study that the current antidumping system failed and resulted in 170 manufacturing sector employees losing their jobs.

It should be noted that the decision to reverse the dumping duties in 2009 came as a result of a review by Customs, which reported 'material injuries to the Australian Industry by the goods exported to Australia from China and Indonesia is not foreseeable and imminent'. However, from my perspective, the loss of 170 jobs, indeed the loss of any job, is material and damaging to this particular Australian industry. The loss of any Australian job is of great concern to us on this side of the House. The manufacturing industries in my own electorate of Solomon cover all sectors of this space—from small business operators to large multinational companies. While the market is small in national terms, it is fair to say that any impact felt is nonetheless real and tangible. Remoteness does have its disadvantages. Freight costs, travel times and a high cost of living, including rents, impact significantly on business and industry across the board. Although our market is small, the dumping of product exported from overseas localities has the potential to find its way into local economies around the country. Going back to the Kimberly-Clark example, tissue products in this instance could well have made it into the local Darwin market.

In circumstances where, for example, goods might be supplied by the multinational food companies, local small businesses struggle at best. But when dumping of products occurs, this further undercuts already extremely tight margins. As I have said in this place before, you only have to look around the Darwin CBD to see the number of small businesses closing down. While this is not a direct result of any product dumping, it is a clear sign of a highly volatile business sector running on extremely tight margins. My point is that small markets are a barometer of how an economy is situated.

The potential impacts of dumping of exported goods into the Australian marketplace extend to a ripple effect impacting more broadly than on just one specific market. Referring back to the Kimberly-Clark case, if a national company such as Kimberly-Clark states that the costs associated with an investigation are high and prohibitive to small businesses, it could be said that the present cumbersome antidumping system is not accessible to smaller business and industry and therefore is not supportive of all Australian businesses and industry sectors.

Furthermore, the current system makes it incumbent on Australian businesses to prove that the products exported from outside Australia are being sold at below cost. This is an onerous responsibility requiring at all times a complex and expensive investigation. An investigation conducted by Customs currently requires all parties to provide submissions within 40 days. However, an array of options exists by which Customs can extend this date, leaving Australian businesses to face often lengthy and damaging delays. At present, the role of undertaking investigations and providing advice to government is administered by the Australian Customs and Border Protection Service.

Customs is already under pressure arising from border protection issues and the enormity of the issues regarding illegal boat arrivals. It is also worth considering what impact cuts to the Customs budget are having on the delivery of its core business and whether antidumping should be the responsibility of Customs. Over the course of
the budgets for 2010-11 and 2011-12, a total of 340 jobs have been axed by this Labor government, while at the same time it has reduced the overall Customs budget. The government has stated it will increase staffing to the relevant Customs branch by 31 to 45 positions. However, this was not based on the provision of additional funding but on redeployment of existing resources from other areas within Customs, further adding pressure to border protection capability.

It is the coalition's assertion that this function should be moved to the Department of Innovation, Industry, Science and Research—a portfolio which has the necessary industry acumen to pursue antidumping actions. The coalition will provide an extra $2.5 million per year to the Department of Innovation, Industry, Science and Research with the addition of 20 specialist personnel to pursue dumping investigations with increased speed and vigour.

Additionally, the coalition will introduce a more stringent and rigorous enforcement deadline, including a mandatory 40-day limit on party submissions to the department relating to investigations. In addition, the coalition will apply more penalties, including sanctions against parties that fail or refuse to cooperate with investigations. The onus of proof for such investigations will be reversed. These measures, in part, are designed to move Australia's antidumping regime more in line with other systems in place across the globe.

In nations such as the USA and a number of EU member states, it is not uncommon for relevant authorities to introduce countervailing measures at the point that they are able to argue that any subsidised import threatened harm to local industries. Using Canada as an example, the system in place has a greater national public interest focus or test which is applied prior to the consideration of any action. This public interest test is bounded, in that a presumption in favour of measures exists if dumping and material injury is determined.

Australia, as an active member of the World Trade Organisation and a signatory to relevant agreements, automatically accedes to the Anti-Dumping Agreement, or ADA, as annexed to the final act embodying the results of the Uruguay round multilateral trade negotiations of 1994. In 1995 the government of the day enacted changes to antidumping legislation to conform to the ADA. It is noted that the relevant minister at the time advised the House that Australia's implementation of the ADA did not alter the antidumping legislation in any fundamental sense.

Successive governments over the years have inserted new amendments in line with ADA as required. The coalition will strengthen the enforcement provisions of the World Trade Organisation agreement on subsidies and countervailing measures, thus strengthening Australia's antidumping regime and aligning it more closely with other signatory nations.

The amendments offered in the Customs Amendment (Anti-dumping Improvements) Bill (No.2) are broadly supported by the coalition. However, it is evident from my input and the input of other coalition members to this debate that we on this side of the House are willing to show the political will necessary to deliver meaningful reforms.

Australia has a global responsibility for fair trade but also, and more importantly, we have a responsibility to our own business and industry sectors. We on this side of the House offer Australians hope, reward and opportunity. We must ensure that, when the dumping of products from offshore exports
occurs, companies, businesses and industries have the knowledge and faith that a strong, fair and competent antidumping regime exists—one that is timely and decisive.

Mr JOHN COBB (Calare) (19:14): I rise today to speak on the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011, which the coalition has expressed its in-theory support for. I say 'in theory' as the coalition is sceptical that the key changes agreed to will actually be implemented in a timely fashion. Labor's track record on swift execution is nothing to write home about. But as a whole I am pleased that the government has finally realised that there is an urgent need to make changes to Australia's antidumping system, which the coalition has pushed for for some time.

Dumping means Australian businesses face unfair competition from imported products sold into the domestic market at below production cost, a tactic which, while it may provide short-term benefits to the consumer, risks shutting down domestic industries, leaving us dependent on imports that are often of inferior quality. Even more worrying is that ongoing international dumping seeks to exploit Australia's commitment to free trade. The overall aim is to eliminate the local competition and increase product prices, which will eventually lead to local job losses.

What Australia's businesses and industries need is stronger action to ensure a level playing field. We cannot have underhand activities from overseas businesses undermining Australia's commitment to free trade. Labor indicated three years ago, in 2008, that they wanted revisions to the current antidumping system. This was largely welcomed by the coalition, but it was followed by a long period of inaction. Amendments were only made known in June last year, yet the government has still failed to show how these reforms actually would be delivered.

With this in mind, I along with the coalition, agree that these changes are a good starting point. However, we will continue to pressure the government into swift action so as to get the new system up and running as quickly as possible. At present, Customs have failed to act in a timely and effective manner when responding to reports from Australian businesses regarding antidumping activities. This has meant many antidumping cases have gone under the radar. It is simply not acceptable. It is hoped that Labor's amendments to the antidumping system, which outline changes in three different areas, are able to combat these issues.

The amendments include the introduction of a new appeals process to replace the existing appeals mechanism, the establishment of the so-called International Trade Remedies Forum and the creation of new guidelines for extensions to be allowed in certain circumstances. Again, I stress that the coalition is broadly supportive of these changes. They seem sensible and practical and will go some way to addressing the inherent faults in the current system.

However, there are a number of other changes that we would like to see implemented and which we believe would genuinely make the system more compelling—in particular, providing extra resources to Customs. We need to ensure we have a robust policy which provides strong action against the illegal activities of overseas businesses who seek to sell in Australia at below cost. Our nation's industries must be aware of the dangers of dumping. It is the enemy of free trade, as it undermines business and public support for free trade.

The coalition's antidumping taskforce consulted extensively with a range of
stakeholders to formulate our policy guidelines. Such organisations included BlueScope Steel, the Australian Food and Grocery Council, the Australian Industry Group, the Australian Chamber of Commerce and Industry, SPC Ardmona and various others. As a person on that task force, I think we got a very good outline of how it is very hard currently for industry to go the full gamut. It is expensive.

From my point of view, there is no industry that suffers more as a result of dumping than agriculture. For agriculture, these new antidumping arrangements are pivotal to the sustainability of our sector. What our agriculture sector need is transparency, like the others. We need checks and balances in place, and this is why tightening the reins on the antidumping measures is essential. There are a number of cases where our domestic production is under threat from imports, and we need to reassure our industries that it is not because of dumping practices.

We have Italian tomatoes for sale in our supermarkets cheaper than they are on the shelves in Italy. We have Californian and Brazilian orange juice and concentrates selling at below the cost of production for our citrus growers, while our fruit rots on the tree, with the producers unable to match the imported market prices. These are just two examples, but there have also been many complaints about imported seafood, pork and numerous other imports. You only need to walk down the aisles of any major supermarket to see the plethora of imported foodstuffs. While I, like many consumers, enjoy lower prices and food variety, we cannot foster this pleasure over the viability of our country's industries, especially if it involves dumping.

With the high Australian dollar and myriad government regulations, our producers are under enough pressure without also facing dumped products from foreign markets. Our nation's producers are genuinely concerned about the increase of foreign imports. With overseas products being dumped on the market and selling at ridiculously low prices, local producers are finding themselves no longer competitive and no longer sustainable, and this is threatening entire industries.

Australia's industries, including agriculture, need a level playing field, and the continuation of dumping is impacting on the livelihoods of our farmers and the jobs of employees and those in allied industries. We need to be able to help secure a viable and sustainable future for our nation's industries, and the coalition is determined to ensure this. As far as manufacturing is concerned, the Labor government say they are supporting the industry, but they need to make sure they are supporting it, not pretending to. Over the past 3½ years, 136,000 manufacturing jobs have been lost, which has not given the manufacturing sector much confidence. A string of iconic manufacturing companies, including BlueScope Steel, Mitsubishi, Pacific Brands, Heinz, Bosch, Golden Circle and Bridgestone, have either closed or scaled back their Australian operations. The introduction of changes to the antidumping system may be a step closer to securing the trust of Australia's industries. Through Labor's Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011 the coalition wants to see that individual companies are able to take action against foreign manufacturers who seek to export products into countries at a price which is either lower than the price they charge in their home market and/or lower than their costs of production. Far too often we have seen industries avoid action against dumping due to the time, cost and complexity of pursuing their case.
On top of this already perilous trading environment, Labor has decided to force through the carbon tax. Many Australian industries are already operating on wafer-thin margins, struggling to function in a very tight pricing environment. This tax will only add fuel to the fire, forcing some of our largest operators to further tighten their belts, with the only way out being further job losses.

The government must guarantee the swift implementation of an antidumping system to ensure that Australia's industries are able to compete on a level and fair playing field. In the long run, the impact of poor policy implementation only means further pain for all Australians. Job losses, which I guarantee will result should action not be taken, will only make it harder for everyday Australians to make a living. The coalition wants to see more done to assist our industries and hopes that this can be achieved in time. We want assurances from the Labor government that the new systems can be implemented. Will Labor be able to provide clarification as to a set time frame? We eagerly await their answer.

Mr TEHAN (Wannon) (19:23): It gives me great pleasure to speak on the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011, which seems to be part of an incredibly incoherent and inconsistent trade policy on the part of this government. In trying to piece together where the government's current trade policy is at, I have become extremely perplexed by what the government is trying to achieve. Just to point this out, I want to go back to the Labor Party's platform for the election in 2007. In that platform it said:

In trade negotiations a Rudd Labor government will focus on achieving the best possible outcomes for the nation and for Australian business, particularly through multilateral structures. Labor believes there is an ongoing role for bilateral and regional agreements, especially where they are consistent with and can contribute to multilateral outcomes.

I remember that during the 2007 campaign the future government said about the coalition's approach—which had been a very practical approach whereby we were looking for trade liberalisation and investment liberalisation where we could find it, whether it be regionally, bilaterally or multilaterally—that, no, the Rudd government knew best. They were going to refocus multilaterally. That was going to be their approach, as was documented in their election 2007 platform. Somehow things did not quite work out. They found the going a bit difficult. So what did they do?

In the 2010 election we saw some subtle changes to the government's approach. We saw the Gillard government trade policy approach:

We will also fight for better market access through whichever process will deliver the best gains, whether through global trade agreements, agreements with groups of countries and bilateral agreements with individual trading partners.

So we saw a complete reverse. They were back—although they would not admit it—to adopting the very successful Howard government trade policy agenda. I must say that it was good to see that they had recognised the errors of their ways, even if they were not prepared to admit it and say that they had gone back to borrowing their trade policy approach from the Howard government.

That all looked reasonable in 2010. It looked like, 'Okay, we're happy to admit that we got it wrong and we're going to try your approach because, you never know, we might actually achieve something from it.' It looked like we might be going to get some consistency from this government in how it dealt with trade policy. That all seemed fine at that stage. We had had that commitment in
2010 during the election. But then we got to September 2010, and the Australian Minister for Trade said that he was going to use services to kick-start global trade talks. I quote:

The Minister for Trade, Dr Craig Emerson, today urged a focus on services trade liberalisation to kick-start the stalled WTO Doha Round of trade negotiations.

'There was not enough on the table to conclude the Round in 2008,' Dr Emerson said.

'We need to ensure that Doha delivers commercially meaningful outcomes for the services sector, as well as for agriculture and manufacturing.'

So all of a sudden they had gone from an approach whereby they were going to do multilateral, they were going to do regional and they were going to be bilateral; then they were going to start redefining how they were going to take their multilateral approach. They were going to focus first on services.

Anyone who knows anything about multilateral trade negotiations knows about the dangers of taking a single sectoral approach, because it will then be cherry picked and we will not get the outcomes across the board. That is the single biggest difficulty we have had with getting meaningful agricultural trade reform. So Dr Emerson, after agreeing that, okay, the coalition got it right, then started heading down his own path when it came to multilateral trade reform—a very, very worrying development. That was in September 2010.

Where did we get to next? We got to October 2011, and they had a new approach again. They were not going to use a sectoral approach and the services sector to try and get Doha started again; they were going to head down what is called a 'new pathways' approach. What were the types of new pathways we should head down? We were going to have new WTO rules on bilateral free trade agreements and regional free trade agreements. This was the path that we should single out and try and get meaningful agreement on. I quote again:

Agreeing on new disciplines for WTO-consistent bilateral and regional trade deals should not depend on or wait for the success of negotiations on manufacturing industry tariffs, farm subsidies, export subsidies or anything else. It should be done for its own sake to prevent the further degradation of the non-discrimination principle.

…… …

A new approach involving an initial down-payment, further instalments and the parallel negotiation of selected agreements is a realistic way of achieving further liberalisation.

Obviously his sectoral approach with services did not work, so he headed down the path of seeing if we could change the rules around bilateral and regional agreements. That was in October 2011. In December, we got a different approach again—the new pathway approach. Then he looked at whether we could change the rules around regional and bilateral free trade agreements. Then we got a statement:

Mr Chair, there are many paths to the mountain top and Australia has been advocating a new pathway in recognition of the fact that the Round has stalled.

So, we strongly support the WTO General Council statement of 30 November, which has actually been agreed by all Members, and it has several essential features.

First, it embraces the notion of different approaches, of a new pathway.

Second, it provides a focus on components of the Doha Declaration where we can reach agreement on a provisional or definitive basis earlier than full conclusion of the single undertaking.

And third, it says we fully respect the development component of the Doha Round.

So, once again, we have a different strategy from the trade minister. All we are seeing is mass confusion. We are seeing panic. We are
seeing: 'Okay, we are not achieving anything. We'll try this, we'll try that.' What is missing is the actual hard work in getting countries to agree to a single undertaking.

It is all very well for the trade minister to criticise the coalition, as he did, for not having concluded Doha. Yet five years on, what have we seen from this government? We are further away from a conclusion than we have ever been. It is worth examining exactly why. It is because, sadly, our trade minister is full of talk but will not do the hard work or take the action to get the agreements that we need, to get confidence back in the Australian public that meaningful trade liberalisation is good for our local economy. Instead, what do we get? We get pledges. At the same time as we headed down another path to try to get more meaningful trade liberalisation we also got a pledge—the pledge on 15 December 2011 against protectionism. Yet here we are today debating the legislation in front of us.

So what has the trade minister been doing since the pledge on 15 December? It is interesting. I went to the minister's website and had a look at five of the transcripts there. You would think that the trade minister's transcripts might be about trade. But what are they about? The first four of them are about leadership. I thought: 'Oh, this will be interesting. Maybe they are about the need for leadership on antidumping or the need for leadership on trade policy.' Sadly, no, they were not. They were about the ALP leadership.

Before we go to specifics in introducing antidumping legislation, we need a broader, more coherent trade policy. Instead of having to put in measures to protect us from other people's trade policy approaches, we should be on the front foot making sure we are getting the type of access to markets that does not mean that we have to be defensive in how we go about our trade policy. It is all right for us to preach the purity of trade liberalisation, but if our actions do not follow that then, as we have seen today, we will...
have to take antidumping measures. We have failed to advocate in our trade policy fora—whether they be multilateral, regional or bilateral—the benefits of a proper trade liberalisation approach. That is what has led us to being here today debating this bill. I would hope that the Minister for Trade was consulted on this bill. I would hope that he will now admit that his approach to advancing Australia's trade liberalisation has not worked and that we need to see some action rather than some words. Turning to the bill specifically—

Ms Macklin: One minute!

Mr TEHAN: One minute and 35 seconds, actually. I have not heard where this bill fits within the government's broader agenda. It just seems to be a very ad hoc approach—it does not seem to have any broader meaning. Where does it fit within the broader economic narrative of this government? Where does it fit within the broader approach of this government? Nothing in the debate on this bill has given us that information. Everyone is left extremely confused. We have all this direction and all these statements, but when it comes to actions we have the stand-alone bill on antidumping. From what I can gather, it does not fit into the context of the government's broader narrative. This bill represents a failure of the Minister for Trade, and it is no wonder he has passed the buck of taking it through the chamber to the customs minister, making him carry the can for it. At least he has not been afraid to come in and do that.

Mr McCORMACK (Riverina) (19:38): I know that the ministers at the table, the honourable member for Blaxland and the honourable member for Jagajaga, will be delighted to know that I am now going to speak on the Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011. I know they understand that Australia—regional Australia—needs to be able to produce fresh food for the Australian domestic market into the future. I realise that antidumping issues cover far more than just fresh food, including vegetables, but certainly where I come from, in the electorate of Riverina, the people want to see this place pass regulations and laws so that they can continue long into the future to do the job they do so very well—produce fresh food for the Australian domestic market.

Anything that can improve antidumping laws must be pursued and pursued vigorously. This is the Australian Year of the Farmer, and in a year when we are recognising farmers and their worth to the national economy we should be doing everything we can to help and promote them. Putting in place antidumping laws which help and promote Australian farmers has to be seen as a tremendous thing. Protecting farmers against dumping is a good way of showing the value we as a nation and we as a parliament place on what they do and the products they make.

Riverina Citrus in my electorate has only today written to Australian authorities requesting that an immediate investigation be launched into possible below-cost dumping of Egyptian oranges. Currently at a Sydney retail food market a case of Egyptian oranges is selling for $10. Riverina citrus growers cannot see how such a price is possible unless the fruit is being dumped in Australia at below cost. If so, it is shameful. If you take off the $10 retail price the 30 per cent the shop makes, the percentage the agent makes and then the percentage the importer makes, and you add shipping freight and other import costs, it is hard to see how you do not have a product which is being dumped into Australia. Australian growers across all commodities are already struggling with the high Australian dollar. As Riverina
Citrus Chairman Frank Battistel said this afternoon, the last thing we need is other countries dumping their produce here. He emailed me:

If trade in and out of Australia is to be free, it also must be fair.

If the Australian Dollar continues at its high level and we continue with this flawed free trade concept without a level playing field there will be no growers left in a few years.

They are the wise words of Riverina Citrus Chairman Frank Battistel just this afternoon. I wholeheartedly agree with him. He is rightly worried about the future for Australian farmers. Mr Battistel is concerned that growers, pressured by banks, pressured by falling margins, pressured by the vagaries of weather and pressured by the uncertainty of future water availability—and in my view pressured by a carbon tax that we neither need nor can afford—will have no choice but to, as he says, 'sell up to foreign ownership or sell their water to government and get out of farming and Australia can rely on imports for all our food'.

At present the ratio of food imports against locally grown food is too high. The Australian Made labelling regulations have too many loopholes, but that is another matter. Dumping means Australian businesses face unfair competition from overseas goods and food items. While it may provide a short-term boon for Australian consumers, in the long term it leads to Australian companies and farmers going out of business. This point was lucidly made by the shadow agriculture minister and shadow minister for food security, the member for Calare in regional New South Wales, in his speech tonight. On this side of the parliament we realise that food security is extremely important. It is a shame that on the other side of the House we do not have a minister for food security, because food security is going to be one of the great moral challenges and dilemmas we face. It will be an important factor into the future.

As the member for Calare pointed out, dumping is the enemy of free trade. It certainly is the nemesis of fair trade. Australian industries and businesses do not want handouts—they just want a fair go and a level playing field with our overseas competitors. We in this place should be ensuring a level playing field for Australian industry by repealing job-destroying taxes, providing competent government and giving policy certainty to industry. The first order of business in that respect is to rescind Labor's carbon tax. This will ensure that Australian industries will not pay an additional cost which no other country imposes on all of its own industries. The coalition, in government, would reform Australia's antidumping regime to ensure that our industries are not unfairly disadvantaged by foreign competitors either dumping imports at below production cost or unlawfully subsidising goods.

The current antidumping regime is flawed and disadvantages Australian industries and businesses. Some of the things in this bill are good and they need to be pursued vigorously so that we do not have the spectre of foreign companies dumping food and unwanted items on Australian shores. As I say, sometimes that provides a cost reduction for consumers, but in the long run it destroys Australian business. Currently the antidumping laws are too cumbersome, slow and prohibitively expensive for many of our businesses to utilise and to understand. When rulings are made they are often too late and do nothing to address damage to a business or industry—that is, when an investigation into a dumping accusation is actually undertaken.

What we need is a more effective antidumping regime, a regime that ensures
good Australian businesses get a fair go. As the Leader of the Opposition said just yesterday, we do have a great country and we do have great Australian businesses, but they do need a fairer go. The coalition's plan to strengthen Australia's antidumping regime involves a number of things. It involves providing an additional $2½ million per year to the relevant departments so that more resources are available to improve the number, quality and speed of dumping investigations. When I came back into Australia from New Zealand on 21 October last year, after looking into the situation where apples are being imported into Australia for the first time for 90-plus years, I spoke to a Customs official at the airport who pleaded with me, when he found out that I was a member of the federal parliament, to do something about strengthening Customs laws and strengthening staffing levels so that they could do their job more robustly and more effectively. I sympathise with his views, which is one of the reasons I have come in here to speak on this very important bill tonight.

We also should provide more specialist personnel within the relevant department over and above the number of personnel currently working in Customs so that more dumping investigations are pursued. Investigations need to be faster and more effective by mandating a 40-day time limit, for instance, for parties to lodge submissions with the relevant department. Stricter sanctions against producers who fail to adequately cooperate with requests to provide information about their export of goods under antidumping investigation laws also need to be put into place. And the enforcement of provisions of the World Trade Organisation on subsidies and countervailing measures needs to be strengthened. That needs to be strengthened because, as I say, we need fair trade rather than just open free trade.

The Labor-Greens government wants to make our industries less competitive by imposing an economy-wide carbon tax that no other country has introduced. It is a job-destroying tax which will hurt regional Australia severely and put many hardworking Australian businesses way behind the eight ball. It is not needed and it will not do anything for the environment. On top of its carbon tax hit, the Labor-Greens alliance has failed to ensure that an effective antidumping regime gives Australian industries and businesses a level playing field. Labor indicated back in 2008 that it wanted revisions to the antidumping system but it then embarked on a long period of inaction. That was unfortunate. First it commissioned a Productivity Commission review of Australia's antidumping laws, in 2009, but then took 18 months to respond. When it finally made some changes in June last year, it again failed to show the political will necessary to deliver more worthwhile reforms. Hopefully, this bill goes some of the way towards doing that, but more is needed—we must protect Australian farmers and we must protect Australian businesses more and more.

Every year it has been in office, Labor has not only cut funding to Customs, the agency that administers Australia's antidumping system, but has done so at a time when the organisation has been under ever-increasing stress and pressure in the area of border protection. The impact on manufacturing has been devastating. We have heard so many times in this place in recent weeks how 136,000 manufacturing jobs have been lost during the past 3½ years—an astonishing rate of nearly 750 jobs per week. When asked about that the Prime Minister put it down to 'growing pains'. It is more than just growing pains. That remark was most
offensive. It is about Australian workers, Australian families, having the right to earn an income which can put their children through school, which can give their kids a decent holiday, which can pay off their mortgage—and, at the moment, Australian families are doing it tough enough with cost-of-living pressures.

Manufacturing activity has contracted in recent years and we need to do everything we can to ensure that antidumping measures are put in place which effectively protect Australian farmers and Australian businesses, who do so much for not only our domestic market but also for our national economy and for the confidence and certainty that Australia is desperately seeking into the future.

Mr CLARE (Blaxland—Minister for Home Affairs and Minister for Justice) (19:50): I thank all members for their contributions to this important debate. The Customs Amendment (Anti-dumping Improvements) Bill (No. 2) 2011 is very important legislation. It deals with dumping, and dumping is cheating. It gives the companies that do it an unfair advantage and it is contrary to the principles of free and fair trade. That is why the government is delivering a series of reforms to improve the operation of Australia's antidumping system. Last year we passed the first tranche of legislation. This bill is the second and I will soon bring forward a third.

These reforms are based on the advice of Australian industry, Australian unions and their respective peak organisations. They improve the application and appeals process and, importantly, they comply with Australia's obligations to the World Trade Organisation. Together, the reforms we are undertaking will form the most important improvements to Australia's antidumping regime in more than a decade and will improve the antidumping system's effectiveness. The reforms in this bill establish a new appeals process to replace the existing appeals mechanism in legislation. The bill establishes the International Trade Remedies Forum and it allows for multiple extensions to time frames for investigations, reviews of measures, continuation inquiries or duty assessments to accommodate more complex matters or new information. These changes will improve the way we administer global antidumping rules in Australia and better align our laws and practices with those of other countries. Australia is a strong advocate and supporter of open trade. We are a trading nation. Last year our exports were more than $313 billion. International trade relies on rules. All WTO member countries have the right to take action against unfair trading practices. So it is important that these reforms meet our WTO obligations and they do that.

As I said, this is the second tranche of our antidumping reforms. There are more to come. To this end I am working not only with the Customs and Border Protection Service but also with the Australian Chamber of Commerce and Industry, the Australian Industry Group, the Australian Workers Union, the Australian Manufacturing Workers Union and other key stakeholders in this area to bring forward the next tranche of antidumping legislation in the autumn session.

Once again, I thank all members for their interest in this matter and for their support. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr CLARE (Blaxland—Minister for Home Affairs and Minister for Justice) (19:54): by leave—I move:

That this bill be now read a third time.
Question agreed to.

Bill read a third time.

**Antarctic Treaty (Environment Protection) Amendment Bill 2011**

**Second Reading**

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

Mr HUNT (Flinders) (19:55): It gives me great pleasure to provide the opposition's support to the Antarctic Treaty (Environment Protection) Amendment Bill 2011. We do this for two very simple reasons: (1), we have long been advocates of Australia having a role, a place, a presence in the Antarctic and, (2), for us to do so in a way which helps preserve and maintain for generations hence the pristine environmental conditions which represent and are embodied in the Antarctic. It is a unique gem which will survive long beyond all of us here and it is our task to maintain it in as perfect a condition as possible.

I want to deal very briefly with three things: firstly, the history and the background; secondly, the elements of the bill; and, thirdly, whaling in Australian Antarctic waters. I turn first to the background. Australia has played a leading role in protecting the Antarctic environment, including in the banning of mining—a ban incorporated in the Madrid protocol, which protects the Antarctic environment. In particular, the Antarctic Treaty (Environment Protection) Amendment Bill 2011 gives effect to Australia's obligations under the Madrid protocol and the Convention for the Conservation of Antarctic Seals. I specifically want to acknowledge the work of a former coalition environment spokesperson, former Senator Ian Campbell. At the time he was Minister for the Environment and Heritage, he advocated for, and he oversaw the push for and the creation of, the Antarctic runway. The runway allowed for a permanent arrangement where, during summer months, flights to Antarctica could land in the Australian Antarctic Territory and operate in such a way as to help with research and the presence of Australian officials and scientists on the ground in Antarctica. This has been critical to Antarctic research. My understanding is that there are some issues with the runway under the current regime. I hope they will be resolved on a bipartisan basis. The role played by Ian Campbell was, I believe, fundamental to taking what was a presence in the Antarctic and expanding it to give it a much greater future and a much greater research capacity. There has been long-term bipartisan support for this role.

Moving to the next stage, the coalition are very happy to support this bill because it brings into play our obligations under the latest changes to the Madrid protocol. There are two primary changes. Firstly, the bill enables and empowers the minister to issue safety approvals for operations within the Antarctic. If operations are proposed, either on the shelf or in Antarctic waters, this bill will allow the minister of the day to support them. They could include tourism. Indeed, we have spoken with the Tourism and Transport Forum who, far from seeing this as a set of onerous conditions, see it as an opportunity to present the Antarctic and its waters to many more Australians than would otherwise be the case.

The second element of the bill's changes is specifically in relation to the minister's ability to grant an operating licence subject to an environmental approval for those operations. It is a complement to the safety approvals. I am pleased to be able to offer our support. That combination of safety and environmental approval opens up the scope of non-mining activities which can take place. There are cautious conditions placed...
around these, but if the range of activities can increase in such a way that the environment is protected and there are no undue risks, that is an incremental step forward in opening up Antarctica and its waters to many people who might otherwise not have the chance, be they researchers, those who are concerned with the environment or those who view it from a personal development experience. On all fronts these are positives.

The third thing I wish to turn to is the broader implications. We have a great issue in terms of the Antarctic waters, and that is the protection of the Southern Ocean whale protection zone. It was created under the Howard government, driven by Minister Hill and carried through by subsequent ministers David Kemp and Senator Ian Campbell. The Australian government has talked large and delivered little when it comes to whaling in Antarctic waters, in particular Australia's waters.

It was pledged that a Customs ship would be sent. It was pledged that the practice would be stopped. In reality there was a Customs ship for three short weeks in year one, and beyond that nothing, nix, nada. There is no simpler example in the environment space, beyond the carbon tax of course, than the failure to deliver on the protection of Australia's Antarctic waters. We have said we would have a Customs presence, above all else for safety and security reasons, because the risk of conflict, of loss of life and of environmental damage from oil spills in conflicts is real, present and germane. It is practical, simple and real. We are not going to grandstand and overpromise, but we will do what we say and we will be express about delivery and about not overpromising. That is our task and our responsibility. Against that background I am delighted to offer bipartisan support for the amendments contained within the Antarctic Treaty (Environment Protection) Amendment Bill 2011 and the prospect they hold of not only helping to protect Antarctic waters and the Antarctic Shelf for future generations but also giving greater access to those who wish to visit the area on a cautious, careful basis to view one of the great natural majesties of the world.

Debate adjourned.

Reference to Federation Chamber

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (20:03): by leave—I move:

That the Antarctic Treaty (Environment Protection) Amendment Bill 2011 be referred to the Federation Chamber for further consideration.

Question agreed to.

Personally Controlled Electronic Health Records Bill 2011

Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Ms MARINO (Forrest—Opposition Whip) (20:03): As I have said previously, I have concerns about security of patients' information, firstly, through unauthorised access, secondly, through the broader cybersecurity risk and, thirdly, because of the critical importance in this environment of patients' medical records and the issue of trust between the doctor and patient.

In Australia health is a multibillion dollar industry with multibillion dollar rewards for companies and individuals who are best prepared for health trends. I am aware that e-health is a voluntary sign-up, but there is no
doubt that the information contained in people's health files is and will be of considerable value, especially if it can be collated to identify either local, regional or national health trends. For practical purposes there will be a central electronic government repository full of people's private details and information.

I also believe that the government is ignoring the broader cyber-risk. Cyberattacks cause direct financial losses to consumers and businesses from the theft of information or through extortion. The information in electronic health records has to be protected. It has to protect the rights and privacy of the patient. We know that hackers have been able to breach some of the world's most secure internet sites. I was a member of the House of Representatives Standing Committee on Communications when it reported on cybercrime. The evidence we took was a very graphic but very chilling reality check. As we said in our report, cybercrime is now a sophisticated transnational threat that operates on an industrial scale. The cybercriminal is no longer the nuisance hacker and is more likely to be part of a network of hackers, middlemen and organised criminals who combine to commit large-scale online crimes for significant profit.

Cybercrime is highly prevalent and directly affects a significant number of Australians. In fact, the manager of the Australian Computer Emergency Response Team, AusCERT, said:

Cybercrime in Australia is getting out of control and we are losing. And I think that, with the pressures coming on us over that next few years, if nothing is done to change the current direction we will lose faster.

Given the collective and individual value of health records, how will the government ensure that the private health records of Australian citizens remain totally secure. What responsibility will the government accept when an inevitable breach occurs? This bill appears to impose all of this responsibility on health organisations and none of it on the government itself.

Breaches will be possible at all stages, both directly through unauthorised access and through sophisticated hacking. The government's NBN will facilitate internet access and internet crime at speeds we have never before experienced in this country. A report by the Kokoda Foundation entitled Optimising Australia's response to the cyber challenge, released on 4 February last year at the National Press Club, said that 'cybersecurity has become the fundamental weakness in Australia's national security' and that 'the threat is poorly understood by politicians, business people and the general public'. The report was co-authored by former Deputy Chief of Air Force John Blackburn and identified that Australia has reached the point where our ability to respond to internet attack is being rapidly outpaced by advances in cyberattack and cyberterrorism. The foundation also stated:

A case in point is the mooted National Broadband Network (NBN). The report notes that once the network is built, taking high-speed broadband services through fibre-optic cable to an estimated 93 per cent of households, responsibility for maintaining cyber-security will rest with retail service providers rather than NBN Co.

I believe that this unprecedented growth in cyberthreat should be considered very seriously as a risk and as something that needs to be managed with the e-health system. The generation of these electronic records will require the goodwill of medical practitioners inputting the data into the system.

Given the size of the medical workforce across Australia and the workload they have, it will require an enormous effort and cost to transfer medical records to a new database.
Most medical practices today have electronic databases and so have copies of records in digital form. Indeed, the computerisation of general practice increased from 17 per cent in 1997 to 94 per cent in 2007, achieved through a $740 million investment under the coalition government. But will medical practices be able to transfer the desired information directly to the government's e-health records database with the push of a button? I presume not, especially given that a wide range of medical software is in use in practices across Australia. Many may well not be compatible, not only with each other but with the new system.

I am aware that in my electorate alone there are so many different forms of software currently in use. Thus considerable time will have to be committed to transferring information to the new database. There will be issues with costs, training, support and assistance. But at this point there does not appear to be any government acknowledgment or support for that function, so we are left to assume that the individual medical practice will have to absorb the cost and the work. Without some streamlining and rationalisation of electronic medical record keeping, this problem of double data entry will not go away and could continue into the future. There will always be someone putting the data in to the practice's database and then repeating the process, perhaps for the government database. Having single-entry data storage is obviously the ideal outcome for efficiency, but will the government acknowledge the needs related to software in non-compatible medical computer systems? Or will the government assume that doctors or their staff will enter the information twice into different databases?

I want those who use digital technology in the medical field to be able to do so with absolute confidence. As I said previously, the relationship between doctor and patient in this nation underpins our whole medical system and is, in my view, sacred. A number of reports indicate that using digital medical records and instructions can save lives. As a member from a rural and regional electorate I well understand, as I said earlier, the benefits this can bring to electorates like my own.

The Howard government initiated steps in 1999 toward the implementation of a national e-health policy through a national health information advisory council. As I said, I do want the public to have absolute faith in their electronic health records, but the government and this legislation need to be able to deliver a secure, accountable, reliable and transparent system.

I saw something in the newspapers today that concerned me. I am concerned about the government's incapacity to deliver projects and programs on time and on budget. A report today shows that spending on Labor's personally controlled health records system has already blown out by $300 million.

Ms Plibersek: Mr Deputy Speaker, I rise on a point of order. I was wondering whether I can take a point of order about misrepresentation when a newspaper article is wrong and includes double-counted figures. The newspaper article the member is referring to has some glaring inaccuracies in it. I am seeking your guidance about whether it would be possible to make a personal explanation with regard to that.

The DEPUTY SPEAKER (Hon. DGH Adams): The minister is quite entitled to take the matter up in another way. It is not a point of order.

Ms Marino: I see that the figure used there was a blow-out of $300 million. Given the previous efforts of this government in so many of its programs and project delivery in which we have seen continual waste and
spending of taxpayers' funds, I and a number of my colleagues would not have confidence that that will not be the case with these electronic records. I place on record my very serious concerns about the cybersafety matters I have raised, the issue of the integrity of the information that is contained in patients' records and my very genuine concerns, which have been demonstrated historically by this government's inability to deliver projects on time and on budget.

Mrs ELLIOT (Richmond—Parliamentary Secretary for Trade) (20:13): I am very pleased to be speaking on the Personally Controlled Electronic Health Records Bill 2011, because I know what a very positive impact it will have for people within my electorate and indeed all Australians. Having e-health records is such a vital part of improving access to health services for all Australians. It will improve the way health information is shared. In fact, many people are often surprised to learn that their medical records are not at the moment easily transferrable between health practitioners and associated health entities, particularly as we live in such an electronic age. When I talk to people in the community about the benefits of e-health they are often quite surprised—and very enthusiastic—about what this government is doing to improve access to health, particularly through these wonderful e-health initiatives. Electronic health records really are a central part and a very important element of this government's very vital health reforms, some of which I will run through later on. It has been the health reforms of this government that have made such a major improvement to the lives of so many Australians. Let us look at the issue of electronic health records. There is very widespread community support for this. This has been called for by many people within the health sector for many years, with much support from clinicians and the health technology industry. Indeed, many patients and health consumers right across the community are providing a lot of support. They are very united in the call for electronic health records. In fact, I find bizarre any opposition to it because it really is such a great initiative by this government.

Let us have a look at the healthcare system at the moment when it comes to the reason why we need to have e-health records. When we look at our current system, what we see is a fragmentation of the healthcare system. That means patients often have to retell their story when they visit different health providers, so you literally have a situation where they are often carrying copies of their own health records and they are going around to see different health providers. We know that this situation causes so many problems and the result of those can often be poor communication as to symptoms and medications while remembering that it is a very stressful time for people travelling around and seeing different specialists. So it can cause a lot of problems and that can then result sometimes in unnecessary tests—tests that may have been performed previously. That can really add to the very distressing situation for those patients, particularly elderly ones.

What we also know when we look at some of the facts is that hospital statistics already dictate that at least 17 per cent of tests are necessary duplications. We know that medication errors account for 190,000 hospital admissions each year and 18 per cent of medical errors are attributed to poor patient information. So when we look at that fragmentation of our system and the current reality of it we can see the very real need to have e-health records.

E-health records will have the capacity to contain summary health information such as conditions, medications, allergies and
records of medical events created by healthcare providers. The records will also be able to include discharge summaries from hospitals, information from Medicare systems and some information entered by the consumers themselves. So we are looking at a very widespread amount of information.

Looking at all of that we can really see the need to have e-health records right throughout our community. This is given the very widespread support for this initiative and it being part of the Gillard government's commitment to major health reforms. This government committed $467 million in the 2010 federal budget to a two-year program to build the infrastructure for personally controlled electronic health records. That really is a reflection of our major commitment when it comes to providing e-health, because we understand how necessary it is.

I noted before that the previous speaker raised some concerns that have been reported, so I would like to make the situation very clear as to some of the allegations that have been made in relation to the funding for e-health. Some of the suggestions that she put forward are certainly very wrong. There are two main sources of funding for the e-health agenda: (1) the personally controlled electronic health records allocation and (2) the COAG approved funding. Both the Personally Controlled Electronic Health Records Program and the COAG funded e-health program are within budget. The personally controlled electronic health records allocation is $467 million over two years. This allocation goes towards the National E-Health Transition Authority, Medicare support, the 12 e-health pilot sites and the national infrastructure partner. The National E-Health Transition Authority also receives funding from COAG of currently $218 million over three years. The Commonwealth contributes 50 per cent of this funding, which is around $109 million. The Commonwealth's portion of this funding is used for e-health related activities other than the personally controlled electronic health records system, such as healthcare identifiers, e-prescribing, standards and specifications, and the National Authentication Service for Health. That certainly clears up some of the very false allegations that have been raised by opposition members, some of which have been reported previously, when it comes to the specific funding of it.

Whilst there will be major benefits—in fact, great benefits—Australia-wide from e-health records, it is in regional areas like mine, the electorate of Richmond, that it will be particularly important in the benefits it will bring, especially when we look at the rollout of telehealth and also the National Broadband Network, all part of the major reforms of this government. In my electorate there is widespread support in the community for e-health records, particularly as Richmond has one of the highest proportions of elderly Australians. For example, an elderly person having to visit numerous specialists—often due to the very complex nature of elderly Australians' health issues—will be greatly assisted by having e-health records. Many elderly people in my electorate have noted that, because, as I have said previously, it is a very distressing time for them having to go around to see many health professionals. I have another example, a totally different one. A person comes to my electorate for a holiday and requires medical attention. They might be rushed to hospital but their detailed patient history is unavailable under the current system. This could lead to very poor patient outcomes. Under the system of e-health records they will be able to access that. So you can see the benefits at all ends of the spectrum in
utilising e-health records. As I said, all this is part of this government's commitment to improving Australia's health and hospital system.

I would also like to add that in my electorate we have seen so many commitments from the government to providing better healthcare services. There is one that I would be particularly pleased to report on. Prior to the last election we made a commitment, if the Gillard government was re-elected, that there would be $7 million towards a GP superclinic at Tweed Heads. I am really happy to be able to tell the House that this is certainly underway. It is a wonderful initiative. In fact, we turned the sod for the clinic in September. The tender went to a fantastic group of local GPs. Ausjendia is the company that they run. These are GPs with about 30 or 40 years of local experience and I know they are very keen on e-health initiatives as well—and having a GP superclinic there will make such a big difference to the people of Tweed Heads and the surrounding region. So that is just part of this government's commitment when I look at my electorate and the impacts of our health reforms.

I would also like to touch on some of the concerns that have been raised in relation to privacy and e-health records. I understand that there have been a number of concerns and that these have been addressed and the safeguards have been identified. These records will be truly personally controlled records with new consent settings for sensitive information and auditing that is not currently in existence for paper based records. The central theme of our system in the bill is that any Australian can register for an e-health record and they alone will choose the security settings as to who can access the records and to what extent they can be accessed. The bill provides very clear privacy protections, prescribing the circumstances in which registered consumers and organisations can collect, use or disclose information, and it imposes civil penalties for any unauthorised collection, use or disclosure. Of course all registered consumers and organisations will be subject to the Privacy Act as well. Those privacy concerns have been addressed because that is vitally important in what is, yes, a very complex and major initiative. All these areas have been canvassed and looked at.

This government continues to deliver better health and hospital services for all communities, and e-health builds on some of those great initiatives. It is the federal Labor government that is delivering jobs, growth and fairness in health care and public hospitals. I want to run through some of our record in relation to that. Let us look at jobs. There is training for an extra 1,000 nurses every year.

**Mr Fletcher:** Mr Deputy Speaker, I rise on a point of order. It is not relevant to the bill, which concerns personally controlled electronic health records, to be running through the Labor government's record.

**Ms Plibersek:** Mr Deputy Speaker, on the point of order: the previous speaker ventured very far off track when talking about cybersafety and I did not take a point of order on that because at 8.30 at night we usually show each other a little bit of latitude on these things.

**Mrs Bronwyn Bishop:** Mr Deputy Speaker, clearly the question of cyber-risk that was raised was very relevant to the bill. It was quite apparent that the member for Bradfield was drawing attention to the fact that the Parliamentary Secretary for Trade had run out of material and was just going back to an old litany of things that the government chant out when there is nothing to say.
The DEPUTY SPEAKER (Hon. DGH Adams): I will listen to the Parliamentary Secretary for Trade. If she goes off the bill I will bring her back to the bill.

Mrs ELLIOT: Mr Deputy Speaker, I am happy to provide more detailed information as to how all facets of the health system will have greater usage of the e-health systems and to what it needs. Yes, it does relate to the bill because we are providing more services to people who will be using e-health services. Certainly the extra 1,000 nurses we have trained and the extra 5½ thousand doctors we have trained will all be able to provide better services because of the e-health records that exist right throughout our health system, and we are making sure we have more people trained to use them. Our extra 44 specialist breast cancer nurses will be accessing e-health records for their patient care, whether it be in a community health setting or in GP clinics. Those people will be using e-health services in our hospitals as well. We have increased hospital funding by 50 per cent, and it will be in those hospitals that they will be accessing e-health services. Some of the people in the extra 1,300 federally funded hospital beds will be accessing e-health services as well, and people in the extra 13,000 residential aged-care beds that the federal Labor government has provided can access e-health services as well. These e-health services relate to all the things this federal Labor government has done to improve health and hospital services.

Right across the country we have been improving services, whether they be in hospital settings or in community health settings. Of course this is all very different to what the opposition did when they were in government. What did the Leader of the Opposition do when he was health minister? He cut $1 billion from our healthcare system. That is how he views—and how much he values, health care—he cut $1 billion from it.

Mrs Bronwyn Bishop: Rubbish!

Mrs ELLIOT: It is a fact that he did. But it is this government that has committed major funding to it. The opposition has said that in government they will slash the $467 million that this government has committed to e-health. We know that is how they feel about it. They will slash it because they do not have the commitment that we do. They do not have a commitment to providing the services we have said we will provide because we know how important they are. We know how long people have been calling for e-health initiatives like this. The opposition have said they will cut them.

It is only Labor that has this commitment to providing access to world-class health care for all Australians and it is only Labor that can be trusted to keep our health and hospital system strong. I see that all the time in my own electorate. I see it with the extra funding for the hospitals. I see it through the GP superclinic that is going to be built in Tweed Heads. I see it through funding for GP infrastructure. I speak to people every day who see the benefits of a federal Labor government and what the Gillard government is providing on the ground in health and hospital services.

I can tell you, Mr Deputy Speaker, there is a lot of enthusiasm around the fact that e-health is so desperately needed in the community, and people are responding very positively to the fact that it is a federal Labor government that is providing it. I commend the bill to the House.

Mr FLETCHER (Bradfield) (20:27): I am pleased to rise to speak on the Personally Controlled Electronic Health Records Bill 2011. In principle, having a system of electronic health records is of course a very good idea. According to the National e-health strategy paper issued in 2008:
... E-Health is the means of ensuring that the right health information is provided to the right person at the right place and time in a secure, electronic form for the purpose of optimising the quality and efficiency of health care delivery.

Of course this sounds like an extremely attractive vision. The question before the House this evening is not whether in principle this is a good thing. The question before the House this evening is whether the method being used by the government to deliver on this vision, as embodied in the provisions of the bill before the House, is appropriate and makes sense—particularly in light of the fact that, while this government may be strong on vision and aspiration, as we know, implementation is very far from being their strong suit. In that regard, I want to focus on three issues in the brief time available to me to comment on the provisions of this bill.

The first question is: how do you get take-up of the electronic health records system? Secondly, is the timing proposed for the implementation of these arrangements realistic and is there a risk that this government is falling for one of the most obvious and repeated errors in information technology policy, which is: go for the big bang, the big system that is going to change everything and solve every problem? The third issue I want to speak about is whether the business model underpinning this system is a realistic one or whether it is a wholly unrealistic one and, therefore, there is a huge gap between the funding which is required and the funding which has been allocated.

Let me turn firstly to the question of how to achieve take-up of this new system, this new application. I think it is an uncontentious proposition that, unless there is a high rate of take-up of this application—particularly by doctors and other health professionals in choosing to use it—this policy will have failed and the money spent to deliver this system will have been wasted. Against that backdrop, I would argue that there are several critical problems with the approach that is being adopted.

The first problem, in my view, is the approach of opt-in rather than opt-out. There is a privacy question which has informed the particular approach which has been taken. I do not want to deal with that issue. I want to deal with another issue, which is a corollary, a consequence, of the approach which has been taken, and that is: how many people are likely to agree to their records being incorporated within this system? It is absolutely and plainly obvious that, unless as many as people as possible have their records contained within the system, the prospects of the system being a success are not high. Unfortunately, because of the decision to make the system opt-in, the power of inertia will work against most people having their records included within it. The power of inertia will cause people to keep their personal health records out of the system, and that is not good news if you want to maximise take-up of the system.

The second issue, which is a critical problem, is that the approach which has been taken permits patients to view and then to modify their own records. That is a decision with a critical consequence, and that consequence is that doctors and health professionals cannot have confidence that the record of the patient which they access electronically is in fact comprehensive, complete and accurate. If doctors and other health professionals do not have that confidence, if they fear that the record which they are looking at might have material and relevant information omitted from it because an individual has chosen to have that information excised then they are very unlikely to use that record in the way that the
architects of this system would hope that they do.

The related point that I think can be made here is that the approach in designing this system makes an absolutely classic error in the field of information technology, and that error is to assume that all you need to do is implement a new system and then behaviour will change; that once you put the new system in the hands of users, users will automatically take it up. That is a deeply flawed assumption because what you actually need to do is achieve behavioural change on the part of users.

Who are the key stakeholders who are going to determine whether or not this system is used and whether or not this system is a success. The key stakeholders are doctors and other health professionals. If they are uncertain, if they are unpersuaded, if they are unconvinced about the merits of this system, then you can spout all the rhetoric you like about the potential of electronic health records but you will not achieve anything meaningful. Against that backdrop it is surely relevant to mention that the peak bodies representing health professionals, particularly the Australian Medical Association, have raised, amongst other things, serious concerns about the medico legal risk to which doctors may be exposed if they rely on electronic records which are subsequently discovered to have key information missing from them. It is a reality that doctors in particular and, to a lesser extent, other health professionals are key in the health system. They are the gateway to significant decisions and significant behaviours. Unless there is buy-in by doctors and other health professionals, this system will not achieve its objectives, and we will have simply wasted a substantial amount of public money.

There are similarities between the error this government is making with this particular IT system and another major IT system that it is implementing—the National Broadband Network. There is a failure on the part of this government to think about the marketing issues involved. How do we sell people on the use of this system? How do we persuade, in this case, doctors and other health professionals that it is in their interests to use this system? You cannot simply assume that, if you make the system available, you can force people to use it. That assumption is a grave misreading of the organisational behaviour of key groups of people within the health system, particularly doctors and other health professionals.

Let me turn to the second serious concern I want to identify, which is that this government is seeking to make a big bang change in information technology applicable to the health system and to do so in a huge rush. The near universal view in the sector is that the timetable for implementing these reforms is absurdly and unbelievably tight. The date which has been specified, 1 July 2012, is widely considered to be ludicrous. We have seen this government make this error in area after area. They impose a deadline so that they can announce it in a media release, without thinking through the complex implementation issues. We have every reason to suspect that the same error is going to be made again. I note, for example, that the Medical Software Industry Association, whose members include Cisco, Microsoft and iSOFT, made a very critical submission to the Senate inquiry, noting that the government's approach on this issue has not followed normal business practices in the IT industry and that the documents issued by the National E-Health Transition Authority to software developers were manifestly inadequate.
So if one issue is the unrealistic timeframe, a second issue which compounds that is the naive belief that we can create here a brand new system which will completely transform everything: 'This is going to be year zero. This new system will solve every problem.' That error has been made time after time when it comes to the application of information technology in both the public sector and the private sector. We are well on the way under the approach embodied in this bill to making the same error again.

Why is it that when the government's consultants, Deloitte—commissioned by the Australian Health Ministers' Advisory Council in 2008 to develop a plan to guide the national approach to e-health—recommended 'an incremental and staged approach', they proposed seeking a specific application which was manageable and achievable and which would deliver early benefits. The one they proposed was an electronic prescriptions transfer service between health carers and pharmacies. In their view, a quick win could be delivered at relatively low risk.

They argued that the first step was to connect the care providers, the next was to enable key information flows and only then to go to the third step of building repositories to accumulate the information contained in those information flows. Unfortunately, this government has chosen to reject that very sound advice. On this point, a witness to the Senate Community Affairs Legislation Committee, Dr Ian Colclough, had this to say:

It makes good sense to move away from large scale, all encompassing national eHealth projects and focus on projects which are more modest in scope and geography.

He went on to say:

In that regard it is a mystery why the Deloitte Recommendation to establish a National ePrescription Exchange Service has not been embraced by NEHTA and the Department. And I can only agree with him.

The third point I would like to make in the brief time available to me is to ask: what is the business model under which it is envisaged that the personally controlled electronic health records system will operate? If you ask any large private sector organisation—it could be Qantas, Telstra, National Australia Bank, or any one of a host of large private sector corporates—about how they run their IT systems, they will say to you that they assume a cost per customer per year, which is often in the range of several hundred dollars, to encompass all of the costs involved in managing, maintaining and, where necessary, upgrading that IT system. There is no way around the fact that the ongoing costs of running a large IT system are enormous.

A one-time allocation of $467 million for a system that is designed to meet the electronic health record needs of all Australians is manifestly inadequate. We do not know the answer of where the ongoing spending is going to be sourced from. Where will the money come from to keep this system operating over successive years? The amount of money being proposed here has been described, for example, by Sydney University surgery professor Mohamed Khadra as 'a drop in the ocean'. It is well known that the UK spent some £12 billion on their equivalent scheme to introduce e-health records before the program was scrapped late last year as unsuccessful. That should be a warning to all of us.

I regret to say this is yet another example of the Gillard government espousing a worthy objective, rushing out a media release, setting an unrealistic timeframe and showing that it has manifestly failed to deliver a credible and implementable robust
plan to deliver and execute on its aspirations. For that reason, we on this side of the House have very grave concerns about this bill.

Mr NEUMANN (Blair) (20:42): I rise to speak on the Personally Controlled Electronic Health Records Bill 2011 and a related bill. The economic growth, productivity and prosperity of our country is underpinned by the health of the people. It is absolutely critical that we get right the social and physical infrastructure of our public health and hospital system, our primary health care and also our e-health. The coalition has had every position possible in this regard. In fact, it is incredible that they are standing here today, spokesperson after spokesperson, criticising us on this area.

Before the 2010 election the AMA sought a commitment from the coalition on e-health. We know that because the then President of the AMA, Dr Andrew Pesce, said in a statement:

We also note that there is no commitment from the Coalition yet on e-health.

This is a major concern because, without e-health, we cannot make the best use of existing health care services and avoid errors, duplication and waste.

I can tell you, the AMA is not an affiliated union to the Australian Labor Party. The coalition also took a policy to the last election that criticised us. They intended to scrap the proposed $466.7 million investment in e-health in our budget. They vowed to scale it back. The strange thing about that was that the shadow minister for health, the Hon. Peter Dutton, said that the coalition was absolutely committed to e-health. He said that before the last election and I have seen performances on Q&A where he said similar things about health reform. But there is no money on the table and when it comes to the crunch, it is all about cuts. He said:

We are committed to e-health into the future. We do strongly support a roll-out of e-health and the funding is there until 2012.

Where is their commitment now?

Another body not necessarily affiliated to the Australian Labor Party, the Business Council of Australia, wrote to Peter Dutton, the member for Dickson, on 4 February 2010, well before the last election. Katie Lahey, the chief executive, said in the letter:

I am writing on behalf of the Business Council of Australia (BCA) which represents the CEOs of Australia's top 100 companies to advise you of our support for early commitment by COAG and the Commonwealth government to implementation of the national e-health strategy.

And the coalition has the gall to come in here and say that they are opponents of this. This was the position of the AMA and the Business Council of Australia. Katie Lahey went on to say:

As you are aware, the BCA has been promoting the need for reform of the health system and for sustained improvement in Australia's health status as an integral part of the productivity and workforce participation improvement strategies necessary to underpin Australia's future economic prosperity. We have become convinced that acceleration of a nationally integrated e-health system is fundamental to achieving these reforms.

And the coalition come into this place and say, 'We'll all be ruined if we bring it in.' The coalition's e-health spokesperson, Andrew Southcott, has said:

… $5 billion has been spent on e-health over the past 10 years and the experience is that a lot of money can be wasted.

That is what he claimed: wasted. Well, it actually happened to be the case that the now Leader of the Opposition was the health minister at the time. He presided over much of that expenditure. In 2005 the Leader of the Opposition pulled the plug on the coalition's former HealthConnect shareable e-health records program and created the National E-
Health Transition Authority, and money has been spent on that ever since. The coalition say to the public, 'We're in favour of e-health,' and then criticise us about the e-health program and then criticise their own former health minister, now the Leader of the Opposition, about the policy. They do not know whether they are Arthur or Martha on this issue. It is an extraordinary performance by the coalition in relation to this.

The genesis of this was a long time ago. In 1999 the then Howard coalition government took the first steps towards implementation of a national e-health policy. I cannot recall coalition spokespersons at the time getting up and criticising John Howard and his government in relation to that. But now they say, 'We'll all be ruined,' and they say that it is all too rushed. We are developing the foundations of this system. We are doing it carefully, systematically and in consultation with healthcare providers and consumers. We want to get it right and we want to keep going, because we think it is important. This is a complex area of reform. We know that, and we know that it will build over time, as consumers and healthcare providers join the system. That is why we are rolling out e-health pilot sites to trial software and e-health capabilities across the country. We want to make sure that we get the software and the clinical settings right and that there is no risk to patients.

I am pleased that, in my area of Ipswich, the West Moreton-Oxley Medicare Local have been chosen as one of the sites. They have delivered e-health innovations, including adoption of the personally controlled electronic health record, as a wave 2 lead implementation site. I have been in touch with Vicki Poxon, who is in charge of the Medicare Local in relation to this. This is fantastic news for the whole region.

E-health records will provide faster diagnosis, cut down on medication errors, give patients peace of mind and let doctors see a patient's complete history. There are security and privacy protections provided in this legislation. We think e-health sites such as we are going to have in Ipswich and the western corridor are particularly important. Patients will be able to log on to the purpose-built stations at the GP superclinic located at the Ipswich campus of the University of Queensland—another great initiative of this federal Labor government, opposed by those opposite. E-health records will be contained of course—there will be privacy protections—and we are committed to investing $55 million in the lead implementation sites as part of our $467 million. We are committed to a national rollout of the e-health initiative from 1 July 2012.

This is particularly important for my constituents. The West Moreton-Oxley Medicare Local undertake the Ipswich after-hours clinic. A patient who sees a doctor after hours may not see their regular GP and may be referred to a hospital, and it is important to make sure that their medical records are available to all doctors and health professionals they see. The Medicare Local do a great job. Another great initiative they undertake is the Ipswich psychology clinic, again located at the Ipswich campus of the University of Queensland. It is critical to patients. We want to make sure they do not fall through the cracks. We want to make sure that these records are accessible to anyone who touches a patient, effectively, including allied health professionals ultimately and, I think, even people in schools. The West Moreton-Oxley Medicare Local are aiming to have about 100 practices using these records. We think it is key. Vicki Poxon and the whole Medicare Local are particularly excited about this initiative.
But those opposite want to live in the dark ages. They must think that you deliver post by carrier pigeon. They really are living in the Dark Ages in this regard. I am a bit of a digital immigrant, to be honest with you. I have had to learn to use a computer and a BlackBerry and all those things. We all do, as politicians. I see Deputy Speaker Scott nodding his head sagaciously. He is probably in the same situation as me, although I must confess I am just a few years younger than him. But it is important that we have medical records in this way. It is far more likely that you will get things wrong with the outdated approaches that can result in poor information flows, unnecessary duplication of testing, delays and medical errors. Some studies have shown that, in hospital environments, between nine and 17 per cent of tests are unnecessary duplicates and up to 18 per cent of medical errors can be attributed to poor patient information. As I say, the West Moreton-Oxley area—which covers the west and south-west parts of Brisbane, through Ipswich into the Lockyer Valley, the Scenic Rim and up into the Brisbane Valley—will be one of the sites. When the Leader of the Opposition was the Minister for Health and Ageing, he promised e-health. He never delivered it. It is a real tragedy. Somewhere along the line, he must have had a Damascus Road conversion experience, but not a positive one—not like St Paul. He must have had a negative one because, having supported e-health when he was health minister, he decided to cut it at the last election. From comments by those opposite tonight, it looks to me like they have no intention at any stage, notwithstanding what the member for Dickson has said, of ever supporting e-health. But why would they? They opposed the GP superclinics. They opposed GP after-hours hotlines. They opposed the Medicare Locals. They opposed health reform. They opposed the BER in my area. They opposed every road infrastructure and community infrastructure project that this government has ever done.

I think this is a particularly important reform. It will make such a difference to people across the areas of my electorate. I think it is going to be important in terms of peace of mind for patients—they will know that, when they go and see a doctor, that doctor will have access to all their medical records. One of the frustrating things that constituents in Blair have told me is that, when they go to a doctor—and if they get referred to a specialist, another specialist and another specialist, which often is the case—they have to recount, again and again, their medical history. Some of those medical histories can be quite complex. Just imagine if you were, say, a woman who had had a liver transplant. Just say you had also had hepatitis. And you might have needed a knee reconstruction or you might have diabetes. People have, as they get older, lots of chronic ailments, illnesses and indeed injuries. To recount all those things, to remember all those medications as you are getting older, to remember every single thing, is not always easy. But e-health will provide that. For all those opposite who say this is a waste, I think they are really denying something that is in the best interests of their constituents.

We on this side are committed to e-health because we think it is integral to the kinds of reforms that we want to undertake in rural and regional Australia: the cancer clinics we are seeing across the country, the telehealth and the greater numbers of GPs and nurses trained—and they are going into regional and rural areas after many years of neglect and cutbacks in this area. As we have said on many occasions in this place, taking a billion dollars out of the health system was the
Leader of the Opposition's legacy as health minister.

I think that those opposite do not quite get how important this particular benefit will be to rural and regional Australians in seats like mine and in seats like so many of theirs—to disadvantaged Australians, to Australians who do not necessarily have English as their first language, to the elderly, to Indigenous people, to families and to the hard-pressed mums who are looking after little kids and have little kids running around a doctor's surgery. Just to say no to this and say no to so much other health reform shows what negativity those opposite have in their hearts and in their minds on health reform.

This legislation before us will enable us in many ways to resolve the tyranny of distance. It will reduce costs associated with caring for an ageing population. It will assist people to be independent for longer. It will minimise, as I said, the potential for errors in patient treatment. It is an ambitious undertaking. We know that, but we think it is important for the 21st century. We think that paper records can be stored incorrectly. They can be read by the wrong person. They can be left unsecured. They can be dumped in a rubbish bin accidentally. Moving to an electronic system reduces those risks, protects patients' medical records and improves privacy. We are about consultation, as we in this government always are. We are going to make sure that we take advantage of high-speed, high-capacity broadband through the National Broadband Network to dramatically change our health services that are delivered to regional and rural Australia.

The CEO of the National E-Health Transition Authority, Peter Fleming, in August last year likened the creation of the personalised e-health records system to the task of putting a man on the moon, a task once thought impossible but a task which was delivered successfully. Those opposite are like the naysayers, basically, who, when President John F Kennedy challenged the US congress in 1961 to commit itself to 'landing a man on the moon and returning him safely to the earth', scoffed. He said he could do it within a decade.

In many ways, I really think e-health is our moon landing. I think it is revolutionary. I think it is visionary. I think it is courageous. I commend the government for it. I commend the former health minister and I commend the current health minister for their personal commitment to this vital reform in this country.

Mrs BRONWYN BISHOP (Mackellar) (20:57): In listening to some of the debate on the Personally Controlled Electronic Health Records Bill 2011 and cognate bill that comes from the government benches, one can only agree with the comment of Dr Ian Colclough in his submission to the Senate Community Affairs Legislation Committee when he said:

... it is easy to be seduced into believing the development of the PCEHR—personally controlled electronic health record—is readily achievable and for many advocates it is convenient to forget lessons from the past and hastily rush into this still uncharted territory.

He said the concept of the shared health record is 'relatively new' and so is the personally controlled electronic health record. He continued:

Consequently, available solutions are immature and the experience and understandings of health providers, agencies and consumers minimal. This accounts for why so few studies have been undertaken to validate their adoption.

He further said:

One recent major review stated that:

- "Patients, policymakers, providers, payers, employers, and others have increasing interest
in using personal health records ... to improve healthcare costs, quality, and efficiency. While organizations now invest millions of dollars in PHRs—

the best PHR architectures, value propositions, and descriptions are not universally agreed upon. Despite widespread interest and activity, little ... research has been done to date, and targeted research investment in PHRs appears inadequate.”

Whilst the idea of utilising electronic data collection can certainly be attractive to one in thinking, it is the examination by people who are involved in this sphere that puts up the sorts of worries that people have about a start date of 1 July 2012. I think this is a major sticking point for the opposition—that the whole process is being rushed. One of the things that seems to be driving that rush is the fact that the funding for it—an agreement under the COAG arrangements—runs out at that date, and there is no certainty about any further funding for it.

There are many issues that are of concern to people on this side of the House. We are a conservative party. We are conservative on this side and therefore we are cautious about the way in which we would go forward in order to bring about change. On the government side there is this overuse and indeed abuse of the word ‘reform’ when really what they are talking about is change, and sometimes it can be change for change’s sake or rushed change without adequate work having been done to prepare for it and to look at what the consequences may be.

It was said in the course of the debate that one can have no confidence to date that the records to be accessed will be complete, that they will be up to date, that they will be reliable. Where are the questions being addressed as to who would be liable for damages for acting on records which are not complete, which are out of date, which have not been properly kept? We all know that in our hospital and health system there are many errors. Indeed, the second reading speech of the minister states:

Medication errors currently account for 190,000 admissions to hospitals each year. Up to 18 per cent of medical errors are attributed to inadequate patient information.

That presumes that electronically collected data is going to be accurate and reliable. Yet nowhere is there any evidence that proper risk assessment has been carried out. My colleague the member for Forrest outlined her concerns about the gathering of data in a central base which can be hacked into and abused. That well-known old adage ‘information is power’ certainly has great potential in the area of health records.

The way the system is meant to operate is that, rather than the patient repeating their medical history and information each time they visit a different clinician, there would be this huge database which could be tapped into. How much more sensible to look at things on a smaller scale, and these sorts of practices do exist—that is, where a patient who wishes to can have their medical data carried around with them on a USB stick, and when they go from a doctor to a specialist they take it with them. It can be utilised because the person owns it and controls it and hands it over because they wish to do so. There is that very personal connection between the GP and the patient because that is an ongoing relationship.

It is vital that the system is an opt-in system, not an opt-out system. One can see that once such a huge infrastructure is established, and hundreds if not thousands of public servants are involved in it, the desire to go from an opt-in to an opt-out system is going to once again be one of those irresistible pursuits of those who want to control information.

The Deloitte study conducted in December 2008 and published by the
department as a summary of the Deloitte national e-health strategy recommended that the building of long-term health capacity should be undertaken incrementally and that critical to driving the uptake of e-health and support by consumers and care providers will be the quality of the underlying e-health solutions and relationship between them, which involves a two-way data exchange. Deloitte went on to say that they advocated focusing initial investment in those areas that deliver the greatest immediate benefits for consumers, care providers and healthcare managers. They recommended a national e-prescription exchange service as the highest priority for e-health application solution, which should be developed immediately.

Dr Colclough said:

It makes good sense to move away from large scale, all encompassing national e-health projects and focus on projects which are more modest in scope and geography. Subject to the architecture they can then be scaled up and rolled out nationally. This more ‘contained’ approach is easier to manage, less risky and less costly to ‘prove’. It also makes it very much easier to quickly counter disruptive vested interests and overcome difficult political and technical hurdles as they arise.

In that regard it is a mystery why the Deloitte Recommendation to establish a National ePrescription Exchange Service has not been embraced by NEHTA and the Department.

…… …

The private sector has successfully deployed two Prescription Exchange Services serving medical practices and community pharmacies in every State and Territory of Australia. Yet this is not addressed.

Other submissions that were made point out other difficulties. Of course, much has been made of the fact that the development of such a system by the UK government has been wound back after repeated failures and growing criticism. According to the UK health minister, Simon Burns, ‘this has been an expensive farce from the beginning’. In May 2011 the UK National Audit Office admitted that large sections of the National Health Service were withdrawing from the electronic record project, which is a key part of an £11.4 billion—A$17 billion—National Health Service project. Google, one of the world's largest vendors of online services, has abandoned its 'Google health' personal health record due to lack of patient interest in keeping personal medical records. The product was introduced in 2008 and it was withdrawn on 1 January 2012. Despite numerous conferences discussing the development of personally controlled electronic health records, foundational issues such as the definition of a health record and ownership of the health record have not been resolved. Dr Rhonda Jolly, of the Department of Parliamentary Services, says in an article headed 'The e health revolution—easier said than done':

… policy makers have discovered that there are many obstacles in developing e-health policies and programs. Some of these have been resolved, others persist, still others are beginning to emerge.

In other words, the picture that comes across is that this is being very hastily driven by the government, which once again has not done enough preparation or enough work. I for one have grave concerns about the privacy issues involved here. I think the involvement of bodies such as the Privacy Foundation is very important in this debate, and they too have concerns. Another point that has been made is that the emerging crime of identity theft utilising electronic data is changing public perceptions about the desirability in general of storing their most sensitive personal information on databases.

There are many uses for the new electronic access we have to so many things. People are being warned about the material that they put into the various forms of
electronic media, because this material cannot be retrieved. Once installed, once it is there, there are secondary users who will be dying to get their hands on it. This rush to have this legislation implemented by 1 July 2012 is quite unseemly. The shibboleths from those on the other side, the insulting terms like living in the dark ages and back to the whatever, is the sort of language used when there is no real desire to debate what are the true issues—the legal ramifications of who owns what, who is liable for entering data and who will be liable if errors are made. Statistics I have indicate that in hospitals every year error, and malfeasance as well, kills 18,000 people a year and maims another 12,000, so we know there are many concerns.

I would simply say to the government that by any reasonable consideration this deadline of 1 July 2012 cannot be met and ought not be pursued. The government should listen to people who have greater wisdom and use the incremental approach. The big bang theory is not one wisely followed. When we debate this issue on this side we do so because we are concerned for the individual. We know that the philosophy divides us—we have individualism, where we make laws and consider the rights and implications for the individual, whereas on your side you have collectivism, where you always rule for the collective and the individual can be sacrificed for the collective outcome. So there is a philosophical divide, but there are important issues to be discussed. This unseemly haste does the government's reputation no good when it says it wants a better health system. There is a need for an incremental approach and a need for greater consideration.

Ms HALL (Shortland—Government Whip) (21:11): I support the Personally Controlled Electronic Health Records Bill 2011 and related legislation simply because I care for each and every individual Australian. This is about the safety and protection of individual Australians. As a government and as a parliament I think we can best ensure that individual Australians—all Australians—are protected by introducing these bills.

When I researched the information I needed for my speech and looked at the history of this legislation it was amusing to discover that electronic health records were the child of the Howard government. It was the Howard government that was promoting electronic health cards. The Howard government were early enthusiasts of e-health—they were promoting e-health as a cost-saving device and they could see it streamlining healthcare records. They believed it would provide better health care for all Australians. Now the opposition seem to have changed their mind, viewing e-health now as some sort of sinister piece of legislation that is going to be detrimental, when every bit of information I have read convinces me that electronic health records are good for the patient, good for our health system and good for everybody involved.

The opposition argues against e-health records and the legislation before us but it puts up no alternative. Those opposite lack any viable alternative. When they speak to constituents and address people working within the health system they do not put forward any alternate ideas. I find that really disappointing. It shows to me that only one side of this parliament takes health seriously and is interested in ensuring that those people living in rural and remote areas have the best access to health information—this side of parliament.

One of the bibles that I use when I am talking about health care is the Blame game report that was released in 2006. I refer to a section in the report, entitled 'Better use of
patient information'. The report highlights that all governments have recognised the benefits of electronic storage and transmission of health records and have made significant investments in information technology. The report says that the previous Howard government saw the benefits, invested in it and thought that more investment should be made in it in the future. It highlights that hospitals and other organisations, such as divisions of general practice, were also involved in information technology systems. The national approach to health records was being promoted through HealthConnect. That occurred not under the Rudd or Gillard governments but under the Howard government. The Howard government was totally committed to e-health and to electronic records. Now the coalition are sitting on the opposition side of this parliament. When they were in government they could see the benefits that e-health records would provide to Australians. They could see that legislation like that before us, on personally controlled electronic health records, would be good for the country, good for Australians and good for those administering the health system.

This legislation, despite what previous speakers have said, is not being rushed through the parliament. It has not just appeared out of nowhere. This legislation has had a long lead-in period. There has been an enormous amount of consultation. This has been considered in every possible way. I know that a lot has been said about privacy issues. Privacy protection and security has been paramount in the development of this legislation. To make it a little bit easier, I will use the acronyms. The PCEHR bills provide clear privacy protections and prescribe the circumstances in which consumers and organisations can collect and have access to this information. The legislation puts in place significant penalties for any breaches. All government records are protected. There are a number of firewalls in place. The highest level of protection available for electronic records will be put in place when this new technology comes in.

What will electronic health records mean for Australians? They will enable Australians to have easy access to their healthcare information online and enable them to share that with those authorised healthcare providers that they choose. And those providers can be anywhere in Australia. If someone goes away on holidays and leaves their prescription behind and they need to provide information about their medical condition they will be able to do that. They will be able to have their GP and any other GP connect and electronically access their records. This will save a lot of time and trouble. This will deliver good health outcomes.

Digressing just a little, I noticed that the previous speaker made a lot of noise about the number of deaths that occur because of hospital error—18,000 people a year. The legislation that we have before us today is designed to address just that. It is not about promoting more errors; this will cut down on the number of errors that occur within the health system. I find it difficult to listen to speakers on the other side of the House who turn the positives of this legislation into negatives. I can only come to the conclusion that they are objecting for the sake of objecting.

I sit here in this parliament day after day and I hear a constant mantra of, 'We oppose; no; no; no.' Sometimes both sides of this parliament need to come together to look at and consider things from a national perspective and from the perspective of whether it is going to deliver good health outcomes for the Australians we represent in this parliament. We need to ask: 'Should we
accept the latest technology? Should we put in place the proper systems that are going to ensure that that technology will deliver the desired outcomes and make health care more accessible and safer for all Australians?

I have come to the conclusion that that is exactly what this legislation does. I think that wider reading by those in the opposition would show that this is a really good change. I notice the member for Mackellar was conservative. She did not like change but sometimes we have to change. If we did not change we would be coming to work in a horse and buggy. I think change is good—not all change but change that is well researched, and this change has had enormous public consultation. Change is a key element of health reform in this country. This change will remove the fragmentation of healthcare information across a wide range of locations. It is change that was identified in the report *The blame game* as a positive and something that would deliver to Australians. I might add that this was a unanimous report. Both sides of the parliament and all members on the committee at that time could see that this is beneficial. It will get rid of the outdated approach which allows for poor flows of information, unnecessary duplicating tests and delays and medical errors. I have already touched on the medical errors.

I constantly have constituents come to see me with the complaint that they have been to one doctor, who sent them to another doctor, who sent them back to another doctor, who then sent them off to somebody else. They find themselves back where they started but all the way along there has been a duplication within the system. I have spoken to friends who are health professionals and they can see the benefits of this legislation. They believe that this legislation is a positive change, a well-researched change and something that will deliver to Australians.

This is legislation where consumers and health provider organisations will be able to choose whether or not to register or participate in. It is not something people are going to be forced to become involved in. For the record, I can say that it is a system I will choose to become involved in because I believe it is the way of the future. I believe it will ensure my safety and I am convinced that the mechanism and the privacy surrounding it are adequate. I believe this is legislation for the future which will improve our health system. I have great pleasure in supporting this legislation and I congratulate the health minister on bringing it to the House. I know she will ensure it is implemented in a timely fashion.

Mrs MOYLAN (Pearce) (21:26): I note we will only get a couple of minutes but I would like to respond to some of the criticisms by the member for Shortland, because although it is true that the coalition has been critical of the way in which this proposed measure will be implemented by the government, the process was started under the former coalition government. So it is not that we are against the principles of the Personally Controlled Electronic Health Records Bill 2011—far from it. It is just that, as with many of the present government's policy initiatives, they fall flat when they try to put them into practice. The difficulty of this particular challenge has been exposed recently with the E-Health Transition Authority announcing in January that the work on primary care desktop software development at their test sites has been halted due to the discovery of technical incompatibilities across versions and that there was 'potential clinical risk if work continued using the specification supplied'.

One of the major problems the coalition has is the way in which this bill has been introduced before. Some of the bugs have been ironed out of the system. We do not
want to see a repeat of the pink batts fiasco, which cost this country billions of dollars to rectify. It has that potential for this to be implemented in a way that does not do the job it is intended to do. Back in November 2004, the then health minister and now opposition leader, Mr Abbott, made a pertinent point in answer to a question put by my colleague the member for Moore, which this government should have listened to. Speaking about the work of the National E-Health Transition Authority, he noted that just about all the computers on the health professionals' desks right around our country are already linked by the internet. The challenge though is to try to create a secure database with secure transmission. That is the task at hand. I do not think at this stage that the government has demonstrated that it is taking that challenge into consideration in this bill.

As I said, millions of dollars have been spent on ensuring this initiative is workable. The government is really rushing the system into operation simply to meet some arbitrary deadline it set for itself. While we all recognise it is good to have targets and deadlines, it is also very important to get such a measure right and not to put the health of people in this nation at risk because we have not ironed out the bugs in the system. I look forward to continuing my comments at a later hour. I note that we are shortly due to move into the adjournment debate. I am sure that in a very mobile society, on the positive side of this bill—

(Time expired)

Debate interrupted.

**ADJOURNMENT**

The SPEAKER (21:30): Order! I propose the question:

That the House do now adjourn.
something like 800,000. I will stand corrected on that number, as I may have one zero too many, but it is something of that magnitude. Why? Because of the record seasons we have had, kangaroos are in plague proportions in many areas.

Kangaroo meat is an organic meat product. It is a beautiful product. I know that overseas countries are demanding it, but we have got to lift our effort when it comes to trade and bilateral relations with these countries. The other thing is the leather. Kangaroo leather is one of the finest leathers in the world. In fact, any reputable soccer team will play with kangaroo leather soccer shoes. Anyone in the World Cup soccer would be playing in kangaroo-leather shoes, such is the reputation of kangaroo leather.

The industry has gone through some changes in the last two to three years. Phyto sanitary issues have had to be addressed as well as the traceability of the product from harvesting right through to the processing plant. They have gone through a very expensive process of implementing regulations related to phytosanitary issues, because if kangaroo meat is going to be coming into the human consumption chain it has to meet the strictest of standards. The industry is meeting those standards. They have implemented those changes, but we are now finding that we do not have the markets available to meet the number of kangaroos that will need to be harvested. There will not be sufficient markets unless it goes into the pet food industry. That is a tragedy because kangaroo meat is better than a pet food industry product. It is much better and has a place in the human consumption chain.

I do not want to see a situation where the federal government, as they have done with the camels in the Northern Territory, just pays $19 million to shoot camels just to reduce their numbers. They are doing something similar with wild goats in Victoria at the moment. Just shooting them and leaving them in the field when they could have been harvested. This is a most valuable product. I call on the government to ensure they put an increased effort into opening up those markets in Russia and China and making sure that our marsupial industry, the macropod industry, has a brighter future than it has had in the last two to three years. They are in plague proportions out there and they need to be controlled. I call on the minister to lift his game.

Chifley Electorate: Community Groups

Mr HUSIC (Chifley—Government Whip) (21:35): I would like to pay tribute to work being done in the Chifley electorate by two prominent community groups. The first one is Graceades Community Cottage, which I visited last week. They are doing a lot of work and have been since 1982 in our area from their location in Bidwill. They have been providing services and resources across Mt Druitt, including compiling and assisting with the local Bidwill newsletter. What they have pre-eminently been doing is focusing on education, leisure and recreation. But, importantly, they have been providing a safe youth space for study, training and learning. They do a variety of things. For example, they have a ceramics group, a gym, a recreation space, a study and they offer employment assistance. It is all carried out from some renovated townhouses in Bidwill. On a recent visit to the centre I had the pleasure of catching up again with Lee Healey, from CatholicCare Social Services, who has developed a unique, successful and valued Aboriginal after-school tutoring program in partnership with Graceades Community Cottage. The centre also works in partnership with other NGOs to facilitate programs. For example, it works with Mission Australia and the federally funded
project Communities for Children, focusing on early education. Many people realise that that is where young people get their best start, if the resources and the attention are there during early education. For many, the centre has become a space of solitude and time out and has helped forge friendships while they actively study or look for work, in an environment that is much like a second home. During my recent visit there I was able to see the latest in IT and multimedia facilities that have been installed as part of the Mount Druitt IT and social access project. The project gives young people a chance to get IT skills in a much more informal environment. The project has teamed up with TAFE as well.

A community-building partnerships grant from the New South Wales government, which was made possible by my colleague and friend the state member for Mount Druitt, Richard Amery, assisted in getting this project off the ground. It was a pleasure to meet their hardworking and dedicated manager, Patricia Formosa. I also want to pay tribute to the passionate staff, with a special mention for Ivanka Pelikan and Peter Cvetkovski, who run the youth programs from the centre. Graceades will be celebrating their 30 years in operation with a festival in Bidwill later this year. I congratulate them on reaching this tremendous milestone, but I also want to thank them for doing something else: the people who work there go above and beyond what is expected. In particular, I heard that when kids are thrown out of school the people who work at Graceades will go and pick them up, bring them to Graceades, help them study and get them to finish their projects, all in an effort to help them complete their school certificate. They truly exceed what is expected of them. They have done some fantastic work.

I also recently visited the Emerton community project of the W.A.S.H. House, whose staff last year received a Chifley volunteer award for their outstanding project and for their commitment and service to the community. They will be celebrating the International Women's Day Rainbow Festival on 9 March at Dawson Mall in Mount Druitt. The W.A.S.H. House is a community based resource centre for women. It has an array of programs and services, including child care, counselling and the Emerton community project. The Emerton community project, established in late 1999, has experienced significant growth and development but has not achieved its main aim of generating enough income to be fully self sustaining. Programs currently under the Emerton umbrella are the op shop, which sells, among other things, household goods, clothing and books. They also provide an outlet for affordable household goods and furniture—which, I might add, they will pick up and deliver. This is an essential service to the community, where a number of people are doing it tough.

The project has up to 40 volunteers at any one time who give of themselves and help make the project a success. The Emerton project has only one part-time paid worker, working three days a week, and volunteers to enable two shops to be open six days a week. The volunteers contribute in a range of ways, from customer service in the shops to minor repairs and mending of donated goods. In the first 10 years of the project's operation there were a total of 135 volunteers, who cumulatively provided 174,720 hours of service. They are a credit to our area. I congratulate Catherine White, the manager, and Jennifer Szymbok.
disappoints me with respect to delivery of and access to the telephone and internet services that are essential communication tools for families and the business sector. This government fails the residents of Hasluck time and time again. Hasluck residents do not receive their fair share of government resources. This is particularly the case when it comes to the debacle that is the National Broadband Network.

The government tries to denigrate the coalition’s broadband policy, but the coalition understands that there is a large need for upgrading broadband services in Australia. It is irresponsible for this government to suggest otherwise. Where we disagree is on the method and the cost of the upgrade. Minister Conroy talks about providing better access to broadband for the people of Australia, and that includes my electorate of Hasluck. However, this could have been rectified several years ago, for a fraction of the price, under the Howard government's OPEL plan, which the Labor government cancelled in 2008. This is another example of refusing a bipartisan approach to Australia's problems and dismantling an existing successful policy to swap it for one that does not work. We see this with the Gillard-Greens alliance's failed border protection policies.

The residents of Hasluck are continually expressing their anger at this waste by the government. Residents are so frustrated that they are calling my office every day to express their annoyance at not being able to access dial-up internet—or any internet at all. One small example of the concern comes from a care home resident in Forrestfield, who said about his intermittent internet signal, 'A more reliable and higher speed may become available under the NBN; however, when and if that should occur, there is a concern that it may incur a steep cost increase, which makes it unaffordable for me.'

Areas of chronic concern about a lack of broadband services are Southern River; Caversham, to the north of my electorate; Gooseberry Hill; and Martin. In Martin, when I was door-knocking recently, I met a constituent whose telephone and internet access comes through a wire that winds its way through the bush and along the road verge and then hangs through the trees to his front verandah. What is concerning for him is that his signal is intermittent. He is constantly calling Telstra to repair the line and give him access. More importantly, his daughter has an allergic reaction that can require urgent medical treatment. He finds, when there are storms or when the parrots come through, that his line is damaged, and it takes a few days to have that repaired. His frustration has been expressed several times to the provider. The WA member for Southern River, Mr Peter Abetz, MLA, has also been very vocal on this issue and I support him in his efforts to improve these services in this area. My constituents are constantly faced with the same response from Telstra when complaining about the lack of service to parts of Hasluck. Telstra says that upgrades to services will now not be taking place as the NBN will rectify gaps in services. Instead of speedy rectification, my constituents are waiting for the NBN to come to them. Sadly, there is no firm commitment from Minister Conroy about when the people of Hasluck will actually see the NBN. It is interesting that the corporate plan, on page 15 of the NBN Co. report, says:

A premise is passed/covered when the shared network and service elements are installed, accepted, commissioned and ready for service which then enables an end user to order and purchase a broadband service from their choice of retail service provider.
But the frustration for these constituents within the Hasluck electorate is that some of them are business owners and they rely very heavily on access through telephone and internet servicing. When these are limited it impacts on their efficiency and productivity and also in terms of the services that they provide to customers. Equally, people have paid their taxes. They expect governments to provide services. What is sad is that now Telstra no longer upgrades the service to them and provides the minimal level. In this day and age you would expect that we would certainly want to focus on those areas within the urban context that need the NBN broadband for both business and family use. I only hope that the minister speeds up the process so that access is available to all. (Time expired)

Pensions and Benefits

Mr HAYES (Fowler) (21:46): The Gillard Labor government is committed to bettering the lives of older Australians. Labor is delivering a world-class retirement income support system but, importantly, we have delivered historic pension increases. We understand that older Australians have worked hard all their lives to make Australia the great nation it is today, and they deserve to be treated with dignity. It took a Labor government, in 2009, to increase the pension rate—for the first time in 12 years. This was the greatest pension reform in 100 years. The maximum pension rate went up by $148 a fortnight for singles and $146 a fortnight for couples. This increase followed 12 years of neglect by the former Liberal government. No, it was worse than that. It was not neglect because they repeatedly refused to increase pensions.

As the purpose of our reform was to repair the cost-of-living impact on pensioners, the Commonwealth sought the agreement of state and territory governments to quarantine this amount from the calculation of public housing rents. This was to ensure that the increases would go straight into the pockets of those it was intended to assist. It took Barry O'Farrell and the NSW Liberal government only six months of office to tear up the agreement, to gouge rental increases from pensioners living in public housing. As a result, more than 20,000 pensioners in New South Wales public housing face an additional housing bill of $618 per year. This group includes 1,720 war veterans and widows.

Older Australians were one of the first groups that we thought of when introducing household assistance to help with the possible costs associated with the climate change initiatives. In my electorate, there are 27,000 pensioners and more than 500 self-funded retirees who will soon receive assistance to help them do their bit in terms of climate change as well as helping them look after their household budget. As a consequence, all pensioners will get an increase of $338 per year for singles and $510 per year for couples combined to help older Australians deal with the extra cost to their household budgets. This is in addition to the increases in 2009 which I previously outlined. This latest increase means that after the impact of a carbon price is taken into account pensioner households should not be any worse off.

What do you think that the state Liberal Party were going to do about that in New South Wales? The Prime Minister wrote to state premiers with a view to having the clean energy advance and the clean energy supplements permanently excluded for the purpose of calculating public housing rents. Exempting clean energy payments from public housing rental calculations would ensure that low-income public housing tenants would retain the full amount of their housing assistance payments to help them in
adjusting to the cost-of-living impacts of a carbon price. It is not surprising then that the New South Wales Liberal government have not responded to this request. Once again, they have not agreed to lend support to pensioners by quarantining these payments from the calculation of public housing rents. The Gillard government understands the cost-of-living pressures faced by older Australians. We have demonstrated that federal Labor gives priority to older Australians and will ensure that they are treated fairly and decently. The challenge is now for the state government to do the right thing and stop gouging from those in our community who can least afford it.

There are 27,000 pensioners in my electorate of Fowler, many of whom reside in public housing. With all the efforts of the federal Labor government to improve the lives of our senior citizens, it is absolutely appalling to find the state government of Barry O’Farrell working overtime to claw back these benefits by jacking up the rents of public housing tenants. As I said, these are people who can least afford to pay. They are on fixed incomes, and yet this is what is happening. We saw it before in 2009 and we are seeing it again. When the Commonwealth moves to act to assist the welfare of those who are least able to support themselves, particularly those on pensions, you would think that state governments would actually use their muscle to lend assistance to that objective, not work against it. They are working in the worst tradition of cost shifting. They are putting the cost directly on pensioners, people in our community who can least afford it.

**Aston Electorate: Early Childhood Education and Child Care**

**Mr TUDGE** (Aston) (21:51): This evening I would like to raise two issues which concern young families. The first is the policies relating to preschools, which are causing three-year-old preschools across Victoria to close down as we speak. The second is childcare centre policies, which are putting up the costs of child care right across Australia.

I have raised before in this parliament the issue of the universal access policy for preschools. This policy mandates 15 hours per week for four-year-old preschools. In Victoria that is squeezing out the three-year-old preschool programs because there is simply not enough space—they often use the same facilities—and there are not enough teachers. Time and time again we warned the government that if they did not change this policy rapidly three-year-old preschools would be forced to close. It gives me no joy to inform the House that Templeton Orchards Preschool in my electorate has indeed announced that it will no longer be taking three-year-old children. This is a preschool that has been going for 30 years. It does not receive a cent of government funding, yet a policy of this government, which has not thought through its consequences, is forcing this preschool to close, and dozens of families will now miss out on receiving three-year-old preschool. Another preschool, West Gully kindergarten, was in my local paper today, and they too are talking about the difficulties which they are having with their three-year-old program due to the universal access policy.

I have surveyed the preschools in my electorate. There are another seven preschools saying they will have to close or reduce their hours if the policy is not changed. Once again, I call on the government to change this policy. All I am asking the Minister for School Education, Early Childhood and Youth to do is provide some flexibility in the universal access policy so that those kindergartens that are ready and able to go to 15 hours immediately
can do so but those that are not will have the flexibility not to. That is all we are asking for.

The second issue I would like to raise, child care, also concerns young families. As you may appreciate, Mr Deputy Speaker, child care costs across the nation have been going up dramatically this year, and that is purely related to the government's policy which has mandated a change in the staff to child ratio from five to one to four to one. As anyone can imagine, if all of a sudden you have to have only four children for every staff member, instead of five, that puts up the costs quite considerably and just flows on into fees. Mr Deputy Speaker—

The SPEAKER: The honourable member should be aware that I have been appointed Speaker. He has been referring to me as 'Deputy Speaker' in his contribution.

Mr TUDGE: I apologise, Mr Speaker. There is no research which says that four to one is better than five to one. Even if there was research, why does the federal government have to mandate to these childcare centres that it must be four to one and not five to one? Why can it not simply be up to parents and childcare operators to determine what the appropriate level of quality is? At the end of the day, the parents are the people who have the most concern for their child, and if the parents think that five to one is okay for their child what is wrong with that? Why do we need the big arm of a Labor government to tell the preschools in my electorate and across the country what the ratio needs to be?

I have a letter here from a constituent. She says that the preschool fees at the Magic Garden Childcare Centre have gone up by 21 per cent this year. She says, 'All of us were very happy with the care being provided before.' So why the change? This government just want to mandate things without any evidence. They have to be the big arm of government, impacting on everyday families, putting prices up and causing three-year-old kinders to close. It is time they had a good hard think about these policies and changed them. (Time expired)

Australian Year of the Farmer

Mr ADAMS (Lyons) (21:56): I would like to continue on from a speech I made earlier in the week about the Australian Year of the Farmer. The year was set up to celebrate the hard work of everybody involved in producing, processing, handling and selling products from the 136,000 farms across the country. Australian farmers and the industries that support them generate more than $405 billion each year, or 27 per cent of our GDP.

My particular interest in Tasmania recently has been with the development of irrigation schemes, which have helped us to carry out more intensive farming and to be more productive in farming while making better and sustainable use of the land. What we hope to do is add value to everything we do with some very intensive horticulture as well. Of course with this comes the need to find skilled labour to ensure that we can continue to make strides in developing smart farms and opportunities in enterprise. I believe that this has started to be addressed just recently, with the announcement of $4.25 million to build AgriTas Trade College, located in Smithton, Tasmania. It will allow many young people to train in Tasmania and study in an environment where they are already familiar with the conditions. Hopefully, we will have opportunities in other parts of the state to link in to this trade college.

I would like to add that Tasmania has a number of farm schools in rural areas which are ideally placed to give youngsters from farming areas the chance of a career path
into a trade college. Up to now, many have had to go out of the state to get any practical agricultural qualifications at a trade level. If we can eventually link high schools with trade colleges, it will start giving the family farm a chance to survive through new generations. The need for education in farming, and the skills base that is needed, is showing up all the time. With the entry of the National Broadband Network and the schools renewal program under the BER, we have managed to bring the technology in schools up to a level that will be able to relate to tertiary education and provide pathways into work that includes operating GPS equipment for controlled traffic farming and specialised planting and harvesting equipment. This is all because we are modernising the telecommunication systems of our country. It will also allow new irrigation systems where you can use computerised watering systems to deliver exact amounts of water and fertiliser to different crops.

A little while ago we in the former House Standing Committee on Primary Industries and Resources undertook an inquiry into agriculture, producing a report entitled Farming the future: the role of government in assisting Australian farmers to adapt to the impacts of climate change. In it farmers were recognised for their enterprising ability when given opportunities. In fact, we heard of many innovative projects being undertaken that were dealing with such things as climate change, carbon capture, new forms of soil enrichment methods, no-till farming, computerised management systems and now, of course, carbon farming.

Soon farms will become highly mechanised—in many areas much more so than in years ago. Some of them will be operated just by sitting in front of the computer. But it is still a demanding career, especially where animals are involved, and of course you need a lot of skill and knowledge about breeding stock and general husbandry. When I go to country shows around Tasmania, I often see farm schools entering their stock and doing very well. It is sometimes pretty hard to interest young people in getting involved in this industry, and I feel these farm schools are doing very well in encouraging kids in it. I have just been involved in helping one of my poultry clubs get involved in that area. I believe this is a great opportunity for Tasmania and I commend the Year of the Farmer.

**Herbert Electorate: Townsville**

**Mr EWEN JONES (Herbert) (22:02):**

As Mr Speaker, being a great friend of Townsville, will know, Townsville is a growing city. It is a great city of great communities and sporting teams. It is an inclusive society. Our major growth corridor is in our Northern Beaches suburbs. People are moving to North Shore, Bushland Beach, Deeragun, Saunders and Toolakea beaches and on past Bluewater, all the way to Rollingstone. These suburbs are gaining respect for their growing numbers of teams in all sporting contests.

While campaigning during the 2010 election campaign, I met with a delegation of sporting clubs and concerned parents who were looking for a multi-user community hub which could double as a cyclone shelter for these suburbs. We need a solid community based consultative approach to achieve a truly great result for our communities. This would normally be a state government responsibility, but the Northern Beaches are used to being forgotten by a tired Labor state government pushing nearly 20 years old.

In fact, after Cyclone Larry ripped through Innisfail, up the Palmerston, and through the Tablelands in 2006, the then Premier, Peter Beattie, said that every town
and community would have a cyclone shelter in which they would be able to house and feed a community in times of danger. To date, they have failed abysmally. To cap it all off, this tired Labor state government were caught with their metaphorical pants down around their ankles when Cyclone Yasi devastated Cardwell and Tully.

The current Premier had the gall to stand there and say that they were going to start the shelters now. If not for the charity of the United Arab Emirates gifting us $30 million, they would not have even been able to start. Added to that, this tired and out of touch state Labor government have not even considered one on the Northern Beaches. To date, Townsville has not had a single cyclone shelter built, and that is since 2006. But, like the GP superclinics of this Labor government, we are progressing well!

I have spoken to our shadow minister for communities, Kevin Andrews. He is keen to get to Townsville and discuss the matter with the stakeholders in relation to our community hub for the Northern Beaches. He understands that this is primarily a state matter, but he is actively looking at areas from where federal funds could be sourced. Townsville City Councillor Sue Blom has been an advocate for this community centre for some time. They have costed the centre at approximately $5 million. My vision for this would not only provide the Northern Beaches with somewhere to go in the event of a cyclone. In the lead-up to Cyclone Yasi, all of the Northern Beaches area was evacuated. The ADF came in and helped people get ready, but they had to leave.

The Northern Beaches also suffers more than other areas every wet season when Blakeys Crossing goes under. This changes a trip to the city from a 20-minute drive to a two-hour slog. I have recently seen the state main roads minister increase his offer on this road from $12 million to $20 million, but he is still adamant that the Townsville ratepayers should pay to flood-proof a road which was the Bruce Highway. That the state government has pulled over $100 million from land tax alone at the Bohle industrial development makes this election offer even more disingenuous.

But, to take the politics completely out of it, this is about community. This is about a part of town which is crying out for a centre. Like the Townsville Strand, built by the Tony Mooney-led council after Cyclone Justin, the Northern Beaches needs a heart and soul. If you go there during the Northern Beaches Festival, you will see people in every little hamlet putting on a great show of pride. You will see the different communities reaching out to each other. What the people of the Northern Beaches are saying to me is that they would also like to have a place where they can come together as a community and share. Recently I attended the Bluewater Scouts markets. It was a great group led by fantastic people who are trying to make a difference. They have their own site but, if they were ever to put in an application to host a major jamboree, they would have nowhere to put the other scouts. If they had a community hub, they could keep their identity and their own headquarters but use the central facility as the need arose.

The Northern Beaches is our newest part of town. It seeks an identity. It wants only what is fair. It wants to have a place as its own community centre. If you look at the size of the district and then look at the Deeragun community centre behind the Woodlands shopping centre, you will get an idea of the growth we have seen. We need a place where a community can come together and be that community. Sue Blom and I are as one on this. I know that the LNP candidate for Thuringowa, Sam Cox, feels
the same way. The LNP member for Hinchinbrook, Andrew Cripps, has continually bent my ear on the need for community support for dancing, craft, and all community events. It is time we did something and I am fighting to make that happen. (Time expired)

Vocational Education and Training

Ms RISHWORTH (Kingston) (22:07): I am very pleased to rise today, because it has been this Labor government that has really taken up the challenge on skills. Our workforce needs to be upskilled if we are going to meet the productivity challenges of the future. That is why I was very proud to be on this side of the House during the presentation of the budget for 2011-12, which announced the Building Australia's Future Workforce package. That package was very critical. It was worth $3 billion, because this side of the House knows that we need to make sure that we are investing in skills so that people in our communities can meet the workforce challenges of the future.

It has often been said that being upskilled and having the right skills is a passport to a secure job, and I certainly agree with that. As part of the Building Australia's Future Workforce package, there were a number of different features. One was that it placed industry at the centre of Australia's training system. The second was that the government was pleased to invest in foundation skills like language, literacy, numeracy and skills to support increased participation in the workforce. It also focused on reform to Australia's apprenticeship system to provide extra support for apprentices. Also, the government said in the budget that it will work with states and territories to reform the National Training System.

I am very pleased that on Friday the South Australian government was the first government to sign up with the Commonwealth to ensure that we really put skills at the front and centre of our agenda. I was very pleased that an agreement that was signed between Jay Weatherill, the current Premier, and Senator Chris Evans, the minister, was committed to reforms that will guarantee students over the age of 16 a government funded training place and provide support for disadvantaged students. For the first time—and I am so pleased about this—the Gillard government will provide government subsidies for diploma and advanced diploma students and give them the opportunity to defer their payment of up-front fees through study now, pay later loans. This is critical, because this side of the House knows that there are many people who find the up-front cost of getting further skills a barrier to actually skilling up. For many years we have locked them out of training. I am so pleased that it has taken the commitment of this government to ensure that we will remove that barrier.

Just one of the people that this will benefit is in my electorate: Maxine. Maxine had done a certificate IV in leisure and lifestyle and had done a certificate IV in leisure and lifestyle but was not able to further her qualifications to a diploma level due to the cost of pursuing that. The up-front cost was a real barrier to her going back and improving her skills through study. Maxine is just one of the many people who were delighted to hear about the federal government's recent agreement with the South Australian state government to implement a HECS style system for vocational education and training. Whether it is about university or training, this government has really shown a commitment to not just allow—as the previous government did—those who can pay to get up-skilled when those who cannot pay are left behind. Whether it is about university or training, we want to ensure that people right around Australia get the opportunity to do this.
It is a very important agreement. It includes an entitlement to subsidies for training for eligible students, linked to designated skill sets and qualifications; a shift to a student centred funding model with a focus on student support and outcomes for learners; a partnership with industry, education providers, unions and communities, with a focus on skills demand; a commitment to increase the number of apprentices and training commencements and completions, including support for employers and employees; and also an improved partnership between universities and TAFE SA to ensure a more effective credit transfer arrangement. These are critical parts of how we would like to move forward.

I am very proud to be a member for South Australia. This is the first state that has seen the real benefits of this and has committed and signed up. I believe that this will certainly take our state into the future. Not only will we empower many people, perhaps in disadvantaged communities, who have had cost as a barrier but also it will ensure that our state can meet the workforce demands of the future.

**Education Funding**

Ms O’Dwyer (Higgins) (22:12): The Australian people are understandably more than a little perplexed at the bizarre political machinations that we have recently witnessed. However, I have long understood that the agenda of the federal government has a real impact on our nation and the everyday lives of Australian people, both now and well into the future.

Last week, the Gillard government finally released the much awaited Gonski review into school funding. This was a review that undertook a listening tour across all states and territories, which they said traversed all key stakeholders. They received more than 7,000 submissions. They commissioned more than four research papers for comment. They held hundreds of meetings. They project the Gonski report's 26 findings and 41 recommendations, if properly implemented, to cost over $5 billion per year over a 12-year funding cycle. It sounds a bit familiar because, of course, it is. I predict that it will receive the same fate as the Henry tax review: gathering dust before being cherry picked by the government.

As I have stated before, there are 39 schools in my electorate educating the next generation of Australians. Any changes to the funding arrangements for school education is of great interest to me, as it is to the families in my electorate who wish their children to be equipped with the necessary skills to prosper in tomorrow's world. The Gonski review is a significant review of the federal government's school funding and, as such, there is a great deal within it to consider. Less detailed, however, is the Gillard government's response. In fact, the only commitment that the government has made so far is to speak with the state and territory governments and their education ministers, presumably at the next COAG meeting in April.

I remain very concerned by what the Gillard government is not saying about the Gonski review. So what is it not saying? The government is still failing to commit to the real funding of non-government schools. As I have said before in this place, school funding of non-government schools is currently indexed so that the 'real' value of the funding, in monetary terms, keeps abreast of the cost of living. Within Higgins, there is not one selective government school. There are, however, 18 non-government schools that promote excellent outcomes. This was a review that
will have a shortfall of around $29 million if the indexation of school funding is discontinued. If this occurs it will be bad news, very bad news, for the families of Higgins.

What do I mean by this? Fees will go up and/or educational opportunities will go down. Probably, in reality, it will be a mix of both. Some schools in my electorate are genuinely fearful that they will close. I too share their fears. Families that find themselves returning to the government sector, not through choice but by financial circumstance, will need to send their children outside the electorate of Higgins to government schools that will have to cater for an increase in student population immediately. How this improves educational outcomes in either the government or non-government sector is beyond me.

If the government does talk about indexation, it will not guarantee that any indexation will apply to individual schools. A guarantee of indexation of the funding pool is simply not good enough as it is potentially a backdoor way of shifting funds from non-government schools to the public sector. Individual schools cannot be certain to meet the rising cost pressures dollar-for-dollar should indexation not be applied on a school-by-school basis, as was the case when the previous Labor government in Victoria also changed the rules.

The release of the Gonski review raises a number of complex and very important issues: the possible use of NAPLAN and MySchool data to determine the new Schooling Resource Standard and therefore school funding for the first time; the lack of consideration by the review of teacher quality, parental engagement and school autonomy in determining student achievement; the concern that changes will result in less choice and discourage parents and communities from investing in education; and, the minimum private contribution of 10 per cent of the SRS, which basically means that independent schools will be mandated a minimum amount by the government.

The Gillard government has given us no idea as to how it will approach these important issues. As I have said before, it is likely to go the way of the Henry tax review. I have done a bit of research on this and looked at the Prime Minister's own first speech, which is very instructive. She says in her maiden speech that while she believes in the inequality of the education system, she talks about the importance of education, she talks about the inequality of the education system. It goes to the heart of what drives this Prime Minister. Of course, what drives her is the politics of envy on this, which led to the 'hit list' on private schools. (Time expired)

Sydney (Kingsford Smith) Airport

Mr MURPHY (Reid) (22:17): One of the greatest concerns of my constituents is the unending daily assault by aircraft noise. It starts at 6 am and persists until 11 pm with the frequently added insult of irregular curfew-breaking arrivals and departures. When Kingsford Smith Airport was opened in 1924 and was used by a few small aircraft, people would never have believed that in 2010 more than 35 million passengers would pass through the airport and that in the same year there would be over 300,000 air traffic movements. Neither would they have believed that Sir Charles Kingsford Smith's Southern Cross Fokker, which weighed just over five tons and was equipped with three 164kW engines, would be replaced by Boeing 747 aircraft weighing 442 tonnes and powered by four 74,000kW engines.

According to Sydney Airport Corporation, of the passengers passing through the airport 24 million were of domestic origin and the remaining 11½ million were international or
domestic on-carriage travellers. For the year ending November 2011, of 14½ million departing domestic passengers, almost seven million travelled to Melbourne, almost 4½ million travelled to Brisbane and more than two million travelled to the Gold Coast, with generally similar numbers arriving from those places.

There are never-ending proposals to reduce aircraft movement through Sydney, the most frequent notion being that a second airport—perhaps at Wilton—would take some of the demand, or that the existing airports at Richmond or Williamstown or Canberra would take some of the traffic and allow for future growth. Not discounting the likely objections of residents in those affected areas, simply assuming that the number of aircraft movements can grow without limit in Sydney ignores the real constraints that include the need to limit carbon dioxide emissions, the effects of rising fuel prices and the high probability that demand for fuel will exceed supply in the near future.

I know Sydney needs a second airport, but in many countries high-speed trains have displaced air travel for trips of up to 650 kilometres, and this distance is rapidly increasing as train speeds rise. There is no reason that the same could not happen here in Australia. In France, for instance, air services between centres connected by high-speed rail services have been practically eliminated, and on other routes, such as London to Paris, a distance of some 340 kilometres, more than 70 per cent of passengers now travel more conveniently and safely by Eurostar trains. At two European airports, Frankfurt and Paris's Charles de Gaulle, high-speed train services allow air and rail transport to complement each other. Were the existing stations at Sydney Airport served by high-speed trains, the same level of convenience could be provided for Australian travellers.

Any expansion of existing air services in our country must rely on expensive equipment imported from either the United States or Europe. Yet modern rail equipment is still being built in Australia, and most of the material needs of a high-speed rail system could be produced here, thus reducing import bills and providing much needed jobs in manufacturing. As an example of the costs of building new services, the high-speed line between Madrid and Barcelona, a distance of some 748 kilometres over partly mountainous terrain, was completed for about $23 million per kilometre. The new trains run at an average speed of 240 kilometres per hour and, since the inception of the service, air traffic between the two cities has dropped by about 40 per cent.

Surely if a cash strapped country, like Spain is at the moment, can build a high-speed train network then Australia could and should do the same, instead of simply allowing the unsustainable expansion of already overcrowded flight paths in our skies which do much injury to the people I represent in this place. I conclude by saying again that a high-speed train network and a second airport for Sydney would provide much needed relief for the people of Reid. I commend this to the government.

Small Business Disability Services Budget

Mr CRAIG KELLY (Hughes) (22:22): I would like to raise three issues tonight. Firstly, if anyone is looking for another example of how we are being led by the most incompetent government in our nation's history, they need look no further than a recent Dun and Bradstreet analysis, which
revealed last week, in the middle of Labor's civil war, that there had been an incredible 95 per cent drop in small business start-ups over the last 12 months. The survey stated:

Start-ups fell across sectors, particularly among construction, finance, manufacturing and services firms where a near 100 per cent drop in new business was recorded year on year.

This figure means that, in the last 12 months, Australians have simply given up on the idea of starting a small business under this Labor government. The year 2011 will go down in history as the year that Labor killed off entrepreneurship in this country. It means that hope, reward and opportunity no longer exist in Australia for those wishing to start their own small business because it has been crushed by the policies of this Labor government, a government that treats small business with contempt.

We cannot underestimate how damaging a 95 per cent drop in small business start-ups over the last 12 months has been to our nation's future economic prosperity. It is small business start-ups that drive our nation's productivity and innovation, and it is small business start-ups that generate real new jobs. With the policy of this government being to attack small business, resulting in this incredible 95 per cent drop in small business start-ups, is it any wonder that for the first time in two decades we have had negative jobs growth? Is it any wonder that our nation's productivity growth has stalled?

The connection between small business start-ups and job creation and productivity growth in our economy should be well understood by everyone, but clearly this message has not sunk in to those on the other side. Just look at the ongoing farce of Labor's small business ministers, with the last one lasting in the job for only 76 days, 22 of which were weekends and five of which were public holidays. At least he did not have the time to stuff things up any more than they already are. And we have seen the Prime Minister's attitude to small business. She does not even think it is worthy of a seat in her cabinet.

Secondly, I would like to take this opportunity to expose the misleading conduct this government has engaged in against the most vulnerable members of our society—our disabled and their carers. This government promised them an NDIS when it knows it has not allocated one single cent of new money to fund the $6 billion required. Unfortunately this shameful misleading conduct by the Labor government towards the most vulnerable members of our society is nothing new. Last week John Mendoza, former chairman of the National Advisory Council on Mental Health, said he and many others were 'led up the garden path' by this government in terms of acting on mental health. And this government is doing it again by shamefully promising to deliver an NDIS when they have not got a clue where they are going to find the funds to pay for it.

It should also be noted that because of the government's reckless spending, because of their palpable waste—which I would need all night to detail—they have run up a bill which is north of $100 billion on our national credit card. The interest payments alone will require a future government to find at least $6.8 billion year after year after year until we start to pay down their debt. But for this government's waste and reckless spending, we would have the funds to pay for an NDIS now.

Finally, I would like to comment on the cooking of the books by this government. The public should be aware of how this government is cooking the books to create the impression of a phoney budget surplus by 2012-13 with their carbon tax legislation. Overall, the carbon tax legislation adds $4.4 billion to our budget deficit over three years.
So this mob add a new tax, cripple industry by driving up their costs and add to electricity prices, but, at the end of the day, they still need to borrow another $4.4 billion. That shows the economic incompetence of this government.

But somehow, for the coming financial year of 2012-13, despite the $4.4 billion hole, the carbon tax actually gives this government $1 billion, without which there would be no surplus in 2012-13. They only do this by an accounting trick—by doling out $3 billion in compensation in the last six weeks of this financial year. What a sham! It is typical of this government's misleading conduct. (Time expired)

**Chisholm Electorate: Social Housing**

Ms BURKE (Chisholm—Deputy Speaker) (22:27): I rise to speak on the issue of social housing, which is of particular concern to me and my electorate of Chisholm, where housing prices are quite high and rents are going through the roof. I have two large universities in my electorate, so rents are pushed up by university students seeking accommodation.

It is often said that members in this place can expect to be judged by how we deliver for the most vulnerable within our community. Social housing is one of those areas where much can be done for vulnerable groups, particularly the ageing, those with disabilities, those who are disadvantaged or on low incomes and, tragically, Indigenous Australians.

The federal government is doing some great work in this space. In December last year I had the great pleasure to represent the Minister for Housing and Minister for Homelessness, Robert McClelland, at the opening of a social housing initiative project in Oxford Street, Oakleigh in my electorate. This is a terrific project and a great location. It was a great to be there to open this wonderful initiative.

The social housing initiative is part of a range of initiatives to expand social and affordable housing. It is the single largest investment in social housing ever undertaken by a federal government, and something we should rightly be proud of. Representing $5.6 billion in funding, this program will mean that around 19,000 homes will be built across the nation by 2012, with over 16,600 of them having already been completed. In Victoria, over 3,800 of the 4,600 new homes which the federal government has committed to funding have been completed, with the remaining projects expected to be delivered this year. This literally equates to thousands of homes for vulnerable people in Victoria. The program is being administered predominantly by the not-for-profit sector and has been designed to assist low-income Australians who are homeless or struggling in the private rental market. My electorate has benefited greatly from the Social Housing Initiative, with 131 new homes already built and all repairs and maintenance of 152 dwellings already completed. As I stated earlier, it is quite expensive to buy within my seat and many people wish to stay within the electorate because that is where their homes, their families and their connectivity are. The Oxford Street development is one of many which will help address the housing shortages. This newly completed complex has 48 apartments—33 one-bedroom and 15 two-bedroom units. These units incorporate six-star energy ratings and environmentally sound features such as underground rainwater tanks and gas-boosted solar hot water units.

The dwellings are fully tenanted by a diverse mix of tenants—43 of the units being managed by the Department of Human Services have been targeted towards predominantly older persons; four units
provide transitional housing for people experiencing homelessness; and there is one unit for Indigenous Australians. The apartments provide a quality standard of living. These are genuinely very attractive units—this is not what was in my electorate originally, the old fibro home which no-one wanted to admit they lived in. This is not a ghetto environment like where you lived when I was growing up, in Jordanville; this is somewhere you are quite proud to say is your home. Numerous residents at the opening invited us into their new homes and were not only proud that they now had somewhere to call home but also proud of the standard of the facility. I want to particularly thank the builder, a local construction firm—Holden Peel Builders. One of the great things about this development is not only that we have left new homes but also that we created many jobs, and it was all down to a local firm with a local owner, one of our most involved local individuals, Mick Holden, who is very involved with the Oakleigh Amateur Football Club. He was incredibly proud of this development, and he put on several apprentices. It was an amazing win-win all around.

We need to contrast this with the Baillieu government's approach, which is now trying to claw back some of the benefits of this development. The Baillieu government has commenced notifying Victorian pensioners who are public housing tenants that their rent will be increased, therefore stripping away the increases to pensions introduced by the federal government. There was an agreement between the federal government and the states and territories that any pension increases would be quarantined from any rate rises. This protection is now being taken away by the Baillieu government.

Numerous local residents, such as members of the Ashburton, Ashwood and Chadstone Public Tenants Group, have expressed anger at these notifications, and rightly so. As one pensioner said to me, the increases were meant to assist them with their daily living costs, not to help the Victorian Liberal government. I call on the Baillieu government to reinstate the agreement to quarantine pension increases from public rent calculations and ensure a fair go for pensioners right across Australia.  

(Time expired)

The SPEAKER: It being past 10.30 pm, the debate is interrupted.

House adjourned at 22:33

NOTICES

The following notices were given:

Mr Bradbury to present a bill for an act to amend the Corporations Act 2001 and the Australian Securities and Investments Commission Act 2001, and for related purposes.

Mr Hunt to move:

That this House:

(1) recognises the:
(a) importance of World Plumbing Day on 11 March and its aim of highlighting the role that the plumbing industry plays in relation to health, through the provision of safe water and sanitation; and
(b) environmental role of the industry in water conservation and in energy efficiency and the increasing use of renewable sources of energy;
(2) notes that it is estimated that 3.1 million children die each year as a result of water related diseases; and
(3) congratulates the World Plumbing Council on its role in promoting the importance of the plumbing industry both in developed countries and in developing countries where good plumbing could save lives.
Tuesday, 28 February 2012

The DEPUTY SPEAKER (Ms D’Ath) took the chair at 16:00.

PRIVATE MEMBERS’ BUSINESS

Sovereign Wealth Fund

Debate resumed on motion by Mr Bandt:

That this House:
(1) resolves that a new Australian sovereign wealth fund should be established; and
(2) requires the Treasurer to present to the House no later than 26 October 2012, a report from the Productivity Commission detailing options as to:
   (a) how the fund should be established;
   (b) the fund's revenue and expenditure;
   (c) the fund's objects and governance structures; and
   (d) any other relevant matters.

Mr BANDT (Melbourne) (16:00): There is much talk of the miracle of the mining boom, but the reality is that we have a Jekyll and Hyde economy: one side of the economy is at war with the other. The more the mining bubble grows, the more the rest of the economy suffers—and we know what happens to bubbles: eventually they burst. At this rate, when the bubble bursts there will be little left to keep the economy going. So we need action: we need action to take the heat out of the dollar, we need action to ensure the enormous wealth of this mining boom is not squandered—squandered either by shifting the profits overseas, along with the iron ore and the coal; or squandered by spending today what the mining tax will raise instead of saving for tomorrow.

At the tax forum last year the Greens advocated that a substantial proportion of the proceeds from the mining boom should be quarantined for these two reasons. The first reason is intergenerational equity. There could be a fund that could be drawn on after the resources are exhausted as a means of sharing the benefits with future generations. The second reason is to address the challenge of the two-speed, or Jekyll and Hyde economy. A sovereign wealth fund investing offshore could help to counteract the appreciations of the Australian dollar, which have eroded the international competitiveness of important export industries such as sophisticated manufacturing, tourism and international education.

Sovereign wealth funds have operated well overseas, in places such as Norway, where they have invested proceeds from their North Sea oil. So we should commit to putting in place a sovereign wealth fund, and the first step is a thorough examination of how it could be done. Consequently, my motion calls for the Productivity Commission to properly examine the issue and report back. Sovereign wealth funds are generally state owned investment funds composed of financial assets such as stocks, bonds, real estate or other financial instruments. Around 36 countries have such funds; some countries even have more than one. Currently, $4.2 trillion worth of assets are under management by these types of funds—that is an increase of 11 per cent from 2010.
In some respects Australia already has a type of sovereign wealth fund. The Future Fund was established in 2006 to meet unfunded pension liabilities for former public servants and Defence employees. I do have criticisms of how the Future Fund has invested some of its revenue—most notably in tobacco shares, and I commend my colleague Senator Richard di Natale, who is working to address this issue—however, I do believe the Future Fund has shown that it is possible for such a fund to function effectively and with fairly wide support in Australia. I believe there is a need, and a space, for another sovereign wealth fund that could be an important economic stabiliser and provide the country with protection from overheating or from a future economic downturn. A new sovereign wealth fund could also help provide for the country's infrastructure needs.

In the time available I do not intend to try and debate all the issues relating to sovereign wealth funds. It is a complex and serious issue and deserves detailed discussion and examination, as my motion suggests. I do note that there are some high-profile advocates for the establishment of a sovereign wealth fund. Individuals such as Ralph Norris, previously the CEO of the Commonwealth Bank; and Mike Smith, the CEO of ANZ; as well as Fairfax chairman and RBA board member Roger Corbett. I also note the member for Wentworth has advocated for such a fund to be established, and I note his detailed and thoughtful speech on this topic in April last year. I anticipate that there will be those who do not support the establishment of such a fund at this time because, they will say, the budget needs to return to surplus first. I do not necessarily agree with that, but my motion is not inconsistent with it. My motion allows for a thorough examination to take place over the coming months, and those who believe that that ought to happen first can still nonetheless support this motion.

Mr Briggs interjecting—

The DEPUTY SPEAKER (Mrs D'Ath): Order! The member for Mayo will get his turn shortly.

Mr BANDT: I look forward to a productive debate on this motion, and I am willing to consider amendments to get this motion through, because nothing could be more central to our future economic prosperity than understanding how we manage the mining boom. It is incumbent on all of us to focus our efforts on that task. The Australian Greens and I will continue to advocate for a proper mining tax based on that proposed by Treasury and the Henry review, and we will continue to press for a sovereign wealth fund. I commend the motion to the House.

Mr BRIGGS (Mayo) (16:05): One joy of having children is that you get to read lots of fairytales, but I have not heard a better fairytale than what I have just heard from the member for Melbourne. In all seriousness, the Greens standing up with an economic policy which, to quote Ronald Reagan, is based on, 'If it moves, tax it; if it keeps moving, regulate it; if it stops moving, subsidise it,' is a joke. To be lectured to by the member for Melbourne about two former heads and one current CEO of a bank that the member for Melbourne spends nearly day after day kicking the living suitcase out of is, I think, just a little bit hypocritical now that he is taking their advice.

The member for Melbourne's understanding of the finance sector, if you are to believe him, is that, while Australia is nearly $300 billion in debt, what we should be doing is taxing the best performing industry even more because they will just keep creating jobs and investing even though they are now being taxed even more than they were before, and we should invest
all those proceeds in this sort of magical money pudding which is the Greens' economic policy. We should put that into a separate account for some future need. He then tries to quote the member for Wentworth as his source for the reason he supports this. I acknowledge that the member for Wentworth supports this concept, but you will find also that the member for Wentworth supports paying off the debt. That is not something you would do, Member for Melbourne, because you would have a multibillion-dollar dental scheme in place before that—a scheme, I might add, that the former Labor finance minister Peter Walsh, who I know the member for Fraser has much respect for, said would be the quickest way to bankrupt the Commonwealth. That is what Peter Walsh, the former Labor finance minister, said: the quickest way to bankrupt the Commonwealth.

So you have this sort of magical money pudding idea that the member for Melbourne wants to push around. He asks for suggestions for amendments that might help support it. Well, here is a suggestion: get rid of Bob Brown's bank. Get rid of the $10 billion you are going to spend and waste on projects that the Greens think are worthwhile, with all your economic expertise. Get rid of that. There is a start. There is $10 billion less that the future generations of this country, including my children, will have to pay off and that you are recklessly encouraging your coalition partners to engage in.

The member for Fraser knows all this is true. He knows you cannot set up a sovereign wealth fund which changes the dollar. The member for Melbourne did not even begin to explain how much would be required on the international money markets to change the value of the dollar. I wonder if the member for Melbourne has any idea at all about how much would be required to be in this fund. A hundred billion? Two hundred billion? Half a trillion? A trillion? How much Australian taxpayers' money would it be, member for Melbourne, that the Australian government—the five people sitting around a boardroom table—would have to sit there and invest overseas to play with the dollar value? How much would it be? How much Australian taxpayers' money are you willing for a group of people to spend overseas to play with the dollar's value? I would be really interested in the answer. I suspect the member for Melbourne has not got a clue.

The Greens on economic policy make the Labor Party look relevant. For goodness sake! We are nearly $300 billion in debt and he is talking about establishing a magic pudding sovereign wealth fund on the basis that the mining industry is going to continue to contribute these additional taxes, which of course will not damage investment at all! They will not stop people investing! No, you just continue to ramp up the tax. The next line will be 'because Australians own those assets'. That will be the next line we hear from the Greens. Of course, that is not true either. The mining companies invest their capital to make the most out of those assets. They are the people who employ. They are the people who take the chances. The taxpayer does not. By the way, those taxes that those mining companies pay and those jobs that they create go towards the Commonwealth so that they can provide services like health, education and the services that the Australian people demand. This motion should be laughed at. If it were coming from someone who had seriously thought about a sovereign wealth fund and wanted to engage in a debate about the merits of a sovereign wealth fund, it would be worthwhile having this discussion, but when it comes from the Greens, when it comes from a pretend communist, it is not worth the time to have this discussion. There are merits in having funds established. The Future Fund is one where you have a specific purpose. Peter Costello
saw that purpose as ensuring that in the future we are able to meet our obligations. To sit here for five minutes and listen to the member for Melbourne, the former communist, tell us about financial policy is a joke.

Dr LEIGH (Fraser) (16:10): It is always a pleasure to follow one of the modest members in this place! Opened in 1880, the Melbourne Royal Exhibition Building is widely considered a national treasure. It was the first building in Australia to achieve World Heritage listing. It was made possible by the discovery of gold in the 19th century. If you want to see the legacy of the first Australian mining boom, you just need to look around central Melbourne. The question we are facing today is effectively this: would Victoria now be better off if the Victorian government of the 19th century had saved the money rather than building infrastructure? That is basically the argument made by those who argue that the right policy response to today's mining boom is a sovereign wealth fund. One of those sovereign wealth funds has various advocates. I have certainly heard the members for Wentworth and Kooyong in the popular press making strong arguments in favour of sovereign wealth funds. There are typically three arguments made by proponents of sovereign wealth funds and it is worth going through those in turn.

First of all, some say that with the Australian dollar at historic highs we ought to amass greenbacks as a form of insurance against a currency slump. It is certainly true that a currency slump would be a shock to the economy, but it is not the only one we have to guard against. Governments have to anticipate and react to natural disasters, fiscal shocks and even unexpected technological change. We have already got substantial foreign holdings. The Future Fund has $75 billion, of which about a quarter is in overseas equities, and Australians have $1.3 trillion in superannuation, of which about a fifth is overseas assets.

The second argument made for a sovereign wealth fund is that it would cure Dutch disease, which occurs when a mining-induced currency rise hurts other export industries such as manufacturing, tourism or higher education. Most likely it is true that saving a greater share of mining tax revenues would lead to an easing in monetary policy and therefore a lower exchange rate, but the effect would be modest, particularly under current mining tax rates. If your top priority is to cure Dutch disease, a sovereign wealth fund is more of a bandaid than a vaccine.

The third argument for a sovereign wealth fund is that we need to boost national savings. It has got a virtuous ring about it, but it misses the fact that Australians already save a great deal. In 2010 our gross national savings rate was 25 per cent higher than Japan's. The current federal government's fiscal consolidation is one of the fastest on record and a significant share of government investment is a down payment on future productivity. That is what we are doing with the National Broadband Network, education and transport. If you believe that Australia needs to save more, you need to say which taxes you would increase or which spending you would cut. A sovereign wealth fund without deposits has all the usefulness of a pub without beer. To put it another way, a sovereign wealth fund is in simple terms a piggy bank that contains foreign currency. It is not much use if it is empty.

At its core the debate over a sovereign wealth fund comes down to intergenerational equity. Most economists and philosophers believe our generation has an obligation to hand on to our children at least as much wealth as we inherited. We do not need to preserve every hill and rock, but if we use up an asset we should replace it with one at least as valuable. That affects

FEDERATION CHAMBER
how we think about the climate change debate. The Great Barrier Reef has extremely high value, so it merits urgent action by our generation to preserve it. But intergenerational equity also reminds us that future generations will be richer than us and not necessarily any more public spirited, so there is no philosophical obligation to leave our children an overstuffed piggy bank rather than, say, a good education and a well-functioning rail network. Indeed, if we were to slash spending on skills and infrastructure and save the proceeds, future generations might well condemn us as short-sighted scrooges. This is not to say that there is not a strong case for a sovereign wealth fund sometime in the future. Maybe in the future we might be able to think about a Norwegian style fund to build a stock of assets to the future or a Chilean style fund to implement counter-cyclical fiscal policy, which was so sorely missing for much of the Howard years. But in the current economic environment it is hardly a high priority. If you are concerned about future generations, let us focus on the top priorities: a price on carbon pollution, shifting from the outdated mineral royalties scheme to a profits based mining tax, and investing in skills. These are the sorts of long-term investments that future generations will thank us for. In my view, the notion of a sovereign wealth fund can go in the safety deposit box for now.

Mr TUDGE (Aston) (16:15): I rise to also speak against this motion. Despite this idea of a sovereign wealth fund gaining some support in influential circles, as the member for Melbourne pointed out, a sovereign wealth fund should be firmly rejected. The fact that a sovereign wealth fund, at its essence, involves keeping taxes higher in order that the government invests in company shares, in itself, should be enough for most sensible people to firmly reject this idea. But, if we look more closely at the evidence, then that should put it beyond any dispute.

To start with, if you want to have a sovereign wealth fund you must have a budget surplus and you have to have paid off your existing debt. In case you have not quite realised, we currently have a $37 billion deficit forecast for this financial year—although that will probably grow by the time we get to the end of it—and we have a net debt of $132 billion. Even if we get to the surplus which the Labor government promises us next year, of $1.5 billion, and similar amounts over the forward estimates, it will take 80 or 100 years before we pay back the debt which this government has accumulated. We have got to get the budget back into surplus and we have got to pay back the debt before we can even think about creating some new financial assets.

Mr Husic: When are you going to deliver it?

The DEPUTY SPEAKER (Mrs D’Ath): Order! Allow the member for Aston to be heard in silence!

Mr TUDGE: Of course, many people on the other side of the table—and certainly the Greens member—would have us go into further debt in order to acquire shares in Procter and Gamble, and Mobil overseas. I find that a ridiculous proposition. I can understand why the Greens would advocate going into further debt so that the government can purchase shares overseas, but I cannot understand why normally sensible people like Ed Husic or Andrew Leigh would advocate such a proposition.

Even if no national debt existed, putting budget surpluses in a sovereign wealth fund is a poor idea. If we are honestly interested in intergenerational equity, which is one of the arguments being put forward for a sovereign wealth fund, what we should be doing is
ensuring that our policy settings are geared toward maximising GDP. That is what former Treasury Secretary Ted Evans said. And if we want to maximise GDP, which is the best thing that we can do for future generations, we need to lower taxes, we need to invest in productive infrastructure such as our ports, or completing the Melbourne ring road, rather than keeping taxes high in order to invest in foreign owned financial assets.

Of course, as Dr Leigh pointed out, there are times when we do need to increase savings, but now is not that time. We actually have quite a high savings rate in Australia—higher than the OECD average. Of course, if we did want to increase savings, then let us increase private savings rather than public savings. Private savings means that people can invest where they like, so it is good in principle, but it also means that you have the full diversity of the assets invested, so you end up with a better return than if the government were to invest in particular assets.

If we do go down this path of a wealth fund, as has been advocated by the member for Melbourne, then we can soon have the government owning a sizeable proportion of a particular company's share, which means it then has a conflict of interest when it is trying to regulate that company, because it ends up owning 10, 15 or 20 per cent of that company.

The member for Melbourne also raised the issue of using a sovereign wealth fund to address our currency concerns. The member for Mayo addressed this as well. Again, it is not something that a sovereign wealth fund could do unless it were an enormous fund. The Australian dollar is the fifth most traded currency in the world—$4 trillion is traded in the Australian dollar every single day. Member for Melbourne, do you honestly think that our sovereign wealth fund will be able to manipulate that currency with $50 billion or $100 billion? How big does this sovereign wealth fund have to be? It will be in Procter and Gamble, or Mobil or Philip Morris, or other overseas companies that we will invest our taxes. It is a ridiculous proposition. It is always superficially attractive to have a big pot of money for a rainy day but, at the end of the day, it involves trade-offs, and the trade-off in this case is holding taxes high in order to invest in foreign owned shares and foreign owned financial assets. (Time expired)

Mr HUSIC (Chifley—Government Whip) (16:20): The member for Aston is normally rather mild and reserved, but the member for Mayo has him all riled up and he has decided that he is going to go out there with both fists swinging on this idea. Amazingly, I think we will find that a number of us have views about whether a sovereign wealth fund should be established. I am always happy to examine ideas but in moving down that path I also want to make sure that, particularly where we have to make choices over government spending and where we best direct that spending, we are using funds in the best possible way and seeing whether there are alternatives.

Certainly the whole notion of a sovereign wealth fund, to put it into context, has come about as a result of where we are at with the mining boom and people being concerned, and obviously we are just as concerned within government, that once you extract those minerals that is it. They can be extracted only once and exported only once, and the value generated can occur only once. From our perspective, I can certainly understand conceptually that we would want to maximise that benefit for the country not just for now but into the future, as well as looking at what might be done to ease some of the economic impacts felt elsewhere as a result of the mining boom.
A sovereign wealth fund is not a new concept. It has been around since the 1950s, and there are a variety of different funds that exist in terms of the scope or the way in which they were established. They are either stabilisation funds, savings funds or development funds. People have pointed to the Future Fund. I understood that the purpose of the Future Fund was largely in relation to ensuring that the Commonwealth could meet its liabilities with respect to superannuation for Commonwealth public servants. The Future Fund was never set up in a way to deal with the scope that the member for Melbourne has highlighted, which is to help ensure that we maximise the benefits of the mining boom or to ameliorate some of the impacts of the mining boom on the economy.

From my perspective, we have a form of sovereign wealth fund in place right now. If conceptually people are concerned about maximising the value of the resources boom to the Australian economy, we have taken a step this year, which was opposed bitterly by the coalition—that is, to put in place the minerals resource rent tax. Look at the money that will be gained and what we are looking to do with it. For example, through the revenue generated through the MRRT we are looking to boost superannuation funds. We are looking to ensure that we can propel future investment by adding to the national pool of savings through what we are doing with the MRRT flowing through to superannuation. It is not us as a government necessarily picking and choosing what shares we will expend government revenue on, rather the superannuation funds themselves will do that on behalf of their members. That is what we are seeking to do. We are seeking to ensure, for example, that small business will benefit through what we are doing with the MRRT by ensuring that they are able to write off assets to the value of $6½ thousand, and by helping them we will ensure that we can boost employment prospects for the economic health of those small businesses, 96 per cent of which I understand form the backbone of Australian business today. My particular concern, and this has also been expressed rather forcefully by the member for Mayo and backed up by the member for Aston, is that if we are looking in terms, for example, of stabilising the currency for economic purposes with a concern for what that will do to manufacturing—and I have spoken in this place and elsewhere of my concerns about that—the amount of money required would be huge. We have heard the member for Aston highlight that $4 trillion is traded in the Australian dollar on any given day. It would be of very serious concern, then, if we were to say that we would defer decisions on education, health and other infrastructure because we wanted to put that money into a sovereign wealth fund.

I do not doubt that, from his perspective, the member for Melbourne is motivated by economic concerns about this matter. But if we are to make choices about how we spend this money we do need to think carefully about how we do it and whether or not the money that we invest reaches the intended objective.

Mr VAN MANEN (Forde) (16:25): I too rise to speak on the member for Melbourne's motion on the establishment of a new Australian sovereign wealth fund. In essence, Australia already has a sovereign wealth fund: the Future Fund. That was established by Peter Costello and is currently worth some $73 billion. I think that the work we as a coalition government did through the leadership of the Howard-Costello government when we paid off $96 billion worth of Labor debt and built a portfolio of assets in a Future Fund is a tremendous example of how an economy should be properly managed.
Whilst the primary purpose of that fund was to provide unfunded Public Service superannuation liabilities, I think it also provided some sort of model for what we could potentially look at in the future. In September 2011, Sovereign Wealth Funds News listed the Future Fund as the '14th largest sovereign wealth fund in the world'. The Future Fund played a crucial role in helping Australia combat the global financial crisis by providing vital liquidity to our banks in the initial fortnight of the panic on world capital markets, following the collapse of Lehman Brothers.

In principle, I think the idea of a sovereign wealth fund has merit. However, given our current economic position and thanks to the reckless spending and mounting debt under this Labor government, talk of expanding our sovereign wealth resources is purely both academic and premature.

If the Greens were serious about restoring resilience through a fund, they would not have recklessly demanded the establishment of the $10 billion Clean Energy Finance Corporation—the Bob Brown Bank—as a price for their carbon tax support. We have no certainty as to how that money will be spent and what economic return we will get. This fund would be established from borrowed money, which in the first place will put further upward pressure on our already mounting debt and interest rates.

I would like to stress that the views expressed in this place today, whether in support of or against an Australian sovereign wealth fund, will have little impact until a surplus is delivered and we start repaying the debt. I have previously mentioned in this place that under Labor we have seen four of the biggest budget deficits in our history. Labor continue to borrow $100 million per day and, in just four years, Labor have turned a $20 billion surplus into $167 billion in accumulated deficits and $70 billion in net Commonwealth assets into what will be $136 billion of net debt.

Currently, Australians are paying $100 million a week in interest, which is robbing our future generations of their wealth. Our annual interest payment on Labor's debt is some $7 billion a year—equivalent to the cost of seven hospitals or, to touch on a current topic, the funding of our NDIS. The Labor-Greens government cannot handle the budget, so why would we trust them with a national savings vehicle? In the past they have taken advantage of national savings vehicles.

For example, the coalition set up the $2 billion communications fund, where the interest was to be invested in telecommunications upgrades in rural and regional Australia in perpetuity. But that has not occurred because the current government had got their hands on it and milked it. Similarly, money put away in the Building Australia Fund was raided and the education endowment fund has been scrapped.

The temptation for politicians to raid sovereign wealth funds was recently referenced in an article in the Australian, entitled 'Sovereign wealth funds poor value for money'. The author, Adam Creighton, put forward his views, stating that sovereign wealth funds 'ultimately provide a tempting pot of funds for politicians to raid'. We do not need to tempt this government to spend money they should be saving. They are already doing a good job of that themselves. It would be far more productive to concentrate on getting back to surplus rather than establishing another fund. Put simply, we do not need another piggybank full of borrowed funds at risk of being pilfered by this government. We need strong economic policy that will guide us back to surplus. (Time expired)
Debate adjourned.

Teal Ribbon Day

Debate resumed on motion by Ms Hall:

That this House:

(1) notes that:

(a) 29 February 2012 marks Teal Ribbon Day, which:

(i) is part of the month long national campaign throughout February to raise awareness of the symptoms of ovarian cancer; and

(ii) aims to raise awareness among Australian women of the symptoms of ovarian cancer;

(b) more than 1200 Australian women will be diagnosed with ovarian cancer this year, and one in 77 will develop ovarian cancer in their lifetime;

(2) notes with concern that:

(a) the prognosis for women diagnosed with ovarian cancer is generally poor due to the advanced stage of most ovarian cancers at the time of diagnosis; and

(b) over 800 women will lose their battle with ovarian cancer each year, equivalent to one woman every 11 hours;

(3) acknowledges that there is no screening program or detection test for ovarian cancer, and that the Pap smear will not detect the disease;

(4) recognises that:

(a) ovarian cancer is not a silent disease and that all women experience symptoms, even in the early stages of the cancer; and

(b) the four most common symptoms are:

(i) abdominal or pelvic pain;

(ii) increased abdominal size or persistent abdominal bloating;

(iii) needing to urinate often or urgently; and

(iv) difficulty eating or feeling full quickly;

(5) understands that every Australian woman needs to know the symptoms of ovarian cancer; and

(6) asks all Members to show their support by wearing a teal ribbon on Teal Ribbon Day.

Ms HALL (Shortland—Government Whip) (16:31): February is Ovarian Cancer Awareness Month and tomorrow, 29 February, is Teal Ribbon Day, a day where the issue of ovarian cancer is raised within the community, and a day that is put aside for fundraising for research into ovarian cancer.

Ovarian cancer affects a significant number of women in Australia. One in 77 women will develop ovarian cancer in their lifetime. Ovarian cancer is the sixth most common cause of cancer death in Australian women, and ovarian cancer has an enormous impact on a number of women. Like many people in this parliament, I have known people who have had ovarian cancer. I had a very dear friend who ended up dying from ovarian cancer, and when that happened it made me very aware of the fact that ovarian cancer is one of those diseases that women are not very familiar with.

Ovarian cancer is a very silent sort of cancer, one that creeps up on people. As a result of that, diagnosis tends to happen at a later stage and the disease has advanced by the time it is finally diagnosed. But there are some signs: abdominal or pelvic pain, increased abdominal...
size or persistent abdominal bloating, a need to urinate often or urgently, and difficulty eating or feeling full very quickly. Women may experience some of those symptoms from time to time, but if they continue for longer than a two-week period then they should consult their doctor.

As I have mentioned, the outcome is generally poor for women who suffer from ovarian cancer. Research has been done into it and there has been a slight improvement in the outcome for women suffering ovarian cancer. For women aged from 40 to 80 there has been a slight decline in the loss of life. But when women over 70 are diagnosed with ovarian cancer, it tends to be more aggressive and at a later stage and their prognosis is not very good. Similarly, for women under the age of 40 the outcome tends to be a lot poorer.

As I mentioned, there has been improved survival rates and that has given increased hope to women diagnosed today. A better understanding is needed of the biology of ovarian cancer. There is a need for a test that would lead to early detection. You cannot go and have a Pap smear. You cannot go and have a single test to determine that you have ovarian cancer. As I mentioned, the Pap test and other tests do not work.

Earlier I said that 800 women were diagnosed per year with ovarian cancer. That was back in about 2006. That has now increased to 1,200 women a year being diagnosed with ovarian cancer. That is 800 women who will actually lose their battle with ovarian cancer each year. So it is a significant number of women who are affected by it. Tomorrow is Teal Ribbon Day, and it is very important that we get behind it and support it and encourage research into this very slow, disastrous form of cancer that impacts on so many women in our society. I know that all members of this House will get behind Teal Ribbon Day. Wear your ribbon tomorrow and attend breakfast in the morning.

Mrs PRENTICE (Ryan) (16:36): I rise to speak on this motion today as we acknowledge February as Ovarian Cancer Awareness Month. I thank the member for Shortland for bringing this important issue to the attention of the parliament in the hope that it will raise awareness of the symptoms so we may better pre-empt this terrible disease. For women in Australia, ovarian cancer is the most common cause of gynaecological cancer death. Most alarmingly, the number of ovarian cancer cases has increased by 47 per cent between 1982 and 2006. The Australian Institute of Health and Welfare predicts the number of cases will continue to rise in the future. Unfortunately, this cancer is very rarely identified or diagnosed in the preliminary, and therefore more treatable, stages. As with many cancers, it is absolutely imperative that women with a familial history undergo early screening. But, due to current limitations in technology and understanding of the aetiology of this cancer, the imperfect screening methods still fail to pick up many cases.

The Queensland Institute of Medical Research has found early diagnosis, either through pelvic examinations, the CA125 or biomarker blood tests or ultrasounds, do not result in reduced mortality rates. Screening programs by the United Nations World Health Organisation and the Australian Population Based Screening Framework have been developed. However, it notes that we are unable to specifically target a tumour in the ovaries until there are recognisable symptoms. Add to this the commonality of many of the symptoms, all of which can be attributed to other less serious or more common illnesses, and you have a very difficult situation. Ovarian Cancer Australia is working hard to provide resources for women, including a symptoms diary, which helps track what would otherwise
be unexplained, persistent symptoms so that they are better prepared to discuss them with their doctor.

The first step after diagnosis is a laparotomy, where as much as possible of the tumour is removed. Chemotherapy and sometimes radiation therapy then follow. There is a particular distinction in the growth and spread of ovarian cancer which can make the cancer cells acquire resistance to the normally prescribed drugs. Unfortunately, this makes the prognosis in individual circumstances very difficult to predict.

However, significant amounts of funds are being directed into research projects, and the Queensland Centre for Medical Genomics at the University of Queensland in my electorate of Ryan is leading the way, having received $27.5 million in 2009 to devise biomarker and genetic techniques to detect ovarian and other cancers. Professor Sean Grimmond, Director of the Queensland Centre for Medical Genomics at the University of Queensland, and his team are about halfway through their project, and they are very excited about the progress made to date. Working closely with the Peter MacCallum Institute in Melbourne and other global partners in the International Cancer Genome Consortium, it is the largest international effort of its kind to date. While this project will involve more than 25,000 patients of more than 50 different tumour types, there will be a particular focus on ovarian and pancreatic cancer, as they have some of the lowest five-year survival rates. They are focusing on ovarian cancer because of the unique prognosis of this disease as compared with other cancers. According to Professor Grimmond, in the first instance the tumour or any remaining parts of an ovarian cancer tumour can be very sensitive to treatment with chemotherapy. However, even if the tumour goes away for one or two years, what can then present in patients is a tumour resistant to the traditional forms of chemotherapy. This has massive implications for the quality of life of the patient, since after removal—and even possibly remission—there is the ever present fear that it may return in an untreated form. This is why Professor Grimmond and his team are dedicated to furthering genomic sequencing for ovarian cancer, so that in the future women will be able to have a greater sense of security regarding the prognosis and treatment of their disease.

I will wear a teal ribbon tomorrow, Wednesday, 29 February, to remember the women who have battled ovarian cancer, to support those who will face it in the future, to raise awareness of the ongoing search for a cure and to thank those who are working towards it.

Ms VAMVAKINOU (Calwell) (16:40): I rise today to support the member for Shortland's motion to the House marking 29 February as Teal Ribbon Day as well as the month of February being a month of ovarian cancer awareness. It is an issue of great public importance not only to the people of my electorate but also to the broader Australian community, so I do welcome the opportunity to speak on this motion.

Teal Ribbon Day is an opportunity for us to remember those women who have been lost to ovarian cancer as well as to support those who are still fighting the disease. I want to take this opportunity to remember one of our own, the late Senator Jeannie Ferris, who passed away some years ago from ovarian cancer. Jeannie and I became good friends while we were involved in the Inter Parliamentary Union and I was very fond of her, so I just wanted to remember her today.
Ovarian cancer places an incredible burden on the lives of the many Australian women and their families and it is often incorrectly referred to as a silent disease. We do know now that in fact ovarian cancer has some very clear symptoms and as the Director of Ovarian Cancer Australia, Ms Paula Benson—herself a survivor of ovarian cancer—highlights:

Scientific evidence has shown that many women do experience symptoms that, if acted on, could result in an earlier diagnosis and a better chance of beating the disease.

With this in mind, Teal Ribbon Day is very much about busting the myths surrounding ovarian cancer, myths which explain why less than a third of women correctly diagnose the most common risk factors relating to this condition. The other more than two-thirds who are diagnosed at an advanced stage are diagnosed at a time when successful treatment is very difficult. Women are always very busy, we have got lots of commitments—our work, our families, our very frantic lifestyle—and we tend to ignore symptoms. The message is very clear that we need to listen to our bodies and to learn—as the member for Shortland quite correctly suggested—that there are symptoms that are now known to be very much indicators of possible ovarian cancer. What is vital with this form of cancer, and what is not often known, is that there are no screening tests. We have said that before and we need to keep saying this—that there are no screening tests—so it becomes very important that we learn to identify the symptoms for ourselves and visit our doctors if we are not sure about some of the symptoms that we are experiencing.

We are lucky to be living in a country which has built a formidable foundation of research and treatment programs for the overall benefit of Australian women, but today's message in relation to ovarian cancer is that research is still pretty much at an early stage and that more work needs to be done in order to help women deal with the disease and to also be more aware of it. In an Australian Institute of Health and Welfare study in 2010, ovarian cancer was shown to be the fourth leading cancer cause of burden of disease for females, causing nearly 30,000 disability adjusted life-years for women—it is a large number. I know breast cancer is one of the major killers of women, but ovarian cancer is up there in the top five as well.

In my electorate I participate in many events that are aimed at promoting awareness and introducing and teaching women about preventive measures so that we can ensure that, as a member of parliament, the women I represent are able to understand and prioritise their health. Women, especially those with families and children, are almost the central core element of their families and they are also active participants in the broader community, and that is why women tend often to overlook their own health. If we think of anything tomorrow, it is that we need to put ourselves first from time to time and to pay attention to what our body is telling us. In my electorate, I have a very large non-English speaking community and I make a very big effort to ensure that all information is made available to women in languages other than English because if we are conveying a message we need to be sure that our women can understand it and read it.

Ms O'DWYER (Higgins) (16:45): I rise today in support of the member for Shortland's motion and endorse the comments from the member for Shortland, the member for Ryan and the member for Calwell. This is indeed a very important issue. It is an important issue not only because it goes to the health of many Australian women but because it is one of those areas where research is still being undertaken and there is so much yet to learn.
I have recently been appointed by Ovarian Cancer Australia as one of their ambassadors. It is a responsibility that I take incredibly seriously. What some people do not realise is just how devastating ovarian cancer can be. Each year, around 800 Australian women will lose their battle with ovarian cancer. That is one woman every 11 hours. What it is so concerning about this disease in particular is that there is no clear detection test. A lot of women think that if they have a Pap smear that this somehow is going to be an indicator for ovarian cancer, but this of course is not the case. More than 1,200 women will be diagnosed with ovarian cancer this year alone in Australia. That is three women every day—a very serious statistic. When you consider that one in 77 Australian women will develop ovarian cancer in their lifetime, it is clear that this is why we need to raise the national prominence of this devastating disease.

Despite all of the publicity around breast cancer and prostate cancer, ovarian cancer is actually the sixth most common cause of cancer death in Australian women. As was rightly pointed out by the members before me, it is important for Australian women to be very familiar with the symptoms of ovarian cancer. I am going to run through them because it is worth repeating. There are four key symptoms: abdominal or pelvic pain; increased abdominal size or persistent abdominal bloating; needing to urinate often or urgently; and finally, difficulty eating or feeling full quickly. The problem is that these symptoms are quite common symptoms and a lot of women do not recognise that these symptoms are linked with ovarian cancer. It is critical that if women do experience these symptoms over time, and that they are new to them and persist for more than two weeks, they should consult their doctor and do so as quickly as possible.

Part of the reason that ovarian cancer has such drastic statistics in terms of life expectancy is that it is often discovered so terribly late. Seventy-five per cent of ovarian cancer sufferers do not survive the diagnosis. That is why medical research is so critically important and there have been some tremendous leaps in medical research as advanced by the team of amazing researchers at the Peter MacCallum, who are internationally recognised for their program. I would like to place on record my thanks to them for the significant work that they are undertaking right now. It is also important to note that research only happens with government support and assistance, as well as philanthropic assistance.

In my electorate of Higgins, just on the border, I am fortunate to have two incredible research institutes: the Baker IDI Heart and Diabetes Institute and the Burnet Institute. They are part of the association of Australian medical health research associations. These research associations are very concerned to ensure that in the upcoming budget they continue to receive appropriate government assistance so that they can continue to undertake the important work that they do in health and medical research. We know that last year that medical health research budget was under threat and we hope that this year it will not be the same and that their funding is, in fact, safeguarded. So I think it is important to place on record that we appreciate the important work that they do, the important work of Peter MacCallum and the importance of this issue of ovarian cancer to all Australians.

Debate adjourned.
Debate resumed on the motion:
That the House take note of the report.

Mr ADAMS (Lyons) (16:51): On Thursday, 15 September 2011 the House of Representatives Selection Committee report referred the Wild Rivers (Environmental Management) Bill 2011 to the House of Representatives Agriculture, Resources, Fisheries and Forestry Committee for inquiry. The bill was introduced into the House of Representatives on 12 September 2011 by the member for Warringah. The bill is similar to two bills introduced into the House of Representatives in 2010 also by the member for Warringah. The 2010 bill was referred to the House of Representatives select committee of the House of Representatives economics committee for inquiry and report on 17 November 2010. The report of that inquiry was tabled on 12 May 2011. In addition, two similar bills were introduced into the Senate by Senator the Hon. Nigel Scullin. These bills were both referred to the Senate Legal and Constitutional Affairs Legislation Committee, which reported on 22 June 2010 and then 10 May 2011 respectively.

On 24 November 2011 the House of Representatives select committee also referred the 2011 bill to the Standing Committee on Social Policy and Legal Affairs. While recognising that the 2011 bill has been referred to an alternative committee, some members of the committee wish to briefly note the following workability issues in the bill, several of which have already been raised in previous parliamentary inquiries, such as ownership definitions, dispute resolution, employment guarantees and the creation of different tiers of land rights. These were highlighted to the committee. Others felt the bill had been adequately dealt with at committee level. Given the fact that the 2011 bill has now been referred to an alternative committee, the committee has resolved to conclude its inquiry into the 2011 bill with this report. I would like to thank the members of the committee for their work in relation to the inquiry and thank the government officials who briefed the committee on the bill in 2011. I commend the report to the House.

Debate adjourned.

Environment Protection and Biodiversity Conservation Amendment (Mining, Petroleum and Water Resources) Bill 2011

Report from Committee

Debate resumed on the motion:
That the House take note of the report.

Mr ADAMS (Lyons) (16:54): On Thursday, 15 September 2011 the House of Representatives select committee report referred the Environmental Protection Biodiversity Conservation Amendment (Mining, Petroleum and Water Resources) Bill 2011 to the House of Representatives Agriculture, Resources, Fisheries and Forestry Committee for inquiry. The bill was introduced into the House of Representatives on 11 September 2011 by the member for New England. As I will explain, the committee is of the view that the bill should not pass at this time.
As outlined in the report, this bill was introduced at a time when there was considerable community debate about coal seam gas exploration and extraction. Since the bill was introduced there have been a number of policy developments regarding the regulation of coal seam gas. The committee asked the Australian government as well as all state and territory governments to provide submissions to the inquiry. The committee received six submissions. These submissions were very useful to the committee and I would like to thank those governments that took the time to make submissions.

As I just noted, there have been some policy developments since this bill was introduced in the House. The new Standing Council on Energy and Resources under COAG has agreed to develop a national harmonised regulatory framework for the CSG industry. The Prime Minister has made undertakings to the member for New England relating to coal seam gas during parliamentary considerations of the mineral resource rent tax. These policy developments are discussed in detail in the report and the committee supports them. The committee has found that, if these developments are implemented as planned, the bill would be unnecessary. However, the committee is aware that there is a lot of outstanding work on these developments to be completed. A final judgment on the bill cannot be made at the moment. Therefore the committee will monitor these matters. As I noted a moment ago, the committee is of the view that the bill should not be passed at this time.

I would like to thank the members of the committee for their work in relation to the inquiry and thank the various governments for their submissions to the inquiry. I commend the report to the House.

Debate adjourned.

COMMITTEES
Australian Commission for Law Enforcement Integrity Committee
Report

Debate resumed on the motion:
That the House take note of the report.

Ms PARKE (Fremantle) (16:57): On behalf of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, I present the committee’s report entitled Examination of the annual report of the Integrity Commissioner 2010-11. As a matter of process, I can say at the outset that the committee has found that the annual report is fully compliant with the Law Enforcement Integrity Commissioner Act 2006 and regulations as well as with other relevant government requirements. This annual report is the fifth provided by the Integrity Commissioner and covers ACLEI's fourth full year of operation. The Law Enforcement Integrity Commissioner Act 2006, the LEIC Act, requires the committee to examine each annual report and each special report prepared by the Integrity Commissioner and report to the parliament. As there were no special reports prepared by the Integrity Commissioner during 2010-11, the committee focused its examination of ACLEI's fifth annual report on the following: first, on ACLEI's achievements against the performance reporting framework; second, on the direction of ACLEI; and, finally, on certain issues arising from ACLEI's reported performance in 2010-11.

I begin by observing that ACLEI achieved the set performance targets in 2010-11. Nevertheless, the committee observed that the balance between ACLEI's workload and the
resources it is given to handle that workload must continue to be monitored. The most significant development in 2010-11 was the inclusion of the Australian Customs and Border Protection Service within ACLEI's jurisdiction. The committee recommended that this occur in its interim report for the inquiry into the operation of the LEIC Act.

In 2010-11 the Attorney-General's Department engaged Mr Peter Hamburger PSM to review ACLEI's capabilities, operating arrangements and resources. Mr Hamburger made three recommendations: government should consider establishing reporting arrangements on the timeliness of ACLEI's assessment process and its coordination with law enforcement agencies; an MOU should be developed between ACLEI and the three law enforcement agencies within its jurisdiction, under which ACLEI would be assured of an acceptable amount of physical surveillance capacity; and an agreement should be secured by which the law enforcement agencies would each transfer a small amount of funds to ACLEI to strengthen its capabilities in areas other than investigation, especially in relation to prevention activities. The committee supports these three recommendations and will monitor their implementation. In the committee's view, the most serious finding of the review was that ACLEI required greater access to high-end investigative capabilities, especially physical and technical surveillance capacity for which it had statutory authority but insufficient logistical capability. The committee congratulates ACLEI on another successful year of operation while recognising that significant challenges remain. These include the ongoing integration of Customs and Border Protection within ACLEI's anticorruption remit, improving the timeliness of assessments and investigations in the face of limited resources and further development of corruption prevention and education programs.

The committee welcomes the government's announcement on 13 December 2011, made by the then Minister for Home Affairs and Justice, the Hon. Brendan O'Connor, that further funding will be provided to strengthen detection and investigative capability within ACLEI. The committee looks forward to further detail in upcoming budget papers and annual reports. The annual report also notes the establishment of the community of practice for corruption prevention to bring together practitioners from agencies under ACLEI's jurisdiction and the formation of the Australian anticorruption commissions forum, comprising integrity agencies from around Australia.

I would like to acknowledge that the fifth anniversary of the establishment of ACLEI occurred on 30 December 2011 and that the fifth anniversary of the establishment of the committee occurred the day before yesterday, 26 February. In terms of the ACLEI committee's future work in 2012, the committee is now focusing on its inquiry into the integrity of overseas law enforcement operations. This is an understandably complex and critical area of inquiry and it continues the ACLEI committee's important function in assisting the positive and constructive evolution of the Australian Commission for Law Enforcement Integrity.

In conclusion, I take this opportunity to thank all my fellow committee members, including of course the deputy chair, Senator Ian Macdonald. I also thank the committee secretariat for their continued hard work in supporting us in our task. I want to particularly thank Dr John Bell, who has been a wonderful secretary to the committee and who will soon be leaving to undertake other responsibilities. The committee has had very high-level professional support from Dr Bell and we will all miss his wisdom and gentle kindness. We wish Dr Bell and his...
family well for the future. I also would like to congratulate and thank, once again, the Integrity Commissioner for a very good report. Thank you. *(Time expired)*

Debate adjourned.

**Foreign Affairs, Defence and Trade Joint Committee**

**Report**

Debate resumed on the motion:

That the House take note of the report.

**Mr Danby** (Melbourne Ports) *(17:03)*: I am a bit taken aback. Mr Deputy Speaker, I am unused to seeing you there. I welcome you in your new capacity.

**The Deputy Speaker (Mr Windsor):** This is my first occupation of this chair.

**Mr Danby:** Very elevated it is too, and I am sure you will fill it out very well. This report, *Review of the Defence annual report 2009-10*, looked at issues of the strategic reform program personnel, including the people in defence strategy; ADF pay remediation and mental health reforms; and justice and security, including military justice, security of our vital national assets in north-west Australia, Border Protection Command, ADF security, the Defence Materiel Organisation and others.

I am reticent to steal some of Dr Jensen's thunder on this because he is doing the official report as the deputy chair of the Defence Subcommittee but, as chairman of the overall Joint Standing Committee on Foreign Affairs, Defence and Trade, I want to share some of the concerns I know he will express about some of the evidence from defence department officials. I got the feeling from the people on the subcommittee that perhaps they could have been better prepared and more articulate. They seemed poorly briefed on a couple of occasions and their lack of preparedness was compounded by the delay in the provision of answers to questions taken on notice. We have very many active members of that subcommittee—Senator Furner in another place and Dr Jensen, who often do have very detailed questions. I am concerned that the strategic reform program seems to be a nice title for a reconsideration of some of the department's ways of looking at things, but I am afraid it is going to need deeper cultural reform. We have some very big procurements coming up, such as the joint strike fighter and particularly the submarine program. I am very concerned that the parliament, all members of political parties from both sides, as well as the department and whichever government is in office—because the plans of the defence department will take place over a very long period of time—are involved in making some of the big decisions that need to be made. There has been a great deal of public criticism of previous decisions, including the purchase of the Collins class submarine and some of the problems that have taken place because of, as the defence minister has said, insufficient planning beforehand. But we now have a projected $30 billion program, particularly with the submarine program, that I am most concerned about.

I want to use the occasion of this general review of the defence annual report to signal those concerns. We are sending a group from the defence committee together with the senate committee to the United States, Germany, the United Kingdom and Spain soon. I expect Dr Jensen and a number of other members—led by Senator Furner, Senator Bishop, Senator Stephens and Senator Johnston from the opposition—to make serious inquiries into the
projected purchases of equipment, submarines, the joint strike fighter and many other military pieces of kit that the defence department is seeking to acquire.

I am particularly concerned about the submarine program in the light of the report ASPI made just recently. The Australian Strategic Policy Institute has indicated that there are other ways of approaching the necessity for protecting Australia's northern approaches other than the very expensive program that will come at the cost of other expenditures that the Australia government can make and other defence expenditures that it might make. Therefore, I am very pleased that this group is going overseas. It is a very serious investigation. I see the parliament as having a particularly important role in ensuring that these defence purchases, and the defence reports, are considered very seriously, as this one has been considered.

**Dr JENSEN** (Tangney) (17:08): On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I have pleasure in presenting the committee's document entitled, *Review of the Defence annual report 2009-10*. The review of the Defence annual report is an important task and an opportunity for the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade to inquire into a broad range of defence issues as part of the process of accountability of government agencies to parliament. The subcommittee takes this responsibility very seriously.

The subcommittee took evidence from senior Department of Defence officials at a public hearing held in Canberra on 25 March 2011. The subcommittee selected a broad range of issues for examination at the public hearing. In broad terms, the focus area was the strategic reform program; personnel, including the people in defence strategy; ADF pay remediation and ADF mental health reforms; justice and security, including military justice; security of vital national assets in the north-west of Australia; border protection command and ADF base security; and the Defence Materiel Organisation, including reform and procurement projects of concern and specific projects. Due to the size and complexity of the defence department, the committee secretariat offered to assist Defence in its preparation for the public hearings on 25 March last year. Unfortunately, other than the secretary, the Chief of the Defence Force and those officers representing DMO, Defence officials seemed poorly briefed and ill-prepared for the hearing. This lack of preparedness was compounded by the delay in the provision of answers to questions taken on notice. Answers to questions on notice were provided some five months after the hearing. The committee therefore recommends that the Department of Defence review its practices and procedures to ensure that answers to the committee's questions on notice are provided in a more timely manner.

Documentation and hard evidence on the outcomes of the Strategic Reform Program were hard for the committee to find. There is a difficulty in an organisation as big as Defence of tracking savings. The committee therefore spent much of its time questioning Defence on its idea of a cost-conscious culture. The committee acknowledges the difficulty in any organisation creating cultural change. However, the committee is concerned that Defence will not be able to institute the cost-conscious culture necessary not only for the SRP but for the Defence organisation long past 2030. The SRP relies more on cultural change than rigorously costed savings plans. Creativity and innovation should be the norm in any department. Labelling this as some kind of new and special program is illusory.
The committee looked into base security and is concerned that at the time of its public hearing some 20 months after the threats to Holsworthy barracks, the defence department is only very slowly moving towards decreasing the threat level of its bases.

In relation to the Defence Materiel Organisation, whilst heartened by the establishment of the independent project performance office, the committee is concerned that this must not become another level of bureaucracy that hinders rather than helps the performance of DMO.

Lastly, I want to make comment on the joint strike fighter. At the time of writing, the committee had three main concerns regarding the JSF: cost, schedule and capability. Additionally, I am highly concerned as to the capability or lack thereof of the JSF and am concerned that there has never been a process of conducting an analysis comparing contenders, nor has there been an open capability requirement in evidence which the new air combat capability should fulfil. Indeed, Defence is comfortable with the idea of simply reducing the number of airframes to fit within a specified budget. If reducing the number of airframes is possible while meeting whatever the capability requirement is, why bother with the additional number of airframes in the first place? This highlights what in my view is one of Defence's inadequacies.

These are some of the issues that the committee will be pursuing in its review of the Defence annual report 2010-11, an inquiry that is currently underway. I commend the report to the House.

Debate adjourned.

Social Policy and Legal Affairs Committee

Report

Debate resumed on the motion:

That the House take note of the report.

Mr PERRETT (Moreton) (17:13): Mr Deputy Speaker Windsor, this is the first time I have spoken while you have been sitting in the chair and I am looking forward to your judicious and impartial rulings. This time last year Queensland was coming to grips with the terrible flooding that had destroyed thousands of homes and tragically claimed many lives. To all those affected then and now, this parliament on both sides is thinking of you.

Part of the recovery process involves lodging a claim against an insurance policy that was taken out to protect against such misfortune. But for some people insurance claims took months and months to settle. Some claims are still outstanding today, more than one year after the event. This has had a serious impact on people's ability to recover and rebuild their lives. Others were told by call centre staff at first instance that they should not even bother making a claim. People were contacting me for help because they were getting nowhere with their insurance company and were not aware that they could access legal aid or the Financial Ombudsman Service. This situation was not limited to Queensland. My fellow committee members all over Australia and other MPs had similar experiences in their electorates of distressed constituents getting a raw deal with their insurance companies following natural disasters that devastated the country: cyclones in Northern Queensland; floods in Victoria, Western Australia and New South Wales; fires in Western Australia and Victoria—to name but a few. The committee began to realise that many individuals and families were suffering
from the huge delays to insurance claims processing, and this inquiry was in response to the many complaints about the insurance industry that too often were falling on deaf ears.

Currently there are no regulations that compel insurance companies to do the right thing by their clients and resolve claims in a timely and satisfactory fashion. The unfair contract terms laws contained in the nationwide Australian Consumer Law do not apply to general insurance contracts. Moreover, claims handling and settlement are singled out for exemption from regulation by the Australian Securities and Investments Commission, the body which otherwise has responsibility for regulating the operation of financial services.

The only curb on how insurers handle claims is their code of practice, written and regulated by the insurance industry itself. The code of practice outlines time frames for assessing claims, responding to requests for information and updating clients on the progress of claims—and sounds reasonably good on paper. However, the insurance industry wrote itself a cop-out clause in section 4 that suspends the code of practice standards in times of catastrophe or disaster—some might say the time when they are most needed. This has been a free pass for insurance companies to treat claims in whatever manner they choose when there is a natural disaster.

During the committee's travels around Australia to regions affected by natural disasters we found that often the insurance claim process had a detrimental affect on people already devastated by trauma and loss. People told us of the stress of being in limbo for months, living in caravans, friends' houses or in damaged and unsanitary homes. A consistent theme we heard across Australia was that not knowing what was going on was the worst aspect of the disaster: claims were not acknowledged, phone calls were not returned, emails were unanswered, third-party experts were sent out to properties with no explanation, expert reports were kept secret, and claims they were verbally denied with no reasons given.

The report that we table today contains recommendations that will increase consumer protections when it comes to the handling of insurance claims. It is imperative that minimum standards for claims handling in the wake of disasters are created, that the insurance industry adheres to them and that there is government oversight to enforce them. The flood events of recent weeks in New South Wales and Queensland remind us that Australia is prone and always will be prone to natural disasters. The insurance industry must ensure that it has the capacity to deliver in a timely manner on the insurance policies that the Australian public purchases for peace of mind.

I would like to thank all committee members but especially the deputy chair, the member for Pearce, for taking us to her electorate under horrible circumstances, meeting with people, and for her great contribution to this inquiry. I also thank the secretariat, who are here in the chamber today, for the great work that they did under an enormous amount of pressure, as we have inquiry after inquiry after inquiry handed to us by the magnificent people to handle such processes. I will now hand over to the deputy chair.

Mrs MOYLAN (Pearce) (17:18): From the outset can I also thank the chair of the committee and the secretariat of the committee for the splendid work they did to facilitate this inquiry and to reach what I think are very sensible conclusions and recommendations that I hope the government will note and act on.
The succession of natural disasters across Australia over the last four years has taken a heavy toll in human life and also in the destruction of both the natural and the built environment—not to mention the terrible heartache for many people caught up in these disasters. Our heart goes out to those who still are battling to get their lives back together again.

In the Queensland floods alone 35 people tragically lost their lives, two million people were living in declared disaster zones and 28,000 homes required rebuilding. We have also seen floods in Victoria, New South Wales as well as fires and hail and cyclones in Western Australia. These catastrophes resulted in over 185,000 insurance claims between 2010-11 and a $4.3 billion damage bill. Whilst these events placed unprecedented strain on the insurance industry, the overwhelming number of distressing experiences reported by claimants has exposed significant deficiencies in the way claims are handled and the regulatory framework underpinning the insurance industry. In investigating these issues, the committee held 18 public hearings across the country, visited numerous affected areas and received 79 submissions.

The report *In the wake of disasters* contains 12 critical recommendations which I urge the government to closely review and adopt. Of particular concern to the committee is the current legislated exemption of insurers, which the member for Moreton made reference to as well, from the unfair contract provisions which normally would protect consumers in other types of contracts.

People faced with the loss of their homes and businesses deserve more than piecemeal protection of their rights. The industry is self-regulated and operates under a voluntary code of conduct which, unfortunately, the Australian Competition and Consumer Commission has no authority to enforce. Time and again we have seen that voluntary codes do not work to protect the best interests of consumers and, indeed small business people. Not only must the legislative protections be strengthened; the regulatory authorities must be resourced and empowered to do their job effectively. For the benefit of both consumers and insurers, policies must be understandable. Knowing exactly what is and is not covered in plain English can make the claims process easier and prevent litigation, which, after all, is costly to everyone concerned and very distressing to the claimants.

Submissions to the committee also stressed that the whole claims process needs to be more seamless and certainly more transparent. Some recent initiatives by insurers have received praise—for instance, in my own electorate of Pearce the Insurance Council of Australia established very quickly a desk in their recovery centre following the Toodyay fires, and for that we were grateful. Their prompt response and ease of access was much appreciated by the community. But, unfortunately, a number of people said they felt let down later by the absence of follow-up in the post-claim period. The effect of delays should not be underestimated. Without prompt settlement of claims, families and communities cannot start the rebuilding process. With every delay the emotional distress builds, slowly engulfing those already traumatised by the events they have faced. Relationships suffer, livelihoods languish and the social fabric of communities can be torn apart.

So the recommendations contained in this report are much needed. With the little remaining time I have left, I draw the attention of the chamber to recommendation 12, where the committee recommends that an action group be formed to look at the reasons for market
failure and the hugely escalating cost of insurance premiums to the public. In doing that they might also look at some of the systemic problems that are causing great concern in the sector, such as buildings being built in cyclone-prone areas and in flood-surge areas, as well as the ageing infrastructure for delivering power in many parts of Australia.

The DEPUTY SPEAKER (Mr Windsor): Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

DELEGATION REPORTS

Parliamentary Delegation to the Parliamentary Assembly of the Council of Europe, Strasbourg, and the 57th Annual Session of the NATO Parliamentary Assembly

Debate resumed on the motion:
That the House take note of the document.

Mr CHAMPION (Wakefield) (17:23): We live in a rather tumultuous world, both economically and in civil and military affairs. It seems to me that, in this world, isolation is utterly impossible. It is impossible to wall ourselves off from the troubles of the world and their actions and lack of action, and engagement is the only choice we have. In talking about this parliamentary delegation to the Parliamentary Assembly of the Council Europe in Strasbourg and the 57th Annual Session of the NATO Parliamentary Assembly, I want to begin by thanking my friend the honourable member for Cowan for his company and for his engagement on this parliamentary delegation. I also thank Richard Selth, who is in the chamber today, who ably organised it for us. What became very apparent as we undertook our duties was that this is a particularly interesting time in the world. Many of the things that we did at the Council of Europe concerned particularly important issues, whether it was listening to Mr Thomas Hammarberg, who is Commissioner for Human Rights of the Council of Europe, talk about the pluralism in media and transparency in media ownership and all the problems that are now occurring in the United Kingdom—I know it is a very big issue—or whether it was listening to Mr Angel Gurria, who is Secretary-General of the OECD, talk about things such as the policies that had to be pursued during the global financial crisis, the need for growth, the desire to bring down deficits and reduce debt-to-GDP ratios while maintaining recovery, having seen the current events in Europe and indeed in Greece.

If there were anything I would like to put to the Federation Chamber it is that isolation is impossible. We simply must engage in these issues because they do affect us here at home. Mr Gurria's address to the council included addressing the terrible issues of unemployment in Europe, particularly youth unemployment, and the shift from lifelong employment to lifelong employability and skills acquisition. There are also many policy issues in there for Australia.

Similarly, with respect to the meeting at NATO, we met with the Romanian Chamber of Deputies. We had some very good meetings with many members of the Romanian parliament. It is fair to say that they encouraged us to establish an embassy and greater relations with Romania. That feeds into some other work I am doing as Chair of the Foreign Affairs Subcommittee. We are currently undertaking an inquiry into that matter, so it is an issue that weighs on my mind. We attended the NATO Parliamentary Assembly Committee meetings and several issues were raised there, not least our involvement in Afghanistan, which were
particularly important. I took away a lot from Professor Barakat's presentation on post-
conflict development of Afghanistan and how much progress has been made on some issues
of governance, poverty reduction, security indicators and the like. That was very interesting
for me.

It was a very useful parliamentary delegation. It will add to our understanding of the world
and, importantly, will add to our understanding of the environment in which our troops
operate in Afghanistan. Again, I would say to the public: we live in a tumultuous world.
Isolation is impossible and it is not desirable. We simply must engage. This nation must
invest in parliamentary delegations and diplomacy generally if we are to have an influence
and effect on the world around us.

Mr SIMPKINS (Cowan) (17:28): Together with the member for Wakefield, I was a
member of the delegation to the Parliamentary Assembly of the Council of Europe and the
NATO Parliamentary Assembly. I am pleased to speak to this delegation report: *Parliamentary
delegation to the Parliamentary Assembly of the Council of Europe, Strasbourg, and the 57th annual session of the NATO Parliamentary Assembly.*

Firstly, I would very much like to thank Mr Richard Selth, delegation secretary, for his
assistance and efforts in putting this report together. His experience was particularly relevant
and useful for us during the activities of the delegation. Thanks also to the DFAT staff for
their comprehensive briefings and advice prior to the delegation's departure. On the
administration side, thanks also to the team at the Australian parliament's International and
Community Relations Office, particularly Mr Paul Jeanroy, who, as all MPs and senators
would be aware, does some great work in this area.

The delegation presented a great opportunity for me to learn about relevant issues
happening in the world. Our first stop was at the Council of Europe in Strasbourg, between 4
and 5 October. Europe has been so completely occupied with the debt crisis and the
challenges of the eurozone. This visit allowed the delegation to get a real understanding of the
realities and struggles to resolve these issues. As we continue to see to this day that the
problems and the focus in Europe remain a high priority for eurozone members, it is hard to
see true economic stability being restored in Europe anytime soon. I was able to make a short
speech at the Council of Europe, where I stressed the importance of living within one's means.
Although I was later congratulated by the Secretary-General of the OECD, Mr Angel Gurria,
it did not seem to be greatly appreciated by the majority of parliamentarians there. That is
something that I can live with. I should also make mention of the assistance of Ms Joanne
Frederiksen, Deputy Permanent Representative of Australia to the OECD, who provided us
with good assistance for our visit to the Council of Europe.

The second part of our program was our visit to, and participation in, the 57th annual
session of the NATO Parliamentary Assembly in Bucharest from 7 to 9 October 2011. I note
the assistance of the Australian Honorary Consul in Romania, Mr George Prelea. He was
particularly useful and we were very well looked after. I thank Mr Prelea and his wife for
their support and warm hospitality. Having been a major in the Australian Army, it was good
to be able to interact with members of parliament from NATO countries and other nations and
to hear the opinions and perspectives on matters such as the war in Afghanistan, the NATO
members' intervention in Libya and geopolitical developments on the edges of Europe. I
would say, from my participation in the NATO Parliamentary Assembly, the conservative
political group meeting and at several of the committee sessions, it was fascinating to witness the interaction between nations and political groups. I saw the way in which the Russian delegation had been invited to participate but on all occasions that I witnessed they adopted a critical approach to NATO and strongly pursued their national interests, even when the discussion did not mention them. I certainly discussed my observations with the Liberal Democrat MP from the United Kingdom and the participation of a highly critical Russia was clearly the source of great irritation with NATO member delegates. I also note that the political groups were very keen to ensure that they were well or at least properly represented in the leading positions in each of the committees. There certainly seemed to be a strong alliance of political philosophy that in some cases appeared to transcend national groupings.

I would also take the opportunity to comment on the interactions between NATO members regarding the intervention that saw air strikes on government forces in Libya. This saw the United Kingdom and France supported by the United States on one side, with a block of critical nations on the other including Italy, Germany and Spain. Those nations were quite negative about the intervention and Russia also spoke against self-glorification. As I have already said, I found the interactions at the NATO Parliamentary Assembly fascinating. The importance of working with political friends was clearly evident and important in the multilateral environment. The involvement of Russia and the tolerance of their constant criticism was surprising, and also the way in which geopolitical events were approached and dealt with by the member nations of NATO.

It is my view that the Australian parliament should continue to attend the NATO Parliamentary Assembly so that we can better understand and appreciate the intricacies of Europe. It was a very good and useful experience and others should have the opportunity I have had. Before I conclude I would say briefly on Romania that the hospitality was very great from the members of the Romanian parliament, but it was very clear as well that there were problems with governance and corruption in Romania, which I am sure is distressing to Australians of Romanian descent. I reiterate that it was a great opportunity to attend these assemblies and I congratulate again Richard Selth and Paul Jeanroy and thank them for their efforts for us.

Debate adjourned.

PRIVATE MEMBERS' BUSINESS

Fair Work Australia

Debate resumed on motion by Mr Abbott:

That this House:

(1) notes that:

(a) the Fair Work Australia investigation into the Health Services Union and Member for Dobell commenced in 2009;

(b) the investigation started with the Industrial Registrar in January 2009 and was taken over by Fair Work Australia when it commenced operation in June 2009;

(c) Fair Work Australia representatives said the investigation would be completed by the end of 2011, with Fair Work Australia Director Terry Nassios telling a Senate Estimates committee in May 2011 that the investigation should be completed by 'the latter half of this year' and Bernadette O'Neill,
the Acting General Manager, saying in October 2011 that 'Mr Nassios has advised me that he still expects to complete his investigations by the end of this year';

(d) the investigation remains ongoing despite an employee of the Australian Government Solicitor, Craig Rawson, being provided with a letter containing 'proposed findings' in December 2010; and

(e) the investigation into the Health Services Union and the Member for Dobell has taken more than three years and is yet to be completed; and

(2) calls on the Government to provide an assurance that there has been no political interference in the Fair Work Australia investigation into the Health Services Union and the Member for Dobell.

Ms LEY (Farrer) (17:34): I rise to second the motion moved yesterday in the House by the Leader of the Opposition, the member for Warringah, concerning the Fair Work Australia investigation into the Member for Dobell and activities of the Health Services Union. This investigation into the Health Services Union and the member for Dobell has been the responsibility of Fair Work Australia since June 2009. In total it has taken nearly four years so far. The taxpayer is now up for close to $1 million for this inquiry plus further costs with the bringing in of external legal counsel and, as I understand it, accounting consultants as well. Unfortunately there is no end in sight. Despite declaring on 19 October 2011 that the investigation was on track to be completed by the end of that year, acting general manager of Fair Work Australia Bernadette O'Neill has failed to deliver. There has also been a failure to provide a real reason for this remarkable delay, bearing in mind it has far surpassed the Watergate investigation and the Cole royal commission. It is almost a fifth of the time it took to build the Snowy Mountain scheme. The length of time that this investigation has been continuing has been quite plainly ridiculous.

It is about the misuse of funds from some of the lowest paid workers in this country and these are the people who deserve answers as to where their money really went. If indeed it is true that their hard-earned union subscriptions went into the financing of prostitutes, then they should be more than just angry. These people pay their union dues for the union, in turn, to use this for their direct benefit. Certainly no-one would expect that benefit to be the procurement of call girls for the sole entertainment of the union executive or to help mount election campaigns for the aforementioned member for Dobell. I have been a member of the Australian Workers Union in the shearing sheds and I know how much it hurts as a low-paid worker to contribute a substantial slice of your uncertain income to the union. I sometimes did wonder when the union representative pulled up at a remote shearing shed in western Queensland in a very large, white, well-sprung car just how comfortable their life really was compared to mine. At the time I did not mind because I thought they were acting in my interests.

In the context of this debate, Fair Work Australia persists in dragging its heels in this investigation. They are letting down the 70,000 members of the Health Services Union. Fair Work Australia was established by the Rudd-Gillard-Gillard government, and it is meant to be an independent umpire. Yet this so-called 'independent umpire' is unwilling to make the call on the investigation into the member for Dobell. Quite frankly, the only people that this institutional go-slow or blundering administrative competence—you make your pick—benefits is the federal Labor party, enabling them to maintain their wafer-thin hold on power. This is a government that is willing to condone appalling behaviour by all and sundry. It reeks of sheer desperation and even gives the appearance of quite untoward behaviour. If there has
not been any interference, perhaps all that this proves is yet another debacle at the hands of our Prime Minister. Fair Work Australia was her personal baby, remember, but it cannot even conduct an investigation in a timely manner. The Gillard government must be held accountable on this matter. As a body established at the request of this government, it bears responsibility. These are incredibly serious allegations and the government needs to provide the Australian public with answers immediately.

They have also been made aware of these allegations into Mr Thomson, as reported in the media. Former industrial registrar Doug Williams confirmed to Sydney's *Daily Telegraph* that he was telephoned by the Prime Minister's chief of staff, Ben Hubbard, in early 2009 about inquiries into the Health Services Union and Mr Thomson. Quite clearly, the release of emails under freedom of information demonstrates that there was an exchange between Rhys Davies, the press secretary of former Workplace Relations Minister, Chris Evans, and the Fair Work Australia Communications Manager, Judy Hughes, concerning the Thomson investigation. In the exchange of emails Ms Hughes was asked if claims made by the Seven Network that the Labor MP Craig Thomson 'lied to Fair Work Australia' were true. In one of her replies, Ms Hughes sent Mr Davies a draft media statement issued to journalists that said there was no new inquiry into Mr Thomson, and Mr Davies replied, 'Thanks, that's awesome. That should minimise any run it gets in the morning.' We are determined to ensure that the government comes clean, that it releases all the details of all the contact between ministers, Prime Ministers and their officers and Fair Work Australia.

Clearly, the government is reluctant to act. We have seen bullying tactics preventing the Fair Work investigators from answering questions in October estimates. Acting general manager, Bernadette O'Neill, has stated that she did not plan to make public the already finished report, which has found extensive rule breaking in the Health Service Union's Victoria number 1 branch. That is one of the branch investigations. There is also a national investigation. The branch investigation has been completed and we are not to know what information it contains. As far as findings go, we know that an employee of the Australian Government Solicitor received a letter advising of proposed findings back in December 2010. Why then is Fair Work Australia continuing to stall? The coalition's freedom of information request regarding these emails indicated a degree of complicity and that is the reason for the motion and the debate today: because the government has involved itself in an organisation that it claims it has left alone to make an independent decision.

Fair Work Australia has finally conceded that it is considering recommending legal action in relation to its inquiry into the Health Services Union and the allegations that the union's former national secretary and now federal Labor MP, Craig Thomson, misused a credit card provided to him by the owner of a graphic design and printing business—a business, I might add, that receives $680,000 a year to produce ten issues of the Health Services Union newsletter. I produce a number of issues of my electorate newsletter and I have a printing allowance but it beggars belief that $680,000 could be provided to provide ten issues of the Health Services Union newsletter. I do not think its 40-page glossy brochure could possibly attract this sort of real funding. That leads to suggestions that the money is being misused. Whether the provision of credit cards to the member for Dobell and the health service union boss were intended as an inducement in return for this printing business does require
investigation. I am not making a statement here that that was the case but it does require investigation.

The recent Senate estimates process saw Fair Work Australia confirm that they had identified 25 possible breaches within the Victorian branch of the Health Services Union alone and nationally the figure would surely be higher. But, despite identifying a plethora of breaches which may in fact constitute criminal offences, Fair Work Australia has refused to meet with the New South Wales police to discuss the investigation. What we need are assurances that the integrity of Fair Work Australia remains intact. This is a body overloaded with former union officials and tightly bound to the Gillard government. It is clear to all and sundry as to why they are reluctant to hand down a verdict. If anyone witnessed this, I did in the painful performance of acting general manager Bernadette O’Neil’s in Senate estimates. I had to feel sorry for her while she was delivering the answers that she was forced to deliver in that inquiry.

What is the public supposed to make of the fact that now Fair Work Australia has admitted that it is taking a long time and has invited KPMG to undertake an independent review of its inquiries? The cost of this will be extraordinary. If Fair Work Australia was doing its job it would not need to investigate itself via KPMG. And Ms O’Neil indicated that the KPMG inquiry would be made public but not the Fair Work Australia report into the union and the member for Dobell for fears that the material may be considered defamatory. Since when has the risk of exposing defamatory material stopped us getting at the truth? And that is what the opposition is seeking to do with this debate and this motion: to get at the truth.

Mr STEPHEN JONES (Throsby) (17:39): This is an extraordinary debate being brought before the parliament today. It is a sorry episode in which the opposition seeks to appoint itself as the prosecution, the judge, the jury and—if they get it their way—probably the hangman as well. There are some countries where the legal systems—if you can call them legal systems—afford the government of the day the right to be the prosecutor, the judge, the jury and the hangman. Commonly, we refer to them as dictatorships. In this country we have and respect some things known as the separation of powers and the rule of law. One of the great things about the separation of powers is that we have specialist courts and tribunals whose job it is to hear and test evidence and hand down a verdict. We have specialist prosecuting agencies whose job it is to weigh up whether allegations made against an individual or organisation are worthy of bringing to court and having those allegations tested in court. We have specialist agencies whose job it is to deal with somebody if and when they are convicted of a crime. What we have in this whole passage of events from the opposition is an attempt to use the processes of parliament to afford themselves the right to override those separation of powers to somehow enter into a trial of a person and an organisation by media and by parliament and to completely circumvent the proper role of the tribunals and courts. Deputy Speaker Windsor, I know that from your long history in this House and in the New South Wales parliament you are very familiar with instances where the parliament and the media have been used to usurp the role of courts, to have tried somebody and to have had them sent to their fate only to have, in a short period thereafter, that person or those people completely vindicated by a proper investigation and testing of evidence and of law by a court—in that case, the Supreme Court of New South Wales.
Let us not go down that sorry path. Let us not go down the path of those opposite using and abusing the processes and privileges of this place to afford themselves the rights and privileges of the prosecutor, judge and jury. Some of the great things about Australia which sets us apart from many other countries in the world is that we believe in the separation of powers, in the right of somebody to be determined to be innocent until proven guilty and in the rights and responsibilities of courts and tribunals to fulfil their statutory duty to properly test allegations when they are made.

The reason that we know that this is nothing more than a political stunt is that those opposite have had contradictory positions when it comes to the investigations of the Health Services Union of Australia. In item six of this motion they are calling on the government to provide an assurance that there has been no political interference in the Fair Work investigation. That statement is one that I am sure all members of this House would be willing to agree to but when you put it alongside statements and the whole process of events that has led to this motion being brought to the House you know that they do not mean what they say. Only a few months ago, we saw those opposite calling on the government to actually actively intervene in the investigation that has been conducted by Fair Work Australia and to do that for nothing more than political reasons. We know that this is a stunt. We know that those opposite see this as an opportunity to use the processes of this place to conduct a trial by media, coming very close to defaming an individual while using the processes and privileges of this place to do and say things that they could not say or do outside the chamber. And that is nothing short of a disgrace.

I suspect that there is another reason why this motion has been brought before the House today and we saw it in the contribution made by the member immediately before me. This is nothing short of a campaign against the institution of Fair Work Australia. The contribution made by the honourable member just now sheds a light on this. The member for Farrer does not believe that Fair Work Australia is an independent institution, despite the fact that the vast majority of its members were actually appointed by the former government when it was in power. They believe that it is somehow a tainted political institution. I can tell you that it is not. It is independent and as long as there is breath in our bodies we will ensure that it remains independent. We will not be part of a long-running campaign by the industrial warriors on those opposite to try and taint, smear and dirty up Fair Work Australia for political reasons. Those opposite are like political moths to the industrial lamp. They cannot help themselves. Whenever they get the opportunity to rush out as proud Work Choices warriors, they are there with their spears in hand attacking all of those institutions. Many of them have spent 15 years attempting to tear them down. We have reinstated them and put some fair dinkum laws in place to protect the rights of workers. Those opposite are now reinstating their campaign to dirty up the institution to pave the way for a reintroduction of their Work Choices style laws and all that they stand for. We on this side of the House stand for an independent tribunal which is able to freely and fairly adjudicate based on a fair treatment of the evidence the disputes and matters that are bought before it, without interference from any of us in this place.

We reject the campaign that is being run by those opposite. We are incredibly suspicious about their motives. As I have said, the clear intent is to ensure that they are able to run a campaign to reintroduce Work Choices style laws. Everything that they can do to dirty up the
Institutions that have been put in place by the Fair Work Act, they will do and they will use the privileges and processes of this place to do so. We will not be hoodwinked by it.

I say once again—and I will conclude on this point—that there are countries around the world that do not believe in the separation of powers. There are countries in the world that will allow a trial by media. There have been some unfortunate passages of history in this country in which individuals have had their reputations torn down by a trial by media only for it to be found subsequently in a court of law that there was no basis for the allegations. Let us not have this happen again. Let us use the proper authorities. Let us use courts and tribunals, exercising their proper rights and fulfilling their proper responsibilities, test the allegations that have been made in the proper way. Let us not go down a path on which we disrespect the importance of the separation of power, the importance of natural justice and the importance of parliament and the tribunals of this country playing their roles without the interference of one in the affairs of the other. Thank you.

Mr KEENAN (Stirling) (17:52): That was a truly remarkable performance from the member for Throsby. When faced with the allegations that have been put to the member for Dobell on a sustained basis over many years in this place, outside of this place and in the media, the response of the member for Throsby was to come in and make some inane comments about the separations of powers and then, astonishingly, a return to Work Choices. Let us just go back and recap the reasons we are discussing the behaviour of the member for Dobell. We are discussing the behaviour of the member for Dobell because very serious allegations have been made about him misusing the funds of the union that he was the secretary of, the Health Services Union, which represents 70,000 of the most disadvantaged workers in Australia. Very serious allegations have been made that he abused credit cards issued by the union by using them to pay for electoral and personal expenses. Over $100,000 of cash advances were not accounted for. Perhaps most celebrated of all was the allegation that sexual services were paid for using those credit cards.

These allegations have been denied by the member for Dobell, but never once has he come into this chamber to defend himself from these allegations. The member for Throsby rather astonishingly said that we could not repeat these allegations outside of the chamber. I am very happy to table about 10 or 20 media interviews where all of these allegations have been made outside of the chamber. The member for Dobell has done absolutely nothing to defend himself from those allegations. What he did was take defamation action against Fairfax Press, which was publishing these allegations. He was forced to withdraw that action and incurred significant costs, which were then met by the New South Wales branch of the Labor Party. What we all know—what every single member of this House knows—is that the member for Dobell has not been able to defend himself because he is guilty of these allegations. If he was not then he would come into this House and he would defend himself against them—something he has refused to do on every given occasion, even though the Prime Minister said the he was going to be required to—

Mr Zappia: Mr Deputy Speaker, I raise a point of order. In accordance with the standing orders, I find that that is a personal reflection on a member of this House and I would ask the member to withdraw.

The DEPUTY SPEAKER (Mr Windsor): Will the member withdraw?
Mr KEENAN: I am happy to withdraw, Mr Deputy Speaker. The point is, if the member for Dobell had nothing to hide in these matters he would walk into this chamber today and he would explain himself. He has been accused of very serious things. There is no better place in Australia to be able to explain yourself than as a member of the House of Representatives. You do not get a better bully pulpit than this to come in and explain your actions. By his refusal to do so I think the Australian people are entitled to draw their own conclusions about what that means.

We do have bodies that are investigating these matters: the Victorian Police and the New South Wales Police. We rightly support their independence to pursue these allegations. What does concern me though is in relation to Fair Work Australia, a body that was tasked with investigating these claims back in 2009. We are now in 2012. I think the Australian people are entitled to ask: why is it taking so long for Fair Work Australia to reach conclusions about these matters? Extraordinarily, Fair Work Australia appearing before this parliament has said that they are at a loss to explain why it has taken so long as well. Until we get that explanation, until Fair Work Australia is able to explain to the Australian people why it is taking well over three years—in fact, this investigation is now into its fourth year—to investigate these claims, then we are entitled to ask what the genesis of this institutional go-slow has been.

Why is it that Fair Work Australia cannot conclude this investigation when I think most of the Australian people would understand that it is a pretty open-and-shut case of malfeasance? If it were not then, as I said, the people who have been accused would be able to defend themselves—and they have been completely unable to do that.

What we do know is that the Fair Work Australia investigation has been ongoing since 2009. It was actually an investigation that was started by the industrial registrar in January 2009. They have repeatedly said at Fair Work Australia that this investigation was going to be concluded, yet, we find that it still remains ongoing. These are very legitimate questions raised in this motion about why it has taken Fair Work Australia so long, and I would urge them to explain to the Australian people why that is. (Time expired)

Mr NEUMANN (Blair) (17:57): I have only been here for four years, but that was the most disgraceful and disgusting performance I have ever seen by a member in this place. The right to silence is a cherished institution in this place. He has a right to silence. The member opposite has made, in cowards castle, an allegation that a member of this place is guilty of malfeasance. That is exactly what he said in this place, and he also completely denies the separation of powers. Then he wails and whines over there, but the truth is that everyone is entitled to the right to silence in this country and everyone is innocent until proven guilty. We do not have kangaroo courts in this country. I remember very well when I was a practicing lawyer in the Brisbane CBD at the height of the Fitzgerald inquiry. I remember distinctly a former National Party Premier of Queensland being asked a question about the separation of powers under cross-examination, and him fumbling and stumbling around, but still in all the separation of powers is absolutely critical.

This motion before this place, shows the depths to which the coalition will plummet. There is the self-righteousness, the sanctimony and the unctuous activity from those opposite, when they know very well that Fair Work Australia has been established properly and that they are
undertaking an independent investigation in relation to this matter, and it is the hypocrisy of what they are doing. For example, the inconsistency: one day they say to us that we should be hurrying along Fair Work Australia in their investigation—that we should be giving them a prod along—saying, in effect, that we should interfere. The next day they are saying that we should not be doing that. This motion here in this place talks about wanting an assurance there has been no political interference in Fair Work Australia. They simply cannot have it both ways. They cannot criticise us one day on one thing and another on the next. They cannot come into this place and besmirch members of this House who have been elected by the people.

I remember back in 2007 when former Prime Minister John Howard was questioned about three MPs and on ABC radio on 7 March, 2007—and he was absolutely right about the three members under investigation—he said:

But a lot of people who are under investigation end up having nothing to answer for …It's a police investigation and the appropriate thing for me to do is to let the police investigation run its course and then if it is appropriate I will have something to say.

That is absolutely correct. I wish that those opposite who claim that they are standing in the footsteps of John Howard and are following him—treating him as their mentor, their guide and their apostle almost—would follow what he has to say here. I wish they would show some discretion, some integrity and some honesty about this.

This motion really is a terrible distraction from the business of this government and from the business of this place. We have better things to do in this House. We have education reforms and health reforms to talk about. We have infrastructure, road and rail. We have important things that we could do in this place and important things that those opposite should hold us to account.

Labor has not always been in government; Labor is often in opposition and those opposite are often in government and now they are in opposition. It behaves them—it behaves either side of politics—to hold the government to account, not to engage in gutter tactics in relation to these types of matters. What they are trying to do here is undermine the integrity of Fair Work Australia regardless of the outcome. Why are they trying to do that? Because they are trying to distract from the complete absence, the complete policy vacuum that those opposite have. The Member for Throsby is absolutely right—besmirch a member of this place, besmirch Fair Work Australia and bring back an industrial relations system that they always wanted. They are the architects, apostles and devotees of Work Choices. That is what this is about. It is about the biggest dummy spit you have ever seen in political history, as the Leader of the House has said. On many occasions they have done it. They should hang their heads in shame about this particular matter. (Time expired)

Debate adjourned.

BILLS

Marriage Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.
Mr SIMPKINS (Cowan) (18:03): I realised I had an opportunity to make a few comments on the Marriage Amendment Bill 2012, brought forward by the member for Throsby, as I understand it. Obviously this is an issue of which there have been a lot of strong opinions passed. Certainly it is the case that my office and email are no strangers to being contacted by those who have these strong opinions. I value the opinions of all those who have contacted me to offer them. As I have said before, I particularly value those who have created something personal. Whilst I still acknowledge the value of those who have sent a formal email through, I do particularly value those who have given their personal perspective on it. I would note that of those who have contacted my office, it remains quite categorical: 1,004 people have contacted my office and expressed a view against same sex marriage; 144 have expressed a view for a change consistent with this bill that is before the House. I know that it is important, particularly for us as members of parliament, that people know who they are voting for and that they know if we say something before an election then we will comply with that. There have been in the past other times where it has been clearly said when an issue comes up that there will be a free vote on this or that particular matter, but in this case it was very clearly the coalition's policy before the election—in fact, I think it was both sides' pre-election commitment—that there would be no change to the definition of marriage, and we stand by that.

That being said, as we are the party where you can actually have your own ideas and you are actually able to vote contrary to the team if you believe so strongly in that, it is definitely the case that a conscience vote does exist on our side. It always does. We do not get thrown out of our party or disendorsed if we offer a conscience vote or if we believe so strongly in something. We will not just toe the line as others might have to, because if we stand up and we talk about something then it is what we believe in.

The reality is that our side remains opposed to a change in the definition of marriage. I personally opposed a change in the definition of marriage. I value those people that have given me their thoughts on the matter and I have responded to all those people, identifying where we stand and how I will be supporting the party position, because that was the position we took to the last election and we will stand by it. I stand on this bill and I stand against it, and I think that what is required is that we comply with what we said before the election. We will be doing that, unlike others.

The DEPUTY SPEAKER (Ms AE Burke): The member should note that it is a private member's bill when he is discussing it.

Mr MURPHY (Reid) (18:06): I do not accept that the move to change the Marriage Act to accommodate same-sex couples is a matter of equality or human rights. This is clearly about same-sex couples being equal to opposite-sex couples with respect to marriage. It is not about equality for all, at least for the moment, since there has never been marriage equality. Legally and religiously, there has never been marriage equality in relation to polygamy, minors, members of the same immediate family and so on. These exclusions result from the nature of marriage as a societal institution that represents, symbolises and protects the inherently reproductive human relationship—whether or not a couple choose to have children. I note also that failure to consummate a marriage is still grounds for voiding or annulling a marriage.
Once marriage is redefined to include same-sex couples then, using the equality argument, there is no moral reason for excluding, for example, polygamy or group marriage. Therefore I believe that dressing up the current campaign as a move for equality is a sleight of hand. In reality, it is a move to change the definition of marriage, which is currently the union of a man and a woman. I believe that redefining marriage will change the meaning of marriage for all Australians. It will weaken the institution and undermine the millennia-long social purpose of marriage. Definitions matter. That is how we interpret and identify reality. I believe it is not permissible to redefine or change the name of something simply to accommodate a particular group's opinion, especially when this would change beyond recognition or define out of existence an established age-old institution.

Nevertheless, I oppose discrimination on the basis of sexual orientation. Civil partnerships open to both opposite-sex and same-sex couples should be legally recognised, and partners, whether opposite-sex or same-sex, should be entitled to the same benefits and protection of law. Therefore, despite strenuous opposition from conservative constituents in my electorate in 2009, I supported and voted for 85 amendments to federal laws to eliminate discrimination against same-sex couples in areas such as taxation, social security, health, aged care, superannuation, immigration and family law.

Marriage is about love, but not merely love. Marriage is about the particular love between a man and a woman, which is unique. Importantly, opposite-sex union is the only union that is capable of and oriented towards producing children naturally. Marriage as a legal institution directly points this connection to children, to protect the interests of children and keep biological families together. The law recognises what marriage is—namely, the unique sharing by a man and a woman of all aspects of life. However, the purpose of marriage as a legal institution relates specifically to the distinctive biological possibilities of this union. Many people think of marriage as only about love because two partners usually enter into such a special sharing of life with profound commitment and affection. However, if there were no biological consequences of sexual union—if it involved only love and commitment—then society would not need specific laws to recognise this union. Parliaments make laws about matters of public interest, but not about personal feelings such as love or commitment. Governments would not be able to promote marriage as a life-long union if it were just related to such personal issues. People were getting married and forming families long before the rise of nation states. Parliaments have made laws to recognise the existing age-old institution of marriage, not only because it formalises the relationship that produces future citizens but because, as the bedrock of biologically related families, legally binding marriages allow governments to enforce the natural existing responsibilities of parents to care for their children.

People who want to redefine marriage claim that this will affect only a small number of Australians. I believe that the opposite is true. The definition of an institution determines the way society relates to that institution. For example, if there were a successful campaign by non-Indigenous Australians to be recognised as Indigenous by redefining the word 'Indigenous' to include all who express love for and commitment to Australia, the definition of Indigenous Australian would necessarily change for all Australians. It would become a question of people's desires and feelings—that is, love and commitment—instead of the biological definition of Indigenous. The word Indigenous would be redefined to become
meaningless. The legal definition of marriage as an exclusive permanent union of a man and a woman shows a clear link to its role in raising children. In fact, in the Marriage Act there is no mention of love or commitment at all. Any attempt by the parliament to recognise love and commitment as being central would go beyond our mandate.

Marriage and children are linked by the reproductive capacity of the union of a male and a female. Undoing this link by redefining marriage to denote the relationship of any two people regardless of whether the relationship is principally reproductive or not would alter the central purpose of marriage to being merely an affirmation of feelings rather than establishing a family. The private purpose of marriage would become its central aspect and the public purpose will become obsolete as it would no longer make sense to say that marriage connects children to their mothers and fathers and those parents to one another.

Marriage was not created by governments, but governments do recognise the institution of marriage as one that serves a public purpose—formalising the existing obligation of biological parents to care for one another and their children. Inserting the definition of marriage as between a man and a woman into the Marriage Act in 2005 merely affirmed what the law has been for Australia's entire history. The existence of a legal definition, however, does not give the parliament the right to redefine marriage, rather it more clearly establishes its role in administering, strengthening and protecting marriage in our nation. Where parliaments have redefined marriage, such as the north east of the United States and in Canada in 2006, there have been ongoing campaigns from other groups of people to have their relationships also recognised as marriages, including groups in support of polygamy and of group marriage. Supporters of group marriage in Australia are now also calling for marriage equality. While I believe the equality argument is spurious, many people would be entitled to ask the so-called marriage equality lobby: why should same-sex couples be more equal than people who want a polygamous or group marriage? Why, then, should we not keep redefining the term to include any meaningful relationship between any number of people who might be in love and committed to one another? By removing the essential aspect of marriage, parliaments would be unjustly discriminating against other people wanting their types of relationships to be redefined as marriage.

Some people argue that without same-sex marriage same-sex couples will not have the same legal rights and benefits that come with being married. However, same-sex couples enjoy every legal right that those in opposite-sex de facto relationships or marriages do under Australian federal laws following the reforms enacted in 2009, which I referred to earlier. Furthermore, every state and territory has some form of formal recognition of people in same-sex partnerships. I have had plenty of feedback from my constituents. I have been visited by people from both sides of the debate. I have met with same-sex couples who support same-sex marriage and other people who oppose same-sex marriage. Some same-sex lobbyists have rung my office to oppose same-sex marriage because they cannot understand how any homosexual would want to embrace a heterosexual institution. Others have rung to support same-sex marriage. I have given them all a fair hearing.

I have received many emails, letters, phone calls and have listened to constituents who have come to my office to express strongly held views. Moreover, I receive hundreds of emails and telephone calls daily covering the many other issues that my constituents say are far more important to them than same-sex marriage. Nevertheless, in relation to same-sex
marriage, I carefully monitored the pro-same-sex marriage campaign from GetUp! which took place before the 2011 ALP national conference. Of the 1,250 identical emails I received, only 25 were from constituents living in Reid. That is only two per cent. These 25 were outweighed by telephone calls, emails, letters and personal visits from constituents supporting the institution of marriage. They took the time to compose individual and considered messages rather than simply click on an email link and then quickly move on to something more important to them in their daily lives.

Support for same-sex marriage is, by and large, soft. Most supporters regard it as a matter of minor importance. However, people who oppose the inclusion of same-sex marriage into the Marriage Act see this as a vote changer, and my electorate contains a large proportion of people with that view. There are such electorates immediately to the west of mine in Sydney and in other states who, in my opinion, will reject any candidate who supports a redefinition of marriage. If I am re-endorsed by my branch members as the ALP candidate for Reid, you can be certain that I will campaign all the way to the next federal election defending the age-old institution of marriage, and let the people speak, particularly the silent majority. (Time expired)

Debate adjourned.

Appropriation Bill (No. 3) 2011-2012

Appropriation Bill (No. 4) 2011-2012

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

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

"whilst not declining to give the bill a second reading, the House is of the view that, in light of global economic uncertainty and existing pressures on Australian industry and jobs, the Government should not appropriate funds for measures associated with the introduction of a carbon tax to allow for the postponement of introduction of the tax until after elections have been held for the 44th Parliament and the Parliament has met."  

Mr ALEXANDER (Bennelong) (18:17): It may be uncomfortable to come to terms with our past failings, but it is only possible to learn when our history is honestly reviewed. The recipe for success is simple: to achieve the most economically efficient result time spent in planning is a great investment. An investment in infrastructure that liberates our potential is money well invested. At some point in our past there was a need for railways and so we built railways—yes, on every different gauge known to man and some invented right here. Productivity was impaired, costs were driven up and gradually, as we came to terms with this ridiculous situation, a great cost to repair.

We are a big country. We need roads. Yet how do we compare with other similar countries. Our roads in our cities cannot cope and the roads linking our cities are 50 years behind our needs. There have been promises and debate regarding the completion of the Chatswood to Parramatta rail links and the North West Rail Link. Delays on the Chatswood to Parramatta
links have driven the price up by 500 per cent. It is interesting to note that the two short links that are required to complete the Epping to Parramatta section utilise the Carlingford line, which was built in the 1890s. Yet the money promised by this government to the people of Bennelong at the last election has since disappeared off the books. Here we go again, back in another appropriation debate, retelling the same stories of woe and watching the costs escalate every day.

The North West Rail Link has increased in construction cost from an estimate of $360 million in 1998 to an estimate of $8 billion to $10 billion now. At least the O'Farrell government is keeping its election promise to build this line with or without federal support. Our country needs planning and we need the infrastructure to halt the path we are on regarding our major cities that will undoubtedly stifle our development, denying our nation's true potential. Land needs to be released that will reverse the current trend of ever-greater costs of living and ever-reduced quality of life. High-speed rail from Melbourne to Sydney, just like the Harbour Bridge of 80 years ago, will open up proportionately greater tracts of land to allow for unimaginable growth now and for years to come, and at the same time it will release the pressure valve currently choking our major cities and my local community.

While this great infrastructure project is being constructed let us already have planned the next phase of the high-speed rail network, the next stage of our nation's development, or perhaps we will find ourselves back here again the next time an appropriations bill is presented to this parliament, debating the same needs but not having the courage to serve them and to truly serve our nation. My constituents in Bennelong deserve better. Our heroes who fought for our nation and left a legacy of hard work and commitment deserve better. While those in government spend all their time navel-gazing and worrying about their own political futures, Rome is burning. More and more of my Bennelong constituents seem to have the answer. Perhaps it is only through a change of government that we can get our nation back on a high-speed track.

Ms O’NEILL (Robertson) (18:20): I am delighted to rise today in this chamber to speak to these additional estimates bills. As the former Assistant Treasurer and current Minister for Employment and Workplace Relations remarked when he introduced these bills, these funds are sought to meet requirements that have arisen since the last budget as well as to take into account impacts on Australia’s economic and fiscal outlook that have arisen as a result of the European sovereign debt crisis and instability in the global financial markets.

The total additional appropriation is around $3.1 billion. More than one-third of this appropriation for services is in the climate change portfolio. Indeed, there is an amount of $1.3 billion in appropriations across several agencies to support our commitment to a clean energy future for Australia. One billion dollars is earmarked for the Department of Climate Change and Energy Efficiency to provide cash to highly emissions-intensive coal fired power stations to assist their transition to a carbon price. Those coal fired power stations may not reside in my electorate but I know well the challenges they present. I know this because a local company by the name of Licella, at Somersby in the seat of Robertson, is steadily developing technology to make some of our dirtier power stations able to reduce their emissions quite significantly.

The Minister for Resources and Energy has taken a close interest in Licella's technology and its application, one of which is to add significant value to Victoria’s brown coal resource.
On 14 December last year, Minister Ferguson and I were at Somersby for the opening of the company's new biofuels commercial demonstration facility. As the minister noted on that day, this technology has the capacity to significantly reduce greenhouse gas emissions from burning brown coal. Industry confidence in the technology is such that four commercial agreements have been signed, based on this new Licella technology. One of those agreements is to locate a commercial demonstration plant at Yallourn power station in the Latrobe Valley towards the middle of this year.

This is certainly groundbreaking work, but it could not be happening without the continued investment by the Gillard government in a clean energy future. Just a little detail of the way in which this demonstration plant operates: at one end of the process there is a pile of fuel, leftover woodchips which, in this smaller plant, are ground down into sawdust. This is put in through the first phase of the process and heated to a very high temperature, then all the water in that biomass is extracted and then, through very careful management and the engagement of a wonderful technician who was formerly an employee of Shell, out comes a biofuel. It looks just like oil. Currently, they can produce that oil at $45 a barrel, which you can see is an incredibly significant price advantage given the current prices of other oils. But, in addition to that, the cleanliness of the technology that that plant is using has a very small impact on the environment. Using water as an agent for change is an indication of the brand-new innovative ways in which those at the cutting edge of Australian business are helping the whole community around the world in providing them with options about how they move forward.

In relation to coal, another capacity of the same plant and the same process is to actually put brown coal in, which has an extremely high water content, remove large amounts of that water and massively increase the efficiency of the two by-products that come out at the end of the process, one being, again, an oil, slightly different in colour—it is a darker colour than the other biofuel—and the other being small particles of coal, which looks black, which can then be burned in a much more efficient way to produce energy without all of the carbon dioxide emissions.

This is the sort of innovation that is going on in small communities like mine. You can only wonder what the capacity of Australians is when the government invests in a future and enables us right here today to use our ingenuity, our determination and collective commitment to a great future for our kids by investing in this sort of technology. That is what the money that is being appropriated in this legislation will support. It is a very clear vision of a very positive and clean energy future not only for this generation but certainly for those who follow us.

But that is not all that we are investing in. Importantly, $222 million will be going to the coalmining industry through the Department of Resources, Energy and Tourism to assist the most emissions-intensive coalmines to transition to the new structure with a carbon price.

Labor's commitment to the working people and working families of this nation is the reason for Labor's clean energy future package, which includes not only household assistance but support for jobs. Earlier today the government released regulations to establish the Jobs and Competitiveness Program. Those regulations are now in place. That program will provide substantial assistance in the form of free carbon permits to the most emissions-intensive trade-exposed industries such as steel, aluminium smelting and cement manufacturing.
The most emissions-intensive industries will receive an initial average of 94½ per cent of their carbon permits for free, meaning that the effective carbon price will be reduced for those companies as they make this transition, from $23 a tonne to an effective $1.30 a tonne. The government have designed the assistance to support jobs in those industries because we are the party that understands the value, the power and the freedom that a good job gives you as an Australian citizen. We grow up, teaching our children to expect that they can have that and that they can participate in our economy. The Labor Party is committed to ensuring that that reality comes into being.

It is significant assistance, worth many billions of dollars over the next few years. If a business can reduce its emissions intensity, its effective carbon price may be less than the $1.30 per tonne of greenhouse gases. It may mean that business has excess free permits that can be sold for a profit. That is built into the design of this support and it is a tremendously powerful market-driven incentive for companies to reduce their emissions.

Any discussion about carbon pricing has to take these two vital issues into account: the competitiveness of our economy and the support for jobs in these important industries, not the nonsense that has been thrown about in this debate by the Leader of the Opposition. We need a serious, carefully judged, carefully planned and evidence based response to the challenges of managing carbon emissions in our time. Labor is leading the nation in delivering that.

We have also put aside a $1 billion program to support investments in clean technology and low-emission technologies. We will continue to support jobs and we will take into account the competitiveness of our economy, while the opposition continues to talk down the economy and to undermine the strong economic management that we have shown, from the period of the global financial crisis right through to this very day. Labor are also investing $6 million in the Department of Climate Change and Energy Efficiency to assist in the delivery of information about the implications of a carbon price on small business and other community organisations. I am pleased to report that businesses in my electorate are rising to the challenge. I want to talk about another small business—which is not really a small business now, rather a medium-size enterprise—called Baltimore Aircoil. It is also based in Somersby, an industrial zone in my seat in which great innovation is happening. I visited this company's operation on Monday last week. I went there to see a student from the trade training centre in East Gosford that we fund. He has taken up a traineeship and goes to school, year 11, four days a week, Monday and Tuesday, Thursday and Friday. He spends Wednesday at Baltimore Aircoil. I know that the opposition are automatically going to hate the headline of last year's media release from this fantastic company, because it tells the truth of the business experience and it pops the bubble of the absolute misinformation that those opposite perpetuate. The headline of the media release dated 21 December 2011 goes, 'Local manufacturer supports carbon price'. It is worth putting the release on the record:

As the local arm of the world's largest manufacturer of evaporative cooling, thermal storage and heat transfer equipment, BAC Australia has congratulated the Australian government on its resolve to set a price on carbon. As one of Australia's leading manufacturers in the heating, ventilation and airconditioning and refrigeration industry, employing over 120 people at its Gosford manufacturing facility, Baltimore Aircoil Australia says a carbon price is an important step for a country which relies so heavily on airconditioning and refrigeration.

The Managing Director of BAC Australia, Craig Johnson, is also quoted:

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FEDERATION CHAMBER
The sector in which we operate is a major contributor to Australia's carbon emissions. Airconditioning, heating and refrigeration equipment services over 1 million square metres of non-residential space, while consuming 9 per cent of the nation's electricity resource. This equates to 21 megatonnes of greenhouse gas emissions, 3.6 per cent of the national total. We believe that without a price on carbon, these figures would continue to trend upwards. However, the Australian government has ensured our industry a prosperous future. Already many opportunities are presenting themselves in this clean energy space.

Mr Johnson goes on to say:

A price on carbon will further strengthen these credentials through green jobs and opportunities for the development of clean technology.

Baltimore Aircoil Australia has a long history of manufacturing on the Central Coast, an industry which we support. The company is marking 50 years of manufacturing in Australia. I cannot commend the work of Mr Johnson and his team at BAC highly enough. I look forward to marking that anniversary with Baltimore Aircoil later this year. Labor is committed not just to businesses who provide jobs but to ensuring careful regulation of the transition to a clean energy future. That is why we are also investing $37 million in the Department of Climate Change and Energy Efficiency for the establishment of a clean energy regulator which will administer the carbon price mechanism.

In the time that I have left I want to address the reality that we see. The changes that we are bringing in need to provide for assistance to ordinary Australians, particularly those who might need a bit of a hand as we make the change. We are going through this appropriation bill to provide the funding to assist households to meet the challenges of change that the 0.7 per cent adjustment to costs associated with the carbon price are expected to present. The assistance will be in the form of payments to families with children, payments to the aged, payments to pensioners and payments to people with a disability, all to ensure that those who are least able to absorb a 0.7 per cent CPI rise are supported as the change to a clean energy future occurs.

Assistance will also be provided to other income support recipients and low-income earners. This government policy and planning will see around 60 per cent of all taxpayers get a tax cut of at least $300 from 1 July this year. The top 23 per cent of taxpayers, with an annual income of over $80,000, will also get a slight tax reduction. The tax cuts will be delivered through an increase in the tax-free threshold from $6,000 to $18,200. This means that workers earning less than $18,200 a year will not have any income tax withheld from their pay. That is good news for small business—it is a decrease in paperwork and red tape for them—and it is great because it means more money in workers' pockets.

These tax cuts are permanent, not—as some opposite would have the community believe—temporary, and they are going to flow automatically into people's regular pay packets from 1 July 2012. More than three million Australian pensioners will receive household assistance to help them manage in the clean energy future. We are organising a response to climate change in a way which will see businesses grow and Australia prosper and ensure that every taxpayer who earns under $80,000 a year gets a tax cut.

Critically, the clean energy supplement is an absolutely new and permanent payment for pensioners. Under Labor, pensioners are going to receive a clean energy advance. The coalition completely opposes this payment and the legislation that enables it. Labor's clean
energy advance will really assist pensioners, yet those opposite completely oppose it. The disability support pension, the carer pension, the service pension and the wife pension are critical elements of people's lives. Labor supports these people. We are committed to making sure that they are with us as we transition to a clean energy future. I commend the bill to the House.

Mr RAMSEY (Grey) (18:36): This debate on Appropriation Bill (No. 3) 2011-2012 and Appropriation Bill (No. 4) 2011-2012 gives us an opportunity to speak on a number of things which happen in our electorates and around Australia. One of the things I raise in the House today is the implications of the bills passed in 2010 on security at regional airports.

At the time the 2010 bill was debated, I raised the problems being confronted by Port Lincoln Airport. Port Lincoln is about 650 kilometres from Adelaide by road but only about an hour from Adelaide by air. In 2010, Port Lincoln was serviced by Rex Airlines. They were flying Saab 340s with a maximum take-off weight of less than 20 tonnes. The legislation passed in 2010 specified that in the initial period all passengers on aeroplanes of over 30 tonnes would have to submit to full security screening and that then, after the middle of this year, the qualifying aeroplane weight for passenger security screening was to drop to 20 tonnes.

Around the period that the legislation was passed, Qantas commenced an air service to Port Lincoln in Bombardier Q400s. They have a maximum take-off weight of 28 tonnes, so, when in the middle of this year the legislation kicks in for the 20-tonne maximum, passengers travelling on the Qantas Bombardier Q400s will be affected. Passengers travelling on Qantas will have to be screened, whereas the Rex passengers will not have to be screened because the take-off weight of Rex's aeroplanes is less than 20 tonnes. This has presented a great dilemma for the local airport.

The owners of the airport are the Lower Eyre Peninsula council, and they are undertaking a $13 million redevelopment. I am pleased to say that they received $4½ million from Regional Development Australia, for which they are very thankful; $1.3 million from the state Regional Development Infrastructure Fund; and $1 million from state tourism department. But they have made the decision that the costs associated with the redevelopment will have to be shared by all passengers. That means that the Rex passengers, who, of course, do not have to be screened at all, will be meeting at least half the costs of the screening. Interestingly enough, the costs are not calculated on a per-passenger basis but on the basis of the number of seats on the aircraft. Unfortunately, I do not have an easy answer for the Lower Eyre Peninsula council.

It is an interesting fact that the Saab aircraft which Rex Airlines are using have a limited life. They have quite some years to go, but they do have a limited life—in fact, they are irreplaceable in aviation circles around the world at the moment. That means that any airport out of which Rex operate the only airline service—whether it is in, say, Ceduna or Coober Pedy or Kingscote or Mount Gambier—will, if it has not had to face it before and unless a suitable replacement can be found for the aeroplanes, face a similar type of upgrade to the one faced by Port Lincoln Airport. At this time, Kingscote Airport is dealing with the fact that it has an occasional charter operation coming in whose planes have a take-off weight of over 20 tonnes, while the take-off weight of the planes doing the daily service is under 20 tonnes. However, the burdens associated with airport upgrades will be inflicted on virtually all the
tourists who come to Kangaroo Island on a regular air service. I think this is a ramification that is not fully understood by the government and by many others because it is one of those regional issues that does not crop up everywhere. I hope that the government will give great consideration to how this might operate in these areas. You do have to wonder how far we bend to the demands of terrorism. I make the point that one of these aeroplanes holds about 50 passengers and in the case of Qantas 70 passengers. You can find that many people on a suburban bus and you do not have to take any risks at all; you can just leave a school case there. It is a big issue. I will be watching it closely as we go forward, particularly as the replacement of that fleet comes into place.

There are other things happening around the electorate. We are waiting anxiously in the electorate of Grey for the introduction of the carbon tax. The electorate of Grey is one of those economies that has quite a large exposure to the new tax. We have a number of manufacturing industries. We have the OneSteel steelworks in Whyalla, the Nyrstar lead and zinc smelting operation at Point Pirie and 40 per cent of the state’s electricity is generated in Port Augusta by Alinta Energy in coal fired power stations. I recognise that the government has put in a steel assistance package, but it runs for four years and in four years time the carbon tax will be higher. One wonders where the steel industry goes then. OneSteel announced two weeks ago a loss for the first six months of the year of $78 million. This new tax will be an added barrier for them to face. I have spoken at length in this chamber before about the implications for Nyrstar as a considerable investment is needed in Port Pirie in the medium-term future. One has to ask the question about how these industries are going to survive when we are ratcheting up their costs in Australia and their overseas competitors are not facing similar costs. We wait anxiously to see what happens there. We know there are going to be 500 big emitters affected in Australia but we do not know who they are. I know those three will be affected. I assume BHP at Roxby Downs will be affected, but after that we do not actually know.

There are some good things happening. There is a lot of optimism in the mining industry in the electorate of Grey. There is enormous potential out there. It is worth while reflecting that, as the government moves to introduce a mining tax, there is only one company in the whole electorate that will be affected by the mining tax—the company I have already mentioned, OneSteel. The biggest open-cut mine operation in the world, BHP’s Roxby Downs mine, which will probably get the tick to go ahead this year, will not be affected. The copper mine at Prominent Hill, a very large mine, will not be affected. Potential copper mines on Yorke Peninsula will not be affected. One has to ask what kind of equity there is in a tax that attacks just one mining operation out of a myriad that are on offer.

There is a lot of optimism because there is a lot of iron ore around. The juniors expect not to be paying the tax for some time. There is $30 billion worth of investment on offer at Roxby Downs. It is estimated there is another $30 billion in the pipeline for the Grey electorate. As I said, there is abundant iron ore in the Middleback Ranges, which is the OneSteel operation. It is estimated there may be more than 14 billion tonnes on Eyre Peninsula. The Woomera area has large potential and there are significant reserves the Braemar deposits towards Broken Hill. Aside from Roxby Downs and Prominent Hill, there is more copper on offer with Oz Minerals’ prospects at Carrapateena and Rex Minerals’ Hillside deposits on Yorke Peninsula.
They are both substantial deposits. There are mineral sands with kaoline and graphite. The mineral sands are already being mined out west of Ceduna by Iluka.

There is abundant low-grade coal. It was interesting to hear the member for Robertson talk about coal liquefaction. Certainly that is something that could be in the pipeline for the electorate of Grey. There are massive deposits of coal in the north. There is coal to gas and coal to liquid. In South Australia the Grey electorate is in fact the centre of activity in Australia for hot rocks exploration. There are very large gas reserves still in the Cooper Basin. The latest assessments are that less than 50 per cent of the recoverable gas has been taken from the Cooper Basin. That is without considering shale gas, which is the bright new prospect there. There is a proposal in Whyalla by Arafura, who are intent on developing Nolans Bore in the Northern Territory to build a rare earths refinery worth $1 billion. It would be a much needed and very welcome shot in the arm for Whyalla. It is one of the best prospects I have seen in some time.

But for all that to happen, there are things that need to happen within the electorate. We are critically short of ports. Two of the junior iron ore miners—one which has started and the other is about to start—are using rather obscure methods to transport the ore out of South Australia. IMX mine iron ore near Coober Pedy and transport it by rail to Port Adelaide in shipping containers. It is then put through a tippler system where it is tipped into the holds of the ship in the inner port of Port Adelaide. Another company, Ironclad, is looking at barging iron ore out from a place called Lucky Bay. These are very high-cost, low-efficiency operations. The development of new ports is essential. I am reasonably confident that Centrex will build a new port at Port Spencer. We probably need another outlet on Spencer Gulf, on the other side. The Thevenard port is in desperate need of redevelopment. In fact, if the Thevenard port is not redeveloped in the next five years or so, I think farming west of Streaky Bay—and I know these may be obscure names to you, Madam Deputy Speaker, but they mean a lot to people in my electorate—will actually become unprofitable, because they will be transporting their grain anything up to 500 kilometres by road. I know the Regional Development Australia for Eyre Peninsula and Whyalla have put in a very good submission and I hope that it will receive government support to make that go forward.

There are also issues with National Highway 1. Our section of it leads from Adelaide to Port Augusta and then west. But the section from Adelaide to Port Augusta had quite a bit of money spent on it, particularly in the latter years of the Howard government with a number of passing lanes put in, which have greatly improved safety and traffic. However, it is starting to reach its maximum again. If the $30 billion advancement of Roxby Downs is to go ahead, that will become under increasing strain. As I have highlighted in this place before, the first place that will come under strain will be the crossing of Spencer Gulf at Port Augusta, where there is just one lane each way across the one bridge that goes across the gulf. The alternative route takes people on a 35-kilometre route around Port Augusta on a dirt road. It is one of the things that I have raised with the regional development minister as a priority in the electorate of Grey and as something that will have to be attended to in the shorter term.

There are a number of other things I would have liked to have raised today, but I am going to run out of time. In particular, I am alarmed at the moment by the number of contacts I am getting from small businesses really feeling the pressure of the economy. There are things they are very concerned about. One is the impact of modern awards on the food and beverage
sector, in particular. I was talking to a restaurateur the other day, who opens 365 days a year. I said, 'How do you handle the high pay on holiday Mondays?' He said: 'Well, I lose money. I employ 16 people, but I go backwards.' I said, 'Why do you open?' He said, 'Just so I can say that I open 365 days a year.' I know another restaurateur. They only operate four days a week, the busy days. They do Thursday, Friday, Saturday and Sunday. But on Sunday they try to run on family only, because the costs are getting too high. I know people who run takeaway shops who do not open on Sunday anymore, because in the end they say, 'If I cannot make any money at all, why will I operate in this space?' I was talking to a multiskilled building contractor the other day who employs a number of tradesmen. Previously he had been able to employ juniors at about a starting rate of $14 an hour. Now he has been informed by Fair Work Australia that the minimum rate will be $21 an hour because he has tradesmen on his staff. If in fact he had no tradesmen, he would be able to employ a person on $14 or $15 an hour as a starting rate. He said: 'This is the way that I've always developed my tradesmen. I put them on for 12 months and I have a look at them before I take the risk of taking them on as an apprentice.' But that door has been shut in his face.

They are particularly concerned about the new OH&S standards that are being passed by state governments. I am pleased that in South Australia at least there is a lot of careful analysis going on of what the impact of any changed legislation might be. They are concerned about the ten per cent rise—at least—in electricity rates that will happen at the end of June. And there will be no assistance for small business; not a scrap of assistance. They will have to absorb those costs. They are concerned. The people who operate quarries and construction firms are worried and concerned about the rise of at least six cents in the price of diesel that will happen on 30 June and which will apply two years later to the road transport industry. And there will be absolutely no assistance for these people. They will have to wear the cost.

(Time expired)

Ms VAMVAKINOU (Calwell) (18:51): I am really pleased to rise today to speak on the Appropriation Bill (No. 3) 2011-2012 and the Appropriation Bill (No. 4) 2011-2012. It is very important that from time to time we get the opportunity to talk about the impact of budget measures on our electorate and to report to, in this case, the Federation Chamber on the progress of the funding of significant projects and significant programs in our electorates. My electorate, the federal seat of Calwell, has been a significant beneficiary of lots of government budget measures and so I am very pleased to be able to today speak about some of those measures.

As I have said on many occasions, the seat of Calwell is one of the 10 most socioeconomically challenged electorates in Australia and we—not from time to time but constantly—show up in the statistics as having a very high unemployment rate. Often it can go as much as seven per cent higher than the Victorian and national rates. We are an electorate that presents many challenges for government. The Labor government recognises the situation in my seat of Calwell and the challenges that are before it.

I want to speak about a particular program that has been of great benefit to my electorate, the $304 million package that aims to address the areas of education and employment, two areas where there is great need. They need to be funded and improved because education and health services are services in my electorate that blue collar constituents and constituents with no skills probably have the greatest need to access. I am very pleased to say that my
constituents are beginning to very much feel the effects and benefits of that package, together with the effects of the government's strong, enduring and ongoing commitment to manufacturing.

Manufacturing, and manufacturing in the automotive industry in particular, is crucial to local employment in my electorate. In addition to that, it is also crucial to the overall national economy and our capacity as a nation to innovate and to continue to produce jobs in a new economy. I have often spoken about the Ford Motor Company, which is the largest manufacturing employer in my electorate, and I am very pleased to say that recently Ford, in a co-payment arrangement with the federal government, received a $103 million grant that will be used largely to upgrade the emissions performance of the very successful Ford Falcon and the extremely successful Ford Territory. The announcement of this grant was made after meetings in the Ford headquarters in Detroit between the Minister for Manufacturing, Senator Kim Carr; Ford Asia Pacific and Africa President, Mr John Hinrichs; and the Ford Australia President and CEO, Mr Bob Graziano. I can report to the Federation Chamber that the many people in my electorate who either work at the Ford factory or rely on the automotive industry and the car component industry for their jobs and for their livelihoods were very delighted that this co-investment has come their way. Very importantly, it has ensured that the iconic Ford Falcon will be produced to at least the end of 2016, thereby guaranteeing their jobs.

Mr Bruce Scott: A great motor vehicle.

Ms VAMVAKINOU: It is indeed a great motor vehicle. I went to Ford with the Prime Minister and the Minister for Manufacturing. I cannot describe the gratitude of the people who work there, not only those who work on the factory floor but also the people involved in the innovation and the engineering. Making cars, as we have said before, is not just about the assembly plant. There is a whole process of involvement. They were delighted because they had come to the point where they were beginning to believe that they would lose their jobs and their livelihood. This would have an impact on their ability to educate their children and on their ability to access all sorts of things. They were delighted. And I am delighted to be part of a government that secures jobs not only in my electorate for the short term but which actually invests for long-term job growth in Australia and gives opportunities and hope to the broader community, especially to young people, that there will be jobs in the automotive industry and its component parts.

On another matter, late last year I was pleased to attend as the federal member the official commemoration of a $63 million investment to Nexteer Automotive, which is a manufacturing plant in my electorate in Somerton. This very successful local company received a significant amount of money to help them embark on a project to manufacture more environmentally friendly car parts. This will not only generate hundreds of new jobs in my electorate, but also bring Australia, as always, to the forefront of this sort of innovation. That is why it is very important to talk about protecting and developing our manufacturing industry. It is not just about the jobs on the ground but also about the future of its innovation capacity.

It is quite important to note that manufacturing companies invest more in research and development than companies in any other sector and it is this investment in research and development that will give Australia the skills and the tools to prosper in the 21st century. The member for Grey would know that because the member for Grey and I served on a
committee in the last parliament that put a lot of thought into the area of research. This sort of investment in research builds. The development of high tech jobs and high value industries will eventually benefit our local community and advance the cause of this country. These investments will be helped along by the government's $5.4 billion A New Car Plan for a Greener Future, which includes the $3.4 billion Automotive Transformation Scheme. This will help strengthen the automotive supply chain by underpinning investment, building capability and expanding markets at an international level. This on a national scale will create more than 700 jobs and we are on track to growing that to 300,000 jobs by 2013.

The government's investment in manufacturing industries highlights, I have to say, the clear difference between the Gillard Labor government, which genuinely believes in an Australia that makes things, and the Abbott opposition, which has shown time and time again that, while it might like to talk about supporting manufacturing—and a lot of talking has taken place—when it comes to putting its money where its mouth is the honourable opposition needs to do some serious thinking. It is taxpayers' money and taxpayers include the people who live and work in my electorate who say to me time and time again that they—and the Opposition knows this—prefer their tax dollars to be reinvested back into the community to provide jobs for them and for their children.

Reinvestment of taxpayers' money is not a waste. Reinvesting taxpayers' money benefits the broader community. This is sensible, targeted reinvestment of taxpayers' money in their communities in the long-term interest of jobs and growth. That is not a waste of taxpayers' money. That is not the message that my community wants to hear. The message that it wants the parliament to hear is that they support and give a big tick to the government investing in the car industry and in the broader manufacturing sector. They do not want to hear words from the opposition; they want to see action.

As the local population grows—and it does in my community, as it does in a lot of others; my electorate in particular has huge growth corridors—it is becoming apparent that people are living further and further away from the cities. As such, commuting lengthy distances to work and spending a lot more time on the roads is becoming a significant part of the way of life my constituents and those who live in communities away from the city. We have all experienced it. My local council, the Hume City Council, has worked very hard with all tiers of government to try to reduce commuting times for our residents and to make our roads safer.

Broadmeadows, which is pretty much the centre of my electorate, has been identified as a central activities district that will see future employment growth and public investment, particularly in high density development supported by quality urban design. The Hume City Council administers a number of infrastructure sites related to the economic stimulus plan. There is a lot of expectation and action in my electorate. That action is obviously having a huge impact on the road network. All of these initiatives, I have got to say, would not be possible without the support of the federal government. I am very pleased to have identified another area which the Gillard Labor government is obviously targeting and addressing through funding.

The Department of Human Services community profile report of May 2011 indicated that the city of Hume has received some $4.4 million under the Roads to Recovery program and $135,000 for the black spots program, and that a further $771,000 has also been provided for.
various community infrastructure program projects. That include building sports facilities, extending footpaths and other street upgrades. If you have been to my electorate or anywhere near that area, you will know that it is a part of that huge 28-kilometre-long Western Ring Road and Hume Highway upgrade, which is being funded to the tune of $900 million out of the nation building program. That funding is to provide for a series of capacity and safety improvements. There is a lot of work being done in widening the lanes, reconfiguring road interchanges and integrating an overall freeway management system that will service the needs of the people in the north-western suburbs. The government has allocated $25 million from the Nation Building programs towards the construction of the new full diamond interchange at the Kings Road and Calder Freeway intersection in Taylor's Lakes. In January this year I had the great pleasure of opening this interchange. It was done nearly five months ahead of schedule, somewhat unusual for road works. On this occasion it came in five months ahead and, as a result of that, saved enough money for that to then rollover into other projects. My community has welcomed this particular project. It was a stretch of the road up on Calder which has been a real problem in relation to vehicle accidents. There have been some 39 vehicle accidents and 15 serious car crashes and, indeed, one fatality, so the people of the Kings Road interchange have fought long and hard to bring to the attention of the government their plight in relation to this very dangerous road network in and around their community. They are very pleased with the opening of the interchange. In addition, while it was being built it did create—

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (19:06): Thank you, Deputy Speaker Burke, for taking my place in the chair to allow me to speak at this time in the Federation Chamber. As I said last night in my private member's motion, this year is also designated the year of the farmer. It is one of those issues that I will continue to focus on—the importance of the agricultural sector, our farming communities and the 1.6 million jobs that are related directly or indirectly to farming in Australia. That is notwithstanding, of course, the importance of food production for all Australians given that our farmers produce some 98 per cent of the food that we eat in this nation and are still able to export and feed a further 40 million people in other parts of the world.

I come to the bills—Appropriations Bill (No. 3) 2011-2012 and Appropriations Bill (No. 4) 2011-2012. It has been a very tough start to the year in my electorate—and I know that the member for Flynn joins me in this as the neighbouring electorate—particularly the western parts of the electorate or, n fact, two-thirds of the electorate. It covers a land mass—and forgive me for using the comparison, Deputy Speaker—the equivalent of three times the size of the state of Victoria and now has the largest number of people eligible to vote of any constituency in Queensland, which is of course about the growth of the resources sector in my electorate—as in yours, Member for Flynn.

I come to the point I want to raise, and that is to do with the communities that are facing the heartbreaking process of the clean-up post these devastating floods, these natural disasters. The full extent of the flood damage will not be known for many months, but already I can see—and the community can see—the effect it has had on personal property, houses, local businesses, our roads and much of our public infrastructure.

The other thing is that this happens to be the third time in 23 months that we have seen a national disaster declaration in many parts of my electorate, including my own hometown of
Roma. I know there have been devastating losses of livestock and crops and people losing personal treasures which I know can never be replaced. One of the tragedies in my hometown of Roma was the loss of the life of a young woman, Jane Sheahan, who was out there helping others and transporting sandbags into the flood zones that were rising at about a metre per hour, which caught us all by surprise. I know all of our thoughts and prayers are with the Sheahan family and their closest friends in this time. So many of the people who have been flood affected for the third time in 23 months are out of their homes and have got insurance companies assessing the damage. In cases where they have insurance they will want to talk about the definition and the work that has gone on in relation to defining the definition of flood insurance. Many of those people have been traumatised. Maybe that is too harsh a word, but they are really concerned that their home could have been inundated three times in 23 months. They had just put it back together after 2010; some people were still dealing with the insurance companies relating to the damage in 2010. Then in 2011, this time last year, they were inundated again. Many had just put their houses back together, bought new furniture—if they were insured they were able to do that, if not they had to rely on grant money and charities to assist them to get their houses back in some order—only to find themselves devastated again within nine to 12 months, in some cases, of getting them back in order.

It raises the issue of funding for flood mitigation and the planning that goes behind that. In western Queensland we have seen the towns of Charleville and Augathella protected from the floods on the Warrego River because of money invested when we were in government on a tripartite basis. Commonwealth, state and local government built levee banks that have protected the town of Charleville, with more work to be done. Augathella and the township of Cunnamulla were protected. I want to see, and I call for, in this year's budget funding for flood mitigation in these areas of Queensland. I have written to the minister about this and I have spoken with the Prime Minister. We can prevent the huge disasters that have fallen on many people's homes and businesses in towns if we are able to build levee banks and keep the water out of the flood prone areas. There may be a need, in some cases, for people to have their houses raised—we need to be able to assist those families. There are other areas where it may be better if we are able to move those houses onto higher ground, out of areas that are going to be very, very difficult and expensive to protect from future floods.

An important issue is that of the definition of flood insurance. I am getting feedback from some people that some companies were excellent—they were in there within 24 hours of the floodwaters receding. They were talking to families, telling them that it would be all right and that they would bring their builders in. They were helping people address the issue of how their home could be rebuilt and how they would be able to deal with the purchase of new furniture and replace items lost in the flood. The definition of flood insurance and how that is dealt with in the future is going to be of critical importance.

One of the issues that has been brought to my attention, notwithstanding the goodwill of a lot of insurance companies, is that they have said that they want local suppliers to provide the replacement goods—particularly white goods and those sorts of items—for items that were ruined because of the floods in my home town of Roma. They want local suppliers to provide them at warehouse prices from Brisbane. That may not be quite possible, but we are encouraging all our businesses to make sure that they are competitive. We are trying to make sure that local people have got their insurance claims in and that they give the opportunity to
the local suppliers to give a quote for the replacements, whether it is for building materials, furniture, electrical goods, floor coverings or whatever it might be that has been flood affected. Once these goods are replaced people may have them for four to five years, and so some of the electrical shops, particularly in the smaller communities, may not have an opportunity to supply new electrical equipment for the next four to five years, which will have a significant impact on these small businesses. I say to the local community: please give your local suppliers the first chance to quote. I encourage insurance companies to make sure that they too take into account the fact that when local suppliers provide the goods, they also supply the guarantee. Any warranty issues can then be dealt with at a local level rather than having to go through a supplier who may have been supplied from a warehouse in Brisbane. I think in some such cases the supplier, would not want to know these families and people in the future. That is an issue we have to address. We have had some good news stories too. We had the wonderful charity and the volunteers from all walks of life who just walked out of their businesses to help their fellow Australian friends and family. I would just like to touch on one fantastic story of generosity—that is, the bakery in Mitchell, which is a town of 850 people west of the Maranoa River. It is a town that is really suffering as a result of the forced amalgamation in Queensland. A lot of the council staff are not the same as they were in numbers. It has had an impact on the town. The bakery in the main street has not had flood insurance. The floodwaters have never been as high up as they were in the main street of Mitchell in this recent flood. In fact, the floodwaters went a metre over the gauge, which goes to nine metres. It had never been to nine metres before. The nine metre marker got drowned and it went another metre higher. The house of the Mansfield family was inundated. They have got a young family and are the bakers in the small town. They wondered how they would replace the equipment in their bakery—$300,000 to $500,000 of specialised equipment. They make wonderful bread to supply not only the town of Mitchell but also the outlying areas. It is often shipped into the smaller towns further west, such is the reputation for the bread that they bake.

There has been a lifeline. Coles—and often Coles they are the subject of the sharp tongues of some of my colleagues here in this place—has recently bought a store in Toowoomba that they did not need. They only yesterday transported out too Mitchell all the equipment from the bakery that was no longer needed by Coles in Toowoomba—slicing equipment, baking ovens and mixers. The baker in Roma also supplied some of the equipment that he no longer needed because he has established a new bakery recently. It is a great news story. They have got all their new equipment and they hope that within 10 days they will be up and baking once again in this small country town. They are a young family that is sticking with us out there in the west and sticking in the town in which they have grown up.

When you look at small businesses like this that have been inundated, they have been cleaning up for the last four to six weeks. They have no cash flow until they get back into production. It impacts on their ability to service the loans on their businesses and also the loans that they have on their own homes. Banks have been reasonably good in relation to most of those situations, but once again in this place I would call on businesses to make sure that they are generous and make sure that they do not put unfair demands on families that are in small business, or on families generally, as they get back on their feet.
I could mention here the seasonal workers. Many seasonal workers do not get work—shearers and kangaroo harvesters. Many truck drivers cannot get out to work. They only get paid when they go to work. They are not on a salary; they are on seasonal work. They too fall into a category that actually falls through all the cracks of the assistance that is provided by the Commonwealth and state governments. We have got to think of those people and banks need to think of those people. I know our local communities are trying to help them as much as possible until they can actually do a day's work, go out and harvest marsupials or drive a truck again. Many of the roads in the electorate have got road restrictions and load restrictions particularly, meaning that their job opportunities are very much restricted. We have got to make sure that we keep these workforces in the communities until the roads are repaired, the roads are dried out, the paddocks around are dry enough for marsupial harvesters to go out and harvest kangaroos again. It has a flow-on effect well beyond just those businesses that have had inundation damage as a result of this natural disaster.

I just want to touch on one other issue. There is a state election coming up in Queensland on 24 March. I was looking today at the big three issues for business in Queensland as the Queensland government goes to the election. It is interesting that, when you look at the top 20 concerns of businesses, these are the top three. No. 1 is the carbon tax. No. 2 is the level of energy costs. No. 3 is the overall level of energy costs. No. 3 is the overall level of state taxes.

Mr Frydenberg: They do not listen.

Mr BRUCE SCOTT: We are used to taxes when we have Labor governments.

Then we look at the small employers, with one to 19 employees. Their No. 1 concern is the level of energy costs. No. 2 is the carbon tax. The third item is the overall level of Commonwealth taxes. They are the three big issues for those employers, those small businesses that I have been talking about here, who employ between one and 19 people. The Mitchell bakery, for instance, employs 15 people. It fits right into that category.

Then there is the medium sized businesses, with between 20 and 99 employees. The No. 1 issue on the agenda is the carbon tax. The second one is the overall level of state taxes. The third one is the level of energy costs. What affects the level of energy costs? The introduction of the carbon tax and the ramifications that that will have for everyone's living costs. The costs of energy will be driven up because much of our energy is generated by coal.

Then of course you have got the large employers, those with 100 or more employees. The No. 1 issue for them is the carbon tax. It comes up every time as one, two or three. Generally it is the No. 1 issue. This is from a survey by the Chamber of Commerce and Industry Queensland—a very reputable organisation. (Time expired)

Mr FRYDENBERG (Kooyong) (19:21): I rise tonight to speak on Appropriations Bill (No. 3) 2011-2012 and Appropriations Bill (No. 4) 2011-2012. These supply bills deal with the appropriations from the consolidated revenue fund for the annual services of government for a total of $3.1 billion—divided between $2.82 billion under bill No. 3, which ranges across 19 portfolios, and $341.1 million for bill No. 4, which covers 13 portfolios.

Since the election of the Rudd-Gillard government in 2007, we have been accustomed to the graphic waste and economic mismanagement of our political opponents. These bills before us provide a good opportunity to outline our concerns with specific examples of this government's bad economic decisions. Tonight I am going to highlight the fallacy that this
government rescued the country from the global financial crisis, the fallacy that this government created jobs through the GFC, the fallacy that this government can deliver a program on time and on budget. The shambolic performance of the $150 million Infrastructure Employment Projects program now finally exposed by the Auditor-General will be exhibit A. But more on that later.

Let me start by saying that one could not imagine a worse fiscal record than that which will follow this Labor government into the annals of history. Bequeathed a balance sheet with no government debt and more than $60 billion in the bank, they are now the proud owners of $136 billion in government debt—the four largest budget deficits in the history of this country totalling $167 billion—and a record debt ceiling of $250 billion. This is not a government that knows how to live within its means. Borrowing $100 million a day, the interest bill alone would pay for five teaching hospitals a year or a crucial national disability insurance scheme. Conscious that their economic credentials are in tatters, the government are doing all that they can to manufacture a budget surplus, however small, in 2012-13, a surplus which started as the Treasurer's rolled gold guarantee and has now been reduced to forlorn hope. It is a hope that is becoming increasingly challenging given that this government is addicted to spending, with government spending more than $100 billion higher than it was under the last years of the Howard government. It is a hope that is becoming increasingly challenging because this government has introduced 19 new taxes, damaging investor and consumer confidence and stunting jobs growth in the economy. Despite the realities, the government persists in fiddling the books, trying to produce a surplus. That is why it has brought forward as much of its expenditure as possible for the years 2011-12, indifferent to the ballooning deficit this year. In May 2011, the government predicted a deficit of $22.6 billion, but seven months later in December, that number had jumped by a whopping $15 billion to $37.1 billion. The thinking is clear: bring as much forward as you can or push as much out, just as long as it does not fall within that golden year 2012-13. The other little trick that the government is playing with the books is to take as much spending as possible off the balance sheet so that it does not appear in the bottom line. Two good examples are the $10 billion Clean Energy Finance Corporation and the $18.2 billion of spending for the National Broadband Network over the years for 2014-15. These should be recorded in the underlying cash balance but the government believes these are investments undertaken to make a return and should receive a different accounting treatment. That is just not right. These are government programs for which taxpayers are being slugged. This spending should appear on the bottom line. This spending should be transparent and this government should be accountable.

Back to the Infrastructure Employment Projects Program: this $150 million program forms part of the government's $650 million Jobs Fund and was put in place in 2009 with the specific purpose of stimulating the economy during the GFC. However, the Australian National Audit Office in its audit report No. 7, 2011-12, issued a damming assessment of the program, highlighting the significant flaws in the way it was established and implemented. There is no point in gilding the lily. This must be one of the most scathing reports on record. Do not take my word for it, it is all there in black and white in the report. Some of the Auditor General's findings were, from paragraph 15:

… shortcomings in designing and implementing an effective means for identifying and assessing candidate construction projects has meant that the IEP stream did not achieve the economic stimulus objectives set for it in the anticipated timeframe.
From paragraph 18:
… funds have not been targeted at those areas identified as having the greatest need for support, with none of the approved and contracted projects being located in a Priority Employment Area.
From paragraph 19:
… the department did not assist its Minister with the early identification and targeting of promising projects that could be expected to deliver timely and effective economic stimulus … Instead, the department only responded to referrals from the Minister or his Office.
From paragraph 20:
… Infrastructure did not analyse each proposal’s overall quality in contributing to the stated program objectives so as to provide advice to the decision-maker on the merits of candidate projects … This reflected the department’s quite narrow view of its role in the administration of this program, and does not sit comfortably with the requirements of the enhanced grants administration framework.
From paragraph 3.7:
Rather than undertake an initial assessment of the potential merits of projects raised through each inquiry as possible candidates for IEP stream funding, the usual departmental response was to provide inquirers with a Fact Sheet on the IEP stream and to advise that:
Please note that there is no application process for IEP. The Australian Government will be identifying projects …
From paragraph 3.9:
… a number of inquirers were informed that they could ‘lobby’ the Infrastructure Minister directly, or seek to have their local council and/or local Member of Parliament ‘lobby’ the Minister on their behalf.
From paragraph 3.13:
All but two of the 19 projects accepted for initiation as a possible IEP stream project had been the subject of a representation to the department, the Infrastructure Minister, Treasurer or then Prime Minister concerning possible Commonwealth funding.
From paragraph 27:
… the IEP stream would operate through a non-competitive and closed process of deciding which projects would be considered for possible funding.
From paragraph 29:
• opportunities were not taken to target funding at promising projects that had unsuccessfully applied to other oversubscribed stimulus programs …
and, also from paragraph 29:
• no attempts were made to actively involve the Local Employment Coordinators in the identification of projects located in Priority Employment Areas that may have been suitable for consideration for IEP stream funding. This was the case notwithstanding that:
  – the Local Employment Coordinators were announced as being a core part of the Commonwealth’s infrastructure and stimulus measures, in order to focus Commonwealth resources on the 20 Priority Employment Areas (identified by DEEWR analysis as those areas with the greatest need for direct assistance); and
  – the Jobs Fund guidelines had explicitly provided for Local Employment Coordinators to play a role in identifying candidate projects for IEP stream funding
From paragraph 36:

- there were eight approved projects where the department’s initial appraisal concluded that the first gateway criterion had not been demonstrably met. In each instance, the final advice to the Minister concluded that this criterion had been met. However, departmental records did not address how factors initially identified as being of concern either by it or the independent viability assessment commissioned in relation to the project had either been addressed, or why these factors were no longer seen as being of concern;

Also from paragraph 36:

- value for money considerations were not addressed by Infrastructure in its assessment work so as to support its advice to the Infrastructure Minister that the approval of funding for projects represented an efficient, effective and ethical use of public money.

From paragraph 45:

… the IEP stream has not provided the planned level of stimulus in the timeframe that had been budgeted. In particular, only half of the approved projects were contracted to be completed by the original program end date of 30 June 2011 and, by this date, 38 per cent of program funds remained uncontracted.

From paragraph 47:

… despite the April 2009 announcement of the IEP stream stating that the funding of construction of local infrastructure would create immediate jobs in communities affected by the global economic downturn, it was not until August 2010 that any project proponent reported to Infrastructure that an IEP steam project had created or retained any jobs.

There you have it. The Auditor-General found that the government's program did not meet its stimulus objectives, did not meet its time frame, did not adopt the targeted approach, did not analyse each proposal's overall quality, did not see the department question the choice of preferred projects by the minister's office, did not conduct a competitive or open process, did not assess value for money considerations in its assessment of projects and did not report that any jobs had either been created or retained in the first year.

Any one of these findings would be damning, let alone all of them. It is now time for the minister to accept responsibility for his failures and those of his department. To do otherwise is a dereliction of duty and betrayal of the Australian taxpayer. The Prime Minister, the Treasurer and the Minister for Infrastructure and Transport can no longer hand on heart say that their jobs program saved us from the GFC. But in fact this is what they continue to do. The ALP website explicitly lists the creation of jobs during the GFC as one of the government's crowning achievements. The document Creating jobs and skills in Australia says that during the GFC the government created jobs by building shovel ready infrastructure.

But best of all, in a press release issued on 05 April 2009 by Julia Gillard as Minister for Education and Minister for Employment and Workplace Relations, then Prime Minister Kevin Rudd and Brendan O'Connor as minister for employment, she announced '$150 million dollars for infrastructure and employment projects to be initiated by the Australian government for the construction of local infrastructure that will create immediate jobs in communities affected by the global economic downturn'. We now know that statement was false. A $150 million government program failed on all counts and did not create immediate jobs. Now someone must be held accountable.
As a member of the Joint Committee of Public Accounts and Audit I sit with my colleagues, the member for Fairfax, the Chief Opposition Whip in the Senate and the member for Mayo. We hear from the Auditor-General examples of waste and mismanagement through the government bureaucracy. But this report would have to take the cake, highlighting an egregious display of bureaucratic and ministerial incompetence. In the words of my colleague the shadow minister for infrastructure and transport and Leader of the Nationals, Warren Truss, this program is an 'extraordinary case of pork barrelling', and he is so right.

No wonder, then, that this was the report in the *Australian*:

The winning projects include a new $5.5m terminal for Gladstone Airport, requested of Mr Albanese by the former Labor member Chris Trevor, who lost his marginal seat in the 2010 election. Queensland Premier Anna Bligh successfully lobbied Mr Albanese for $9m to relocate the Queensland Symphony Orchestra, and the Museum of Contemporary Art in Sydney—in the electorate of Labor minister Tanya Plibersek—was given $13m to create a national centre for creative learning.

The significant funds in this program flowing to Labor held seats is more than a coincidence. It is a red flag, and a further investigation is required. The fact that this was an executive grants scheme, where ministers had the authority to pick and choose their preferred projects, stinks to high heaven. I am sure what the Auditor-General has told us in this report is just the start of what should and could be uncovered.

In conclusion, I pay credit to the Auditor-General and his team for their thorough work in this report. I pay tribute to journalists like Natasha Bita and Malanda Rout of the *Australian*, and Fleur Anderson and Pip Freebairn at the *Financial Review*, because they have had the courage to report on this scandal. I only now hope that the minister comes into this chamber to take responsibility, however remote a possibility that is.

I also now hope that the lessons of this pitiful episode in government administration are learnt by the bureaucracy and are learnt by this Labor government, so that the taxpayers of Australia will be spared the indecency of what has taken place under this, the Infrastructure Employment Projects program.

**Mr O’DOWD** (Flynn) (19:36): Before I start on Appropriation Bill (No. 3) 2011-2012 and Appropriation Bill (No. 4) 2011-2012, I would just like to set the scene of my electorate, which was formed in 2007. My electorate is about twice the size of Tasmania. It produces a lot of coal and aluminium. It has three coal fired power stations. It has numerous cropping around Emerald, and cotton, grain, sorghum and wheat, chickpeas and mungbeans. To the west of Emerald, we have the Gemfields, which are rich in sapphire mining. As we go down to the south, we have cattle country through the Springsure-Rolleston area, with huge paddocks for cattle. The coal is in Blackwater, and around Emerald and Gregory, down to Springsure, which would have its own coal mine at Minerva. The Rolleston coal mine, just outside of the town of Rolleston. We have the proposed huge coal mine at Taroom and Wondai, which is in your electorate, Deputy Speaker Scott. Then we head down to the citrus growing areas of Mundubbera and Gayndah. Head east on the way through that, until we get to Bundaberg where we have sugar cane, macadamia nuts and all sorts of small crops. We did have tomatoes up until the big farm went bust yesterday.
It is a very productive area. It is a very big food bowl. It produces a lot of income. I have used the analogy that it is twice as big as Tasmania. Tasmania outputs about $2 billion worth of exports. Flynn produces over $8.8 billion in coal alone. You can add to that the millions of cattle and other produce which I have just mentioned, as well as sugar cane. It is a very productive area, but I tell you what it has in common with Maranoa: a carbon tax. It is very bad for my area. There is a mining tax. We have a lot of coal mines. We have BMA, which is a BHP Mitsui company. We have Xstrata. We have Anglo Coal. We have Cockatoo Coal. All these companies exist in the seat Flynn as we sit here.

There are a lot more projects on the drawing board, but whether they all go ahead is another thing. All these projects cost a lot of money to get off the ground and most of it or all of it is borrowed funds. Most of that borrowed money comes from China. While this second GFC is on in Europe, most of these companies are sitting back and waiting to see what happens, because they are very dependant upon China to use their products, but they are also dependant upon China to finance the coal mines. That is exactly what has happened in the Alpha region, which is in the electorate of Maranoa. The companies have got all these projects on the drawing boards, but they have not committed to them 100 per cent because they have all got to be financed. That is the situation we have got. Renewable energy is also taking its toll. This is adding about 10 per cent of cost to the big aluminium companies. Rio Tinto have actually put the Boyne Smelter up for sale which employs about 1,200 men and women in the Gladstone coal fired power station. They have segregated this from the main Rio Tinto broad stream companies and put them off in a separate company called Pacific Aluminium to have them ready for sale. But as they said to me, 'Who wants to buy an aluminium works which is a very heavy user of power and a coal fired power station which Bob Brown would like to knock down within the next 10 years?' That is the scenario in my electorate. It is all very dependent on us getting into power and knocking down the carbon tax.

When we get back the appropriation bills, the fudging of figures by this government is amazing and it is just to bring the 2012-13 budget into surplus, a wafer-thin surplus. What are they trying to do? Is it trickery or what? It might fool the average amateur, but it does not fool the astute businessperson who knows they are just trying to bring the money forward into 2011-12 or put it back into 2013-14, so it leaves 2012-13 with a surplus. It is totally illusory, and it is funded on debt and funding of figures in a soft budget.

The government has been gorging itself on debt, debt, debt and deficit and we on this side of the House are waiting for the inevitable result of that gorging. Why does this government continually risk the money and livelihoods of hardworking Australians? They take this risk because they are hoping just for one thing: a budget surplus. They have not had one since 1988, so this is their big chance to have a budget surplus. But, by God, aren't we going to pay for it!

On a good note—and I must pay credit to those opposite—we are getting some roadworks done on the Bruce Highway. It is the worst highway in all of Australia—and that is not my opinion, that has been proven by the authorities. They are going to press ahead in this year's budget on the Calliope Crossroads, the Yeppen Crossing at Rockhampton and the north and south entries into Gin Gin on the Bruce Highway. I have got to be thankful for that. This will follow their $37 million deficit this year.
However, if there is a budget surplus, can it be sustained for the following year? I doubt it. You can have a budget surplus, but you must be able to pay the debt back somehow. The debt will need about $7 billion to $8 billion a year—at this stage, not down the track—to pay it off. This government is hooked on spending. Spending has got to be cut back somehow, somehow. We all like to be economic conservatives. We have all heard that before. We heard it at the start of 2007, that all the government were going to be economic conservatives. That soon went by the wayside and we are now left with a huge debt. People compare it and say, 'Oh, it's not too bad compared with Europe.' We do not want to follow Europe. Look at the mess that Europe is in at this particular point in time. In fact, there is only Germany and, to an extent, Poland that have got reasonable GDP figures and debt compared with that. Most of Europe, including England, Ireland, Spain, Italy and Greece, are cot cases. We do not want to be compared with European countries; we would like to be compared with some of the Asian countries who are doing it right. Europe has a carbon tax, although much less than our carbon tax. Nevertheless, they have a carbon tax and you can see the debacle now with their airline industry and how it is going to affect flights in and around the world. Even today, Virgin Airlines and Qantas are putting out their airfares and they are all increasing.

All our prices will go up—not only Qantas and Virgin. Costs will go up in areas like Flynn, Maranoa, Hinkler and Dawson. The rural and regional areas of Australia will suffer from this carbon tax. Every industry that I know of somehow will be taxed extra. Our cost of living, which is already out of control, will go up. There is going to be further pressure on interest rates and, of course, there will be an upswing in inflation. Inflation is reasonably under control at the moment, but under a carbon tax I can only see the inflation rate going through the roof, because everyone will pay extra, including those people who are on fixed incomes. I feel sorry for the pensioners of this world.

As I said before, while some parts of my electorate are booming, it is a three-way economy. You have one section of the community who are going gang busters, whether it be wages or companies. If you are on a gas project in Gladstone, you are getting the highest wages in the world—$150,000 to $200,000 is not uncommon. A cleaner at the gas fields in Gladstone is on $150,000 to $170,000. I am not knocking cleaners, but I am saying, 'Where else can you get a job as a cleaner for $150,000 a year?'

At the other end of the scale we have people who cannot compete. Small business cannot pay $150,000 a year for a truck driver, but they have got to do something to compete with the gas companies. That is why a lot of them have just put their arms up and walked out. If you do not own your own home in Gladstone, Emerald, Mackay or Moranbah you have got no chance, because rents are through the roof—up to $1,000 for one room, with people who visit the area hoping to get jobs but not getting them sleeping in cars. That is what people have to put up with in my electorate.

We would like to see more infrastructure. The $65 billion worth of gas projects is fine. It will generate a lot of money for the federal government and the state government. But, having said that, we need our infrastructure. Our roads are crammed. We need a double-lane highway between Gladstone and Calliope, Gladstone and Yarwun and Gladstone and Tannum. Due to the heavy machinery coming up the Bruce Highway going along the Capricorn Highway to Emerald it needs upgrading. I feel sorry for the Main Roads people. All they do is patch the potholes. They have no real money to spend on the highway.
I am very proud of Flynn, but we do need help. No-one in my electorate can understand the Greens' attitude toward the coal-fired power stations. We have a coal-fired power station power station at Stanwell near Rockhampton; we have a coal-fired power station at Biloela; we have Queensland's biggest power station at Gladstone. You cannot bulldoze those down and replace that power with wind power or solar power. It just won't work. This is the problem we have in our communities and people simply want answers. They want royalties for regions. It is working very well, as I understand it, in Western Australia, where the regions that supply the exports, the money for a lot of programs, were all asking for 25 per cent of the royalties to be returned directly to the areas that produce the coal, bauxite for aluminium and the aluminium itself.

The cement industry is under great suffering because it is finding it very hard with the Australian dollar to keep the industry alive. There are already imports of cement into Queensland and northern New South Wales, and even into Victoria, which is supplied by Cement Australia. They just cannot compete. Clinker is coming in from China at a very good rate. They have cheap power in those countries. For instance, Korea has cheaper power than Australia and they import our coal from Central Queensland. So it is a laughable situation. Our country has survived on cheap power and cheap water and, at the moment, we do not have either of those two items. Water is getting dearer and power is getting dearer. We are on a spiral but the spiral is just going up with the prices of commodities.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (19:51): I rise to bring this debate on Appropriation Bill (No. 3) 2011-12 and Appropriation Bill (No. 4) 2011-12 to a close. I thank those members who have made a contribution. The additional estimates bill seeks appropriation authority from the parliament for the additional expenditure of money from the Consolidated Revenue Fund in order to meet requirements that have arisen since the last budget. The total additional appropriation being sought for additional estimates bills 3 and 4 this year is a little over $3.1 billion.

In concluding that debate, I would like to make a couple of points in response to the comments made by the member for Goldstein, who I believe has overlooked the full impact of the global financial crisis. Again he has neglected to mention the 200,000 jobs saved by the government's swift action. He has yet again gone on about the size of government only to forget to mention that we have kept tax as a percentage of GDP below the levels we inherited from when the member for Goldstein was in government—this from the shadow finance spokesperson who has effectively squibbed on their commitment to return the budget to surplus. We know why: the opposition need to find $70 billion in savings. So before the main chamber gets a lecture on fiscal policy we think the opposition need to get their own house in order.

In turning to the bills before the chamber, there are a number of measures relating to the delivery of the government's commitments from the Mid-Year Economic and Fiscal Outlook update I would like to raise. There is $1.3 billion in appropriation across several agencies to support the government's commitment to a clean energy future for Australia, including $1 billion in cash payments to highly emissions-intensive coal fired power stations to assist their transition to a carbon price. There is $106 million to complete remaining inspections and rectification services under the home insulation safety plan and $66 million for the
establishment of the Clean Energy Regulator, which will administer the carbon pricing mechanism. The government is providing $30 million for official development assistance to combat the effects of drought and famine in the Horn of Africa and $10 million to implement the International Mining for Development Centre, which will provide scholarships through the Australian Mining Awards Program and build administrative capacity in Africa. We have provided $24 million in assistance to businesses affected by the temporary suspension of live cattle exports to Indonesia. The government is providing $63 million to assist the Tasmanian forestry industry transition to a more sustainable and diversified industry and $10 million to strengthen incentives for parents to have their children immunised.

As these measures make clear, the government are getting on with the task of delivering on our commitments. In conclusion, the bills support the government's budget and MYEFO initiatives and deserve widespread support.

The DEPUTY SPEAKER (Hon. BC Scott): The question is that the amendment be agreed to.

Question negatived.

Original question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Appropriation Bill (No. 4) 2011-2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (19:54): Appropriation Bill (No. 4) provides additional funding to agencies for payments direct to local government and some National Partnership payments through the states, the Australian Capital Territory and the Northern Territory; requirements for departmental equity injections; and requirements to create or acquire administered assets and to discharge administered liabilities.

The total additional appropriation being sought in Appropriation Bill (No. 4) 2011-2012 is a little over $341 million, the more significant amounts of which I now outline.

The Department of Regional Australia, Local Government, Arts and Sport will be reappropriated $53 million of funds directed to local government and some National Partnership payments through the states, the Australian Capital Territory and the Northern Territory; requirements for departmental equity injections; and requirements to create or acquire administered assets and to discharge administered liabilities.

The Department of Regional Australia, Local Government, Arts and Sport will be reappropriated $53 million of funds directed to local government and regional development. This reappropriation, in part, will be used to offset the amounts provided to the department earlier in the year through the Advance to the Finance Minister mechanism.

The government will provide $29 million of capital funding for the establishment of the Clean Energy Regulator which, as outlined in the second reading speech for Appropriation Bill (No. 3) 2011-2012, will administer the carbon-pricing mechanism.

The Department of Education, Employment and Workplace Relations will be provided with $37 million. This is a result of a transfer of $50 million from Appropriation Act (No. 1) 2011-2012 for the Reward for Great Teachers program, offset by payments to government schools that have been transferred to the Department of the Treasury.
The Department of Industry, Innovation, Science, Research and Tertiary Education will provide a $25 million loan to Howe and Co. Pty Ltd and its parent company Howe Automotive Ltd. The loan is to be fully repaid over 10 years with annual interest and principal payments. The provision of this loan and its subsequent repayment have no impact on the government’s fiscal balance but affect the composition of the government’s assets.

The remaining amounts that appear in Appropriation Bill (No. 4) relate to estimates variations, minor reclassifications and other minor measures.

I would now like to turn to the general drawing right limits for the nation-building funds, which specify the maximum limit on payments from the funds in a financial year exclusive of GST. The general drawing rights limits for the Building Australia Fund, the Education Investment Fund and the Health and Hospitals Fund proposed in this bill will replace the limits declared in Appropriation Act (No. 2) 2011-12.

The limits for the Building Australia Fund and the Health and Hospitals Fund have been increased. The limit of the Education Investment Fund has been decreased. These changes recognise adjustments in the timing of payments to better reflect project milestones and previously announced funding.

The remaining amounts that appear in Appropriation Bill (No. 4) relate to estimates variations, minor reclassifications and other minor measures.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Sitting suspended from 19:58 to 20:17

Antarctic Treaty (Environment Protection) Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr BALDWIN (Paterson) (20:17): As the only member of parliament currently to have held a master mariner’s commercial licence and as a former adventure tourism operator in the diving and fishing industry, I have spent a lot of time on our waterways. Therefore it is with good reason that I support the Antarctic Treaty (Environment Protection) Amendment Bill 2011.

Our minds are cast back to mid-January when the world witnessed again that unfortunate things can and do go wrong in the cruise industry. Holiday-makers from Australia, France, Italy, Germany and Britain were forced to flee the 1,500-cabin Costa Concordia in lifeboats when it hit a reef less than two hours after leaving port. Media reports say that some leapt overboard and swam ashore as the brightly lit ship started to sink into the black waters near the islands of Giglio off the Tuscan coast. Italian media reported that a number of people died aboard the luxury liner and others may have been injured as the coastguard struggled to rescue the few remaining passengers. Pregnant women and children were among the 3,200 passengers and the 1,000 crew who made it to safety. The climate and proximity to land were two fortunate aspects of that disaster. Other naval tourism disasters in colder climates, such as the Titanic, hold much graver lessons about the importance of preparedness.
There is no doubt that the Antarctic holds a special place in the hearts of Australians and in the imagination of tourists to the region. Changes outlined in this bill are to improve environmental and safety standards, and that will benefit tourism. Clearly tourists that take the Orion Expedition Cruises, OEC, journey to the Antarctic would want to be certain that they could be rescued if need be and that the environment is being protected for future generations. That is certainly the approach of this tourism operator. As the website rightly states, OEC is the only Australian owned international cruise operator, launched in 2004, that is becoming the leading expedition cruise operator in the Asia-Pacific. Introduction of the Orion II in June 2011 doubles their capacity and doubles their opportunity to introduce their guests to new and in many cases unique experiences and amazing destinations while enjoying the comfort and safety of their 100-guest ship and five-star on-board service.

I had the pleasure of inspecting the Orion vessel in Brisbane last year at the invitation of their CEO, Sarina Braddon. I was pleased also to accept the submission from Orion to the coalition's Industries for Australia's Future tourism review. It is certainly true that the experience of the sector in recent years bucks the trend of tourism's performance under this Labor government, with the sector recording strong growth. Nonetheless, there are several Labor policies hampering Orion's growth which I will expand on at another time in this House. Orion ventures into locations where larger ships cannot gain access, nor could they bring their guests ashore. During the peak of the Southern Hemisphere summer, Orion offers travellers a unique opportunity to venture to the continent of Antarctica. Orion sails from Australia and New Zealand, crossing the Antarctic Circle and places brimming with history and adventure.

This Friday, I will be launching a digital marketing campaign to promote Australian tourism to coincide with the national tourism award in Cairns. This promotion highlights the attractions that nature holds for tourists. For example, how they can interact with fairy penguins or colonies of sea lions at some of Australia's most southern regions. Nature is a significant drawcard for tourists and it underscores the importance of responsible tourism practices to protect these natural resources for the sake of our long-term tourism potential. Certainly, tourists taking an Orion trip to the Subantarctic islands can see firsthand penguin breeding colonies, numbering in the millions, as well as elephant seals, Hooker's sea lions and the endangered wandering albatross—not forgetting, of course, the whales that migrate from Antarctica through Port Stephens in my home electorate.

Thanks to OEC, the wonders of the Antarctic are now accessible to tourists and not limited to wealthy expedition record seekers or government scientists. Over the next year, OEC will operate two such trips. From 20 December to 7 January they will take tourists to their Mawson's Antarctica Commonwealth Bay cruise. I would recommend to anyone who has been captivated by David Attenborough documentaries to visit Orion's website and see what is on offer. As it states:

For many, the highlight of the voyage is the visit to Cape Denison, the sight of Sir Douglas Mawson's hut from the historic 1911-1913 addition; a time capsule from a great era of exploration. This is one of the most exclusive places on earth—more people have stood at the top of Mt Everest than have stood inside this historic hut.

The voyage also takes passengers to Port Martin, the site of 100 grounded icebergs, allowing OEC's guests to get up close and view these amazing sites; and Dumont d'Urville, the French base renowned for its rich local wildlife, including colonies of Adelie and emperor penguins.
OEC's second cruise to the region takes in Scott and Shackleton's Antarctica—Ross Sea, and will operate from 25 January 2013.

This voyage covers some of the polar regions famously charted during the first race to the South Pole by pioneering explorers Scott and Shackleton exactly 100 years ago. The Ross Sea coast extends from the iceshelf northwards until it reaches the very tip of Victoria Land and Cape Adare. During their time in the Ross Sea region Orion will attempt a variety of opportunistic landings, subject to weather conditions.

Although Orion's itinerary to the extreme sub-Antarctic and Antarctic regions is based on many years of collective experience, prevailing weather and ice conditions in this area of the world are unpredictable, mother nature dictates their course. These are not cruises they are truly expeditions to what can be the most inhospitable region on earth, and tourists should bring with them a spirit of adventure and flexibility.

As a tourist operator that brings passengers to dangerous and breathtaking locations, it's hardly surprising that Orion endorses this bill.

OEC has reviewed this bill and there is nothing of particular concern or out of alignment with New Zealand's policies. This is mainly some of the final rubber-stamping of issues discussed at length over the years. There are no surprises for OEC and, in fact, all parts of this legislation are currently used by Orion in assessing their permits to operate now, even though they are not yet truly Australian law.

This bill amends a number of sections. Firstly, it amends the Antarctic Treaty (Environment Protection) Act 1980, the ATEP Act, a Commonwealth act that provides rules for protecting the Antarctic environment. The bill amends Australia's international obligations under three measures adopted under article XIV of the Antarctic Treaty 1961 and article 9 of the Protocol on Environmental Protection to the Antarctic Treaty 1998. Three primary measures adopted under the treaty and Madrid protocol are being implemented through this bill: Measure 4 (2004), Insurance and contingency planning for tourism and non government activities in the Antarctic Treaty area; Measure 1 (2005), Annex VI to the Protocol on Environmental Protection to the Antarctic Treaty: liability arising from environment emergencies; and Measure 15 (2009), Landing of persons from passenger vessels in Antarctic Treaty area. Measure 4 (2004) outlines procedures for non-state operators, such as tourism operators—and that is the point I am alluding to today—to ensure that they are prepared for the inherent dangers of carrying on activities in the Antarctic region and that their activities are carried on in a safe and self-sufficient manner. The measures require the preparation of contingency plans and adequate insurance.

This is perhaps one of the last true frontiers in the world, and it is in a pristine environmental state. Having these measures in place puts the onus on tourism operators, as it says in the bill, to make sure that they have contingency plans in place and that they leave the place as good as they found it. But it is also good that we are having tourists visit the area. This not only brings great economic benefit to our country but also opens up a greater understanding of the environment down there. It is no longer just this white wonderland to the south of Australia. People will be able to explore and enjoy it and make sure that they benefit from the experience. Through knowledge and understanding we can increase the effort applied to make sure that we preserve it for generations to come. This bill, in great part, goes a great way towards that. I am particularly impressed by one of the proposed sections, which establishes the Antarctic environmental liability special account to receive payments from
operators for the costs of response actions to an environmental emergency caused by their activities in the Antarctic. There is also the issue of penalties that will be applied if any operator should create a breach of the act or indeed an environmental disaster.

We cannot just open up these areas to tourism willy-nilly. It must be appropriately controlled and properly measured. We are doing this as part of an international agreement, and Australia will honour that agreement. Indeed, the tourism operator's licence to operate from Australia will uphold those. I wish passengers a safe and valuable experience and I commend this bill to the House.

Ms BRODTMANN (Canberra) (20:27): I would like to reinforce the views expressed by the member for Flinders in the chamber earlier and just now by the member for Paterson on what a special and pristine place the Antarctic is. It has a special place in our hearts and our imaginations and it is an evocative place. I too support tourism to the Antarctic, but I want to ensure that that tourism has the softest footprint possible, because I want future generations—my godchildren, nieces and nephews—to be able to enjoy what is offered in the Antarctic through its beauty and also through our endeavours to discover more about the planet through the work that scientists are doing down there in the Antarctic. It is a very special place. It is special because of its beauty but also because of its pristine nature, which makes it a very important research area. It has not been untouched and, as I said, I want the softest of footprints on the Antarctic when it comes to tourism.

I believe it is fitting that we are discussing the Antarctic Treaty (Environment Protection) Amendment Bill 2011 in this, the 100th anniversary year of the Australian expeditions to Antarctica. The first Australian-led Antarctic expedition set out on 2 December 1911, leaving Hobart bound for Macquarie Island and East Antarctica. The scientific expedition was, of course, led by Douglas Mawson, later Sir Douglas, and was pivotal in establishing Australia's claim to Antarctic territory. The expedition and those that followed were also celebrated for their contribution to science, which is what this bill also focuses on.

Australia is among seven nations that have claimed territory in Antarctica; the other nations are Argentina, Chile, France, New Zealand, Norway and the United Kingdom. Yet the Australian Antarctic Territory is the largest territorial claim on the continent and covers much of East Antarctica. Later in the speech I will come to discuss some of the discoveries about the quality of that land that I learnt about when I was down with the Antarctic Division. It is our presence in Antarctica that has established Australia's reputation as a leader in science and environmental protection on the continent. I am proud that today's modern Australian Antarctic program continues to build on the important scientific work begun by Mawson and his contemporaries 100 years ago.

As Antarctica grows in national and global importance the Australian Antarctic Division in Hobart, which I have had the opportunity to visit, is conducting important research in the Southern Ocean, Antarctica and the subantarctic, addressing critical issues such as climate change, the human footprint on Antarctica and the increasing demands for food, energy and security caused by human population growth. The diverse research program covers physical and life sciences in the atmospheric, terrestrial and marine domains as well as human biology and medical research. When I visited the division in Tasmania last year as a member of the Joint Standing Committee on the National Capital and External Territories, I had the opportunity to speak to scientists at the division and from the University of Tasmania. These
scientists—they are incredibly passionate about their work—told me about their research into the krill of the Antarctic waters, which I understand has attracted international attention and acclaim.

Mr Danby: Krill!

Ms BRODTMANN: Indeed! Krill have often been called the key animals of the Antarctic region. They are the world's most abundant crustacean and they form the stable diet of many animals, including seals, whales, fish, squid, penguins and other sea birds, and are therefore the foundation of the Antarctic food chain. How much krill is in the Southern Ocean and how the population fluctuates are therefore major questions to address when considering the protection of the Antarctic environment, particularly since krill have been fished commercially for around 25 years. In studies onboard the *Aurora Australis* and at the Antarctic Division's unique cold water krill research aquarium, scientists are examining aspects of the biology of krill that will contribute to the sustainable management of the krill resource. The combination of survey work, experimental research and theoretical analysis provides a comprehensive and world-leading—approach to the study of these fascinating little creatures and is an important contribution to the goal of protecting the Antarctic environment.

When I was down there we had a look at the tanks that these krill are being kept in. The scientists are looking at not just their role in the food chain but also the impact that warming of the oceans is having on the quality of the protein that is in the krill, because less protein means less food value for animals, the sea creatures, the mammals that these little creatures feed. Therefore it is incredibly important to get a really good understanding of a range of elements around the krill population.

A goal that former Prime Minister Bob Hawke set out to achieve 20 years ago was to protect the Antarctic environment. He played a leading role in establishing a ban on mining in Antarctica to protect the continent from exploitation. All I can say is hallelujah! that he did that, because it is so, so important that Antarctica is protected from exploitation. Going back to my earlier comments about the quality of the land: Australia may claim a lot of land in Antarctica, but I understand that the actual quality of the land, particularly in terms of minerals is pretty ordinary. You would have to dig very deeply, pretty hard and for a very long time to get some quality out of it. Not that we are talking about mining. I do not advocate mining, but I am saying that in the event that we get to a *Mad Max* environment—we do not know what is going to be happening in 300 years—it would cost an absolute fortune to get the minerals out of the ground in the Australian space in Antarctica. Let us not even think about it, but it would take a lot of effort too, so let us just ban it. I am with you.

This is what we seek to build on with this bill today. We must ensure that the Antarctic environment is protected so we can continue to advance our scientific research on the continent and its surrounding waters without threat from vested interests. This bill will go a long way to helping us protect the unique Antarctic environment and allow us to continue to advance those scientific interests. It will also allow scientists to get on with their work by giving them freedom of scientific research.

The Gillard government is a strong supporter of the sciences and understands the impact climate change is having on every aspect of our environment. I am sure I am going to get letters from the member for Tangney on this one. My trip to the Antarctic Division was an eye
opener, seeing the impact of carbon pollution human population on Antarctica and the impact that both population and pollution is having on some of our more fragile land and marine environments. Anything that ensures that we better protect our environment and that helps our scientists get on with their work deserves our full support. This legislation is also important because it is consistent with Australia's strong support for the Antarctic treaty and for the overall protection of Antarctica. The treaty governs all activities in Antarctica and is a unique agreement between nations. As one of the original 12 parties to the treaty, which entered into force in 1961, we have a certain responsibility to ensure it continues to be a robust and effective agreement.

Antarctica is often referred to as a natural reserve devoted to peace and science and this is the way it should remain. The treaty helps us achieve that aim and we seek to strengthen it with this bill. Through the treaty, the countries that are active in Antarctica consult on the uses of the whole continent with the commitment that it should not become the scene or object of international discord. The treaty now has 48 signatories and continues to grow as more nations come to understand the importance of this wonderful place. It has also been recognised as one of the most successful international agreements in the world. Problematic differences over territorial claims have been effectively set aside and the treaty's parties remain firmly committed to a system that is still effective in protecting their essential Antarctic interests. Even though the treaty is widely successful, we must not become complacent. We must continue to do all we can to ensure science on the continent can continue and that Australia continues to meet its international obligations.

This bill implements Australia's obligations arising from three measures adopted under article 9 of the Antarctic Treaty and the Protocol on Environmental Protection to the Antarctic Treaty, also known as the Madrid protocol. It contains amendments to the 1980 treaty that will: amend the long title of the act; provide the ability for the minister to grant a safety approval, an environmental approval, and to impose conditions on such approvals; implement new offences and civil penalties regarding unapproved activities carried on in contravention of the conditions imposed by an approval, and offences and civil penalties related to environmental emergencies; establish a liability regime for environmental emergencies; establish an Antarctic Environment Liability Special Account to receive payments from operators for the costs of response action to an environmental emergency; implement new offences and civil penalties applicable to tourist vessels operating in the Antarctic; and make minor and technical amendments to the act. This legislation also commits parties to the comprehensive protection of the Antarctic environment and its dependent and associated ecosystems and designates Antarctica as a natural reserve devoted to peace and science.

The three measures adopted under the treaty and Madrid protocol that are being implemented through this bill relate to measure 4, which is about insurance and contingency planning for tourism and non-governmental activities in the treaty area. This measure was adopted in Cape Town in 2004 and outlines procedures for non-state operators, such as tourism operators, to ensure that, due to the inherent dangers of carrying on activities in the Antarctic region, their activities are carried out in a safe and self-sufficient manner. The member for Patterson touched on that in his speech. This measure requires the preparation of contingency plans and adequate insurance.
Measure 1 addresses liability arising from environmental emergencies. This measure was adopted in Stockholm in 2005. In this context an environmental emergency is an accidental event that has occurred and that results or imminently threatens to result in any significant and harmful impact on the Antarctic environment—for example, the loss of the Bahia Paraiso and resulting fuel spill in 1989, where the approximate cost of incident response was US$2.5 million. This measure will now require operators to undertake reasonable preventative measures, to establish contingency plans for response to environmental incidents, to take prompt and effective response action to any environmental emergency and to maintain adequate insurance—that is really critical—or other financial security to cover the cost of response action taken by other parties. That measure is very welcome. Measure 15 is the landing of persons from passenger vehicles in the Antarctic Treaty area. This measure relates to vessel borne tourism operations in the Antarctic, which have expanded markedly over the last two decades, as the member for Paterson has mentioned. It does worry me a little bit and, as I said, I want the softest of soft footprints on the Antarctic. Australians constitute a large proportion of consumers within the tourism markets down there, representing about 9 per cent of Antarctic tourists. There are currently no obligatory Australian government laws specifically governing the environmental or safety aspects of landing from passenger vehicles but this measure will fix this, thankfully. It will ensure that operators refrain from making any landings in Antarctica from vessels carrying more than 500 passengers. I think that is fair enough. It will also ensure they coordinate with each other so that no more than one tourist vessel is landing at a site at any one time and it will restrict the number of passengers onshore at any one time.

Not to implement any of these measures would perpetuate unacceptable risk to the Antarctic environment. I understand that 10 consultative parties have approved these measures. The success of these measures depends on approval of all 28 parties to the treaty. While it may take some years, we are taking the steps and we are well prepared. The Gillard government is not afraid to act if it means protecting the environment. We are very keen to take action to again prove our environmental credentials. The Antarctic environment is incredibly important. We must protect it and ensure that the human footprint is softest of soft. I have always been a big supporter of tourism in Australia but the increase in tourism to Antarctica in recent years does worry me. This bill will ensure that that has the softest of soft footprints.

Mrs PRENTICE (Ryan) (20:42): I rise today to support the Antarctic Treaty (Environment Protection) Amendment Bill 2011, which will codify into Australian law the multilateral agreements that our country has made regarding the further measures adopted under the Antarctic Treaty of 1961 and the Madrid protocol of 1998. These measures have an important global significance and have been negotiated under the Madrid protocol and the Convention for the Conservation of Antarctic Seals to ensure that the Antarctic region is protected. It will provide the minister with the ability to grant safety approval and environmental approval for people operating in the Antarctic. This will ensure that tourism operators undertake their activities in an appropriate and sustainable way to protect the environment. The ability to ‘impose, vary or revoke’ conditions is also important for non-state tourism operators who are not complying with the original conditions under which they applied to visit Antarctic waters.
As it stands, the amendments contained in the Antarctic Treaty (Environment Protection) Bill are uncontroversial and the passing of this legislation is a measure the government must enact to ensure that we ratify international agreements and fulfil our international obligations. Australia has always been an important negotiator and indeed a leader in protecting and safeguarding this region. As such, the coalition is pleased to support measures which ensure better control and coordination of Australia's Antarctic waters. Most importantly, section 2 of this bill deals with the implementation of the treaty and outlines when the various provisions of the act will come into effect. The commencement of some of the provisions will be delayed until all 28 consultative parties to the treaty have improved their measures. In real terms, what this means is that many of the measures itemised will not be activated until the relevant minister proclaims the date when they do come into force. This is a reasonable arrangement and indeed one that provides a useful lesson for this government—that is, when one is seeking to introduce reforms which have implications for how we deal with other countries, in this case 28 of them, we must take the time to actually talk with the governments of those countries. We must take the time to work with the governments of those countries and come to an agreed position and arrangement with the governments of those countries before implementing the changes in Australia. Unfortunately, if we look at the Prime Minister's great big carbon tax, it is clear that this Labor government did not adopt that same consultative approach in relation to its implementation by any stretch of the imagination. Speaking of imagination, instead the Gillard government has tried to fool the Australian people—and, frankly, delude themselves—by claiming that developed countries such as the United States of America will have enacted a tax on carbon dioxide emissions by 2016. Forging ahead with a debilitating tax on the assumption that your world partners are right behind you would seem foolhardy at best.

It is indeed the case with this particular international treaty that it is in the best interests of all the consultative countries that we enforce the legislation that we are debating today in its entirety before proceeding. This is the only way we can be assured that all those countries will work together to protect the Antarctic region. According to our own government's advice, it is also in Australia's best interest that as a nation we wait to enact legislation if and only if it is the appropriate time to do so in conjunction with our partner countries.

The other relevant issue I wish to comment on in connection with this bill is that of the dispute in recent years regarding whaling in Australia's Antarctic waters. This country has suffered under tired and lazy Labor governments who have not supported other fundamental measures which would protect Australia's Antarctic waters and the whales which live in them. On 19 February 2010 the member for Griffith, then Prime Minister Kevin Rudd, told Australians that he would refer Japan to the International Court of Justice for their whaling activities. He specifically declared that he would take Japan to court by November of that year, 2010, if they refused to cease Antarctic whaling. However, the member for Griffith was himself harpooned by our current Prime Minister.

**Mr Danby:** Tony Abbott only won by one vote.

**Mrs PRENTICE:** Deputy Speaker Vanvkinou, it will not surprise you or the rest of Australia to hear that when November 2010 came around Japanese research vessels were continuing their operations in Australian waters and no real action was taken—

**Mr Danby:** Madam Deputy Speaker, I seek to intervene.
The DEPUTY SPEAKER (Ms Vamvakinou): Is the member for Ryan willing to give way?

Mrs PRENTICE: No, I would like to continue with my speech.

Mr Danby: In other words, you will not admit that Mr Abbott will not do the same.

Mrs PRENTICE: Listen to the speech. I will repeat this because of the interruption. However, the member for Griffith was himself—

Mr Danby interjecting—

The DEPUTY SPEAKER: Order! The matter has been dealt with.

Mr Adams: Madam Deputy Speaker, I rise on a point of order. The honourable member is talking about leadership of the Labor Party and ex-prime ministers. We are dealing with a treaty dealing with the Antarctic. This is an important matter. The member should come back to the bill before the chamber.

The DEPUTY SPEAKER: The chair wishes to give the member for Ryan an opportunity to continue her speech.

Mrs PRENTICE: Thank you, Madam Deputy Speaker. I should point out that the previous speaker spoke at length about krill, which is not mentioned anywhere in this bill at all.

I will repeat: it will not surprise you or the rest of Australia to hear that when November 2010 came around, Japanese research vessels were continuing their operations in Australian waters and no real action was taken and no real action has been taken since. Although Japan does not recognise Australia's claim to approximately 42 per cent of Antarctica, this government must get serious about protecting the sovereignty of our nation's borders and enforce our law via the Australian Antarctic Territory Acceptance Act 1933. The coalition warned the Gillard Labor government on three occasions that they should have sent an Australian Customs vessel to our waters in the Antarctic to monitor the situation between Japanese whalers and protesters on the Sea Shepherd. Once again, the government failed to listen to good advice. Then, after three anti-whaling protesters illegally boarded a Japanese ship, the government—or, should I say, the Australian taxpayer—was forced to pay the hefty bill to have them returned.

Australia needs to have a presence in these waters to ensure that the Japanese whaling fleet is reminded that we as a country do not approve of whaling in the Antarctic region and in order to monitor protesters who are putting lives at risk and potentially endangering the environment. Without this presence, the government is allowing the risk of further confrontations and the possibility of a serious collision between protestor and whaling boats which will risk lives and, should one of these vessels sink, endanger the environment.

This is the lesson that applies to the measures in today's bill. There is no point in signing treaties that implement changes of this kind if we do not have a practical way of enforcing them. For example, we have no real binding agreement regarding the question of possible mineral, oil and gas exploration and mining in the region. In the late 1980s, there was an attempt to come to such agreement, however the Convention on the Regulation of Antarctic Mineral Resource Activities never came into force. In the original Madrid protocol, which
Australia signed and ratified, consultative parties are completely prohibited from undertaking mining exploration. Australia itself has agreed to a 50-year moratorium.

We are facing similar concerns about Australia's ongoing challenge to manage whaling fleets in the region. We will in the future have to deal with some very serious issues about Antarctica, including the question of mining and mineral exploration in addition to questions about sovereignty. It is very important that all other stakeholder countries, including Russia, Argentina, Chile and the United States, understand that Australia is serious in its commitment to this region. This legislation provides that extra guarantee and signals to the rest of the world that Australia is committed to its obligations to care for this environment with which we have been so closely linked so long.

With this bill we fulfil our international obligations and ensure that the minister has the power not only to grant safety approvals and environmental protection approvals but also to impose conditions on those approvals. This will lay a proper foundation for the protection of humans and vessels travelling to this region and thereby facilitate the protection of the Antarctic environment itself. As such, I support this amendment bill in this the year we celebrate the 100th anniversary of the first Australasian Antarctic expedition, led by Sir Douglas Mawson, and commend it to the House.

Mr ADAMS (Lyons) (20:53): The Antarctic Treaty (Environment Protection) Amendment Bill is an important bill. The bill amends the Antarctic Treaty (Environment Protection) Act 1980 to align the legislation with Australia's revised obligations pursuant to three measures under the Antarctic Treaty and the Protocol on Environmental Protection to the Antarctic Treaty, the Madrid protocol. The first of those measures is Measure 4 (2004) which relates to insurance and contingency planning for tourism, because there is a lot of tourism now going on in that part of the world, not so much on the Australian coastal areas but certainly on the South American side. The Insurance and contingency planning for tourism and non-governmental activities in the Antarctic Treaty area was adopted at the 27th Antarctic Treaty consultation meeting in Cape Town on 4 June 2004. Measure 1 (2005), annex VI to the Protocol on Environmental Protection to the Antarctic Treaty: liability arising from environmental emergencies, was adopted at the 27th ATCM in Stockholm, on 17 June 2005. Measure 15 (2009), Landing of persons from passenger vessels in the Antarctic Treaty area, was adopted at the 32nd ATCM in Baltimore, on 17 April 2009.

The approval of all 28 consultative parties to the treaty, including Australia of course, will be required before each measure comes into force. Everybody has to basically agree to it. That is how the treaty is set up. It may be some years before this occurs. Currently, 10 consultative parties have approved Measure 4 (2004). Five have approved Measure 1 (2005) and only one has approved Measure 15 (2009). So I think it will be a long process.

The Antarctic Treaty is a multilateral agreement that requires the parties to ensure that Antarctica is used exclusively for peaceful purposes. It guarantees freedom of scientific research all over Australia's claim, which is a very large part of Antarctica. Many bases of other sovereign nations are doing research. A lot of collaboration goes on between all those nations that have bases down there in Antarctica. It is a wonderful thing for peaceful and scientific purposes.

The agreement requires the parties to also promote international scientific cooperation, which certainly occurs. It allows for inspection of facilities between the parties and I think
that goes on quite regularly. I was talking to some scientists a short time ago in the base in
Kingston, Tasmania, where they have been doing that. The agreement sets aside the question
of territorial sovereignty in Antarctica and provides for regular meetings of the parties, which
occur in different parts of the world, mostly in, I think, the Southern Hemisphere.

Climate change and the science of climate change in the Southern Ocean is a significant
factor. Only tonight, in talking to the University of Tasmania, to the top governing body of
that institution, here in Parliament House with Tasmanian MPs of all sides, it was mentioned
they had just put on a new professor, dealing with the acidisation of the Southern Ocean. He
is one of three top scientists in the world dealing with that significant matter. He will come to
the University of Tasmania—UTAS, as it is known in Tasmania—and work with CSIRO and
the Antarctic Division's collaborate area at the University of Tasmania.

That is generating an enormous amount of world interest. When somebody of that calibre is
brought to Tasmania to do that research—and he, along with many other people, will most
probably be taking trips to Antarctica to do that sort of research—it is critical that that
information gets out there in the world of science so that people can use it to better the world
and also to counter climate change.

Article IX of the treaty states, 'Measures for the governance of Antarctica may be adopted
by the representatives of consultative parties at the annual ATCM for recommending to their
governments.' The Madrid Protocol is a multilateral agreement under the treaty. It commits
parties to the comprehensive protection of the Antarctic environment and its dependent and
associated ecosystems, bans mining in Antarctica and designates Antarctica as a natural
reserve devoted to peace and science. Under Article 9 of the Madrid Protocol additional
annexes to the protocol may be adopted and become effective in accordance with Article IX
of the treaty.

This legislation is consistent with Australia's strong support for the Antarctic treaty and for
the protection of Antarctica. Australia has been in the forefront of this and certainly does its
work—a lot of people do a lot of work to make all that come together at world conferences.
And you will remember, Madam Deputy Speaker, that the former Prime Minister Bob Hawke
led the campaign 20 years ago for banning mining in Antarctica and to protect the continent
from exploitation. That, of course, is still the case with this treaty. I think that over the next
five or 10 years this treaty will need to be renegotiated with all the parties. One would hope
that can only be built on into the future. We are dealing here with bringing out commitment to
pulling together some protocols for the pointy end in the amount of tourism that is going on
down in Antarctica.

Of course there have been some disasters with ships sinking in that part of the world. I
understand that only because it was a very calm day for the open boats that everyone had to
abandon ship into—a ship of some great size—and that another ship was in very close
proximity that no lives were lost, as that ship went to the bottom of the Antarctic waters. So,
there are a lot of issues there.

The other issue that has come up in my work on the external territories committee is the
issue of private yachts visiting Antarctica. They do not know if they have any obligations to a
sovereign government or not, and therefore if they have some responsibility to the treaty—
responsibilities when visiting Antarctica to protect it and not to harm it in any way.
Those are the important points. I would like to also mention the importance of the Antarctic base in Tasmania. There are the scientific gains we make from having such a large body of people coming and working in Kingston and also the wharfage in Hobart, where supplies are put together and loaded onto the ships.

I would also like to mention an old friend of mine, John Coates, who was the member for Denison in 1972. It was a turbulent time in Australian politics—he went from 1972 to 1975. John was the one who really worked very hard and established the that the Antarctic division would move to Hobart and have its base there. John needs to be commended for that, and I am sure he is watching this bill with some hope that it will pass. He did a lot of work and deserves to be recognised.

The supplying of ships of other countries in Hobart is also always going on. You see ships from other countries come in, and of course some of them tie up in Hobart over winter and stay there instead of sailing back to the other side of the world.

As I mentioned, the science of the CSIRO and the Antarctic Division and the links to the university are big and growing, dealing with matters like climate change and the acidisation of the Southern Ocean. In Antarctica this includes drilling through the ice and gaining cores from a long way down. I think the Chinese are drilling to get a mile-long sample. Being able to look at the bubbles that exist in the sample and go back an awful long time will give them more idea of the changing climate of the world. This is a vital bill to meet everything we want to do with the Antarctic Treaty. We will continue to meet our obligations and play a very important role in the Antarctic Treaty and the environmental protection act. This treaty is vital to the long-term importance of Antarctica and keeping it in its present state and using the science it can give us. Over the years, many people have given us a great base of science knowledge from Antarctica, especially about the weather.

The speaker before last mentioned the book about Mawson by the author Peter FitzSimons, which I am currently reading. It is a very interesting book. It gives great coverage of the Australian input into that scientific community in the early days of the Antarctic territory and all the brave men who went there then, which laid down the basis for what we do there now and those who go there now to bring back knowledge for us.

This is a very important bill. It brings our legislation up to date with what we want to do, including the world conferences that we are part of, and therefore puts Australia where it should be. I commend the bill to the House, and I certainly hope the opposition will give it their full support.

Mr CRAIG KELLY (Hughes) (21:07): I rise to speak on the Antarctic Treaty (Environment Protection) Amendment Bill 2011, and I support the comments of my colleagues the member for Flinders and the member for Ryan. This bill in part seeks to implement Australia's obligations under the Antarctic Treaty, the Madrid protocol and the Convention for the Conservation of Antarctic Seals. I note, however, that this bill has been referred to the House Standing Committee on Climate Change, Environment and the Arts. It is unfortunate that we find ourselves debating this bill without time to consider the recommendations of the committee.

Nonetheless, Australia has played a long and leading role in the protection of the Antarctic, and this international leadership has been driven by the coalition. It was the Menzies
government that first established Australia's permanent research station in the Antarctic. In 1954 the Australian National Antarctic Research Expeditions sailed the Kista Dan to MacRobertson Land, establishing the Mawson Station at Horseshoe Harbour. The station plays an important role in long-term meteorological and geomagnetic studies as well as ongoing conservation biology studies of both the emperor penguin and the Adelie penguin. Mawson Station, named after the famous explorer Sir Douglas Mawson, is the oldest continuously inhabited Antarctic station south of the Antarctic Circle. It was in 1960 that the Menzies government, which was one of the original 12 signatories to the Antarctic Treaty, passed the Antarctic Treaty Act, which specifically prohibited mining, military bases and weapons testing, among other things, in Antarctica and ensured that the continent remains a place for peaceful research purposes in perpetuity.

Mawson Station was joined by the Davis permanent research station in 1957, and Casey Station, which was named after Sir Robert Menzies's Minister for External Affairs and the CSIRO, Richard Casey, was established in 1969. The leading role of Liberal governments in protecting the Antarctic for future generations also led to the naming of Menzies Mountain after former Prime Minister Sir Robert Gordon Menzies. The prominent mountain, which is approximately 3,228 metres high, is fittingly exactly 1,000 metres higher than Mount Kosciuszko and is situated on the southern side of Fisher Glacier in MacRobertson Land.

The Fraser government built on the strong legacy of protecting the Antarctic, overseeing the Antarctic Treaty (Environment Protection) Act 1980 to protect Antarctic wildlife and preserve areas of ecological and scientific importance. That Act applies to the Australian Antarctic territory and addresses three key issues: the conservation of flora and fauna, including the establishment of species protected areas; environmental impact statements; and inspectors and offences. The Antarctic Treaty (Environment Protection) Act was followed up by the Antarctic Marine Living Resources Conservation Act 1981, which gave effect to the international Convention on the Conservation of Antarctic Marine Living Resources. Importantly, this convention ensures that in any actions in the Antarctic consideration must be given to the whole ecosystem rather than just using a single-species fisheries sustainable yield approach.

The Liberal Party's leadership in the protection of the Antarctic occurred not only in government but also in opposition. In 1989, international consideration for allowing mining on the frozen continent was seriously threatening the pristine character of the Antarctic. Back then, the Hawke Labor government was an active participant in the Antarctic mining convention. It was only after the intervention by then opposition leader John Howard and shadow minister for the environment Chris Puplick calling on Australia to oppose any convention that allowed mining in the Antarctic that the then Hawke government reversed its position and instead worked with the other signatories of the Antarctic Treaty to establish the Madrid protocol, a binding protocol that prohibited mining on the continent by any signatory of the Antarctic Treaty. In 2006, the Howard government passed into law the Environment and Heritage Legislation Amendment (Antarctic Seals and Other Measures) Act 2006. The coalition's record on the Antarctic is proud.

But, notwithstanding the bill we have before us and given that only cold-adapted organisms can survive there, the Antarctic may provide the solution to this government's current problems. Seven countries maintain claims on eight territories on the Antarctic continent, yet
the entire continent is devoid of any diplomatic representative. We know that the Prime Minister and several of her senior colleagues may wish to send the member for Griffith to a cold, dark and remote place, so why not offer him the position as our first ambassador to the Antarctic territories? If we were to have an ambassador to the Antarctic territories, perhaps he could be actively involved in climate change studies, as we repeatedly hear of the moral challenge of preventing the ice caps from melting and how new taxes will have the remarkable ability to stop this ice from melting. Our first ambassador to the Antarctic territories may be able to report on the scientific fact that the sea ice in the Antarctic is actually increasing at a trend of 100,000 square kilometres per decade, and currently the Antarctic sea ice is at record levels.

As previously stated, the Antarctic Treaty (Environment Protection) Amendment Bill seeks to implement Australia's obligations under the Antarctic Treaty, the Madrid protocol for the protection of Antarctica and the Convention for the Conservation of Antarctic Seals. A significant change to the existing legislation is the transfer of approval processes to a minister of the government. The approval process applies to activity in the Antarctic. The explanatory memorandum says:

An activity in the Antarctic includes, but is not limited to, scientific activities, tourist vessels entering the Antarctic (whether making landings or not), construction of facilities or overflights by tourist aircraft that are made for the purpose of visiting the Antarctic.

However, the explanatory memorandum indicates that this will not apply to passenger flights crossing the Antarctic Zone. It states:

The provision is not intended to have application to shipping and aviation passage over or around the Antarctic, or en route to or from Australia to a third country destination outside of the Antarctic.

As indicated in the explanatory memorandum, the approval process will apply to tourist overflights of the Antarctic. This is a potential growth area and tourist opportunity that Australia is uniquely and well placed to capitalise on. However, it is not clear if tourist flights across the Antarctic will be subject to the world's largest carbon tax—the one the Prime Minister promised would never happen under a government she leads but that she is now imposing upon the nation under the government that she leads. Under Labor's planned carbon tax, domestic flights within Australia will pay the carbon tax but international flights departing and arriving Australia will not. So if you are going on holidays and flying from Sydney to—

The DEPUTY SPEAKER (Ms AE Burke): I draw the member for Hughes back to the bill before the chamber.

Mr CRAIG KELLY: I will come back to tourist flights, and the tax implications for them, to the Antarctic, which are the flights that this bill addresses. Now, if you take the effect of the world's largest carbon tax on Virgin airlines, an airline that could consider—

The DEPUTY SPEAKER: The member will return to the bill. This is not a free-for-all; it is a piece of legislation. You will either address it or sit down.

Mr CRAIG KELLY: It is an airline that could consider starting tourist flights across the Antarctic.

The DEPUTY SPEAKER: The member for Hughes is defying my call.
Mr CRAIG KELLY: Madam Speaker, I am talking about airlines that fly across the Antarctic.

The DEPUTY SPEAKER: The member was talking about the bill, and he can get back to the bill. If you have to ditch half your speech—

Mr Melham: Then ditch it.

The DEPUTY SPEAKER: The member for Banks is not assisting, but the member for Hughes will be relevant to the bill.

Mr CRAIG KELLY: We need to look at what we can do to improve our tourist sector, and that is what this bill refers to. This bill affects tourist flights over the Antarctic—

The DEPUTY SPEAKER: Yes, tourist flights over the Antarctic. If you get to those, fine.

Mr CRAIG KELLY: Therefore, flights and relevant flights across the Antarctic are a relevant subject to this bill. These flights across the Antarctic do provide a unique opportunity for our struggling tourist sector, but we have to be aware how this will be affected by the carbon tax. We know that tourism is not the—

Mr Melham: This is absolute defiance of the chair.

The DEPUTY SPEAKER: The member for Hughes will get back to the bill.

Mr CRAIG KELLY: The final point I would like to touch on in my contribution to this debate on the Antarctic Treaty (Environment Protection) Amendment Bill is the positive step to incorporate recommendations under annex 1 of the Madrid protocol requiring operators to undertake reasonable preventive measures to reduce the risk of environmental emergencies and potential adverse impacts by establishing contingency plans for responding to incidents of potential adverse impacts on the Antarctic environment and to maintain adequate insurance. We have seen examples of rogue operators, and even those that have attempted to do the right thing come into difficulty. I think back to the troubles with a particular cruise ship with a damaged propeller during a voyage deep into the southern oceans. As interest grows in such ventures, we must be sure to mitigate potential harm to the Antarctic environment. I recognise this measure as an important inclusion under the legislation before us.

The coalition supports this legislation. However, we eagerly await the report from the Standing Committee on Climate Change, Environment and the Arts, and will consider any recommendations that are forthcoming.

Mr MELHAM (Banks) (21:17): The Antarctic Treaty (Environment Protection) Amendment Bill 2011 continues the proud traditions of the Labor Party in protecting Antarctic science. In 1991 the then Prime Minister, Bob Hawke, with the French Prime Minister worked to secure the future of this pristine continent. The Madrid protocol bans mining in Antarctica and requires that all proposed activities be subjected to prior environmental impact assessment. On 21 August 1990, the then Minister for the Environment, Mrs Kelly, stated in response to a question on notice:

This landmark legislation demonstrates that the Hawke Labor Government is committed to fully protecting the Antarctic environment which we hold in trust for future generations.

This government, 20 years later, continues to build on that landmark legislation. It is worth going back to the second reading speech of the minister, on 14 October 1992:
This Bill gives effect to Australia's obligations arising from the Protocol of Environmental Protection to the Antarctic Treaty, known as the Madrid Protocol. The Madrid Protocol designates Antarctica as a natural reserve devoted to peace and science, and puts in place a legally binding and comprehensive regime for the protection of its environment. The Government has shown leadership in Antarctic environmental matters and already has made significant progress in implementing the requirements of the protocol. This Bill will enable Australia to move forward to ratification of the protocol.

The Madrid Protocol stands amongst the world's most significant environmental agreements. It is unique in setting out to ensure the protection of the environment of an entire continent. It is an outstanding demonstration of countries working together on environmental protection. Australia thus takes great pride in its role in leading its treaty partners to adoption of the protocol in October 1991.

I was proud member of the government at that time. I remember it quite well. It was something that we were all very proud of at the time and are still proud of. Negotiation of the protocol commenced with a decision in 1989 that Australia could not support the mining of minerals in the Antarctic. When the protocol was adopted on 4 October 1991, four annexes were agreed. These provided detailed measures relating to environmental impact assessment, conservation of Antarctic fauna and flora, waste disposal and waste management, and the prevention of marine pollution.

The treaty parties later adopted a fifth annex relating to area protection and management. Twenty years later, former prime ministers Bob Hawke and Michel Rocard celebrated their achievement by attending a symposium of Antarctic policy experts in Hobart, hosted by the Australian Antarctic Division and the Department of Foreign Affairs and Trade. Mr Hawke said:

There can be no slipping back on this … There are signs that some countries, in a situation of decreasing oil and resources, have their eyes on the prize down there in Antarctica. They have to be set back. There can be no letting up on the commitment we made 20 years ago … to ensure that generation after generation after generation will have that pristine continent as a nature reserve, preserved only for scientific research.

The bill before the House today builds on those environmental credentials. It amends the Antarctic Treaty (Environment Protection) Act 1980 to further improve the rules around protecting the Antarctic environment. These measures will align the act with our obligations in the act. These include measure 4, relating to insurance and contingency planning for tourism and non-governmental activities in the Antarctic treaty area, which was adopted in June 2004; measure 1 relating to liability arising from environmental emergencies, which was adopted in June 2005; and measure 15 relating to the landing of people from passenger vessels in the Antarctic treaty area, which was adopted in April 2009.

Overall, these measures will further protect human and vessel safety in the Antarctic and its environment. Measure 4 is designed to ensure that tourism operators take all reasonable care in their activities, part of which is to provide contingency plans together with appropriate insurance. Measure 1 provides that, should an environmental emergency arise, there is a prompt and effective response. It also includes a provision to ensure that operators take adequate preventative measures to reduce the likelihood of such emergencies. A liability regime is also to be established if an operator fails to take measures in the event of an emergency. Subsection 13BJ provides the applicable criminal and civil penalties for non-compliance.
An operator contravenes this subsection if (a) the operator holds an environmental protection approval in relation to an activity; (b) the person carries on the activity; and (c) the conditions imposed on the approval are not complied with. An operator commits an offence if the operator contravenes subsection 1. The physical elements of the offence are set out in that subsection. The penalties are imprisonment for two years or 120 penalty units, or both. We should note:

The defendant bears an evidential burden in relation to the matters in subsection (2). See subsection 13.3(3) of the Criminal Code.

With respect to the civil penalty provision:

(4) … operator is liable to a civil penalty if the operator contravenes subsection (1).

The civil penalty is 500 penalty units. The penalties are designed to ensure that the inherent dangers involved in carrying out activities in the Antarctic are minimised and are carried out safely.

Measure 15 regulates the procedures for landing passengers: the number of passengers allowed on any one vessel, the number of those passengers allowed on shore at any one time and provides a specified guide to passenger ratios. Few international agreements have operated more effectively for such a period of time than this treaty. It has continued to promote its objectives of multilateral cooperation. Because of this cooperation, Antarctic research and monitoring has allowed the international scientific community to see and anticipate specific atmospheric and climate trends. The ozone layer deterioration is an example and our response to that problem would not have been as timely and effective without that science. The Antarctic remains a fundamentally pristine natural environment and an environment generally free of conflict. This bill continues its protection and I commend the bill to the House.

WYATT ROY (Longman) (21:25): I rise to speak on the Antarctic Treaty (Environment Protection) Amendment Bill 2011. I begin by saying I might be somewhat more reserved than the member for Hughes in my comments. Australia has a long and intimate history with Antarctica. It was before Australia's Federation, during the late 19th and early 20th centuries, that Australia pioneered exploration and research into Antarctica. It was the geographical and scientific research of Australian scientists in particular which has revealed so much about this mysterious and interesting continent, helping to inform international environmental guidelines. Without the expeditions and research of Australian scientists we would not have the same understanding of the unique environment that is Antarctica. To share with the House just one example, the work of Australian scientist Douglas Mawson was instrumental in revealing biological, meteorological and geological information about Antarctica, including the location of the south magnetic pole. Douglas Mawson's Australian Antarctic expedition in 1911 ventured into areas of Antarctica which were at the time yet to be visited and gathered data which has ultimately informed actions to protect this unique and precious region.

It is from humble early beginnings that Australia's legacy with Antarctica has grown. As a nation, we have been instrumental in developing protocols to protect Antarctica from human impacts and in promoting the Antarctic environment. It is known and respected internationally that Australia has a strong record on groundbreaking environmental work in Antarctica, and it was this side of the House who first acknowledged the environmental and cultural significance of Antarctica, resulting since in over 70 years of bipartisan support.
It was Lord Richard Casey, a member of Sir Robert Menzies' government and Minister for External Affairs, who first promoted scientific research to help Australia learn more about the Antarctic environment, and helped make the Antarctic Treaty possible. Lord Casey's extensive international negotiations with 11 countries, including Argentina, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, the United Kingdom and the United States, formed the groundwork that resulted in the signing of the Antarctic Treaty. Lord Casey was also instrumental in gaining the support of what was at the time the Soviet Union, in order to give the Antarctic Treaty the essential international credibility and authority that it has today. The foundation work of Lord Casey was further pursued at the time by Prime Minister Menzies at the inaugural Antarctic Treaty Consultative Meeting in Canberra in 1961.

It was this side of the House that took these important first moves which have resulted in ongoing bipartisan support for the Antarctic Treaty, including other significant moments such as the signing of the Madrid protocol in 1991, and more recently the work of former Liberal Senator Robert Hill, who, in an attempt to support and understand ongoing trade and research, personally ventured to Antarctica twice during his time as minister.

Australia's international track record on Antarctica is clear for all others to see. As a country we have been at the forefront of decisions to cease mining activity on Antarctica and preserve the environment in the Antarctic region. It makes sense, then, that as a country we put in place measures that have been agreed to at an international level that will continue to promote good safety and environmental guidelines for the future of the Antarctic region.

These are the very things this bill seeks to redress. This bill adopts these measures which have been agreed to by the parties to the Antarctic Treaty. This bill will give effect to Australia's international obligations set out under the Madrid protocol and the Antarctic Treaty, including specific changes agreed to during the international Antarctic Treaty consultative meetings in 2004, 2005 and 2009. The first measure that this bill addresses is ensuring responsibility for environmental emergencies. The adoption of annex 6 to the protocol on environmental protection to the Antarctic Treaty, which has informed this measure in the bill, is the most significant addition to the Antarctic Treaty since it was first signed in 1959. Consequently, it is appropriate that it be reflected and given proper authority under this bill. Environmental emergencies may take the form of, for example, oil spills or disease introduction and can pose real and dangerous threats to the future of our Antarctic environment. Under this measure, all government and non-government bodies operating in the Antarctic, whether they are conducting scientific research, tourism, shipping and transportation or logistical support, will be required to prepare detailed plans to manage and reduce the risk of environmental emergencies. Under this requirement, it will be mandatory for these operators to prepare plans which have detailed contingency measures and responses to environmental emergencies. Operators will be obligated to present their management strategies for approval before they can operate in the Antarctic region.

This bill will allow for the minister to grant safety and environmental approvals for operators, and these measures will hold operators legally accountable for implementing contingency plans. This should cause operators in this region to take their personal responsibilities very seriously. Of course it is vital that, as Australians, we are taking measures to protect Antarctica against environmental emergencies. Over the past couple of years we have seen examples splashed across the media both domestically and abroad of the...
devastating impacts of environmental emergencies and the wide-reaching consequences they can have on natural habitats.

We have seen the *Shen Neng 1* run aground on the Great Barrier Reef, and we have seen a catastrophic oil spill in my own backyard in Moreton Bay. These examples spell out the urgency of putting into place appropriate precautions to prevent environmental emergencies. The cost to communities and governments in these two cases were extensive, and in both these cases the operators responsible were not the ones on the ground after the incident who were working to minimise the damage to the environment. This bill holds any operator that causes an environmental emergency responsible for their actions. This bill holds operators accountable for cleaning up environmental emergencies and, as a contingency, it enables third parties to claim compensation from the polluter if the third parties themselves have taken action in the polluter's stead to clean up after an environmental emergency.

Antarctica is a treasure, and, as a country with a 42 per cent stake in its territory, we cannot afford to be complacent in ensuring the protection of its environment. As we are all aware, Antarctica is unique—it cannot be replaced or replicated anywhere else. It is vital that we take our part in protecting it for future generations by respecting this pristine environment.

The second measure that this bill addresses is the requirement of non-government operators to make contingency plans for health, safety, search and rescue—including insurance coverage—as well as medical care and emergency evacuations. This measure is extremely important in light of the dangers associated with operations in this region, which is undeniably isolated and inhospitable. Between 2007 and 2010 there were seven serious incidents involving tourist vessels in the Antarctic region requiring evacuations and rescues. Most of these situations involved vessels running aground in the treacherous conditions that the Antarctic region is renowned for, and all resulted in emergency evacuations. Additionally, in recent years there have been mishaps which have involved private Australian adventurers and drawn-out and complicated search and rescue missions.

Having grown up around family and friends involved in ocean racing and sailing, in the course of which records have been set in Antarctica, I can personally attest to the importance of these measures. The costs incurred in response to all of these emergencies are significant and cannot be dismissed. It is only responsible to expect that organisations and individuals who venture into this region take sufficient precautions to prevent emergencies and act in a way that is respectful of the resources which would be necessary to respond to emergency situations they may find themselves in. Not only do these emergencies incur a financial cost; they also incur a human cost and a resource cost. All rescue missions present a possible compromise to rescue equipment and unplanned diversions of limited available equipment in the region. This can potentially disrupt national Antarctic programs, including important scientific research. Additionally, each rescue mission can be a life-threatening situation for the rescuers. These costs, along with the financial costs, need to be the responsibility of the operators, and should be minimised with appropriate contingency planning.

The third measure that this bill seeks to address is a requirement to manage the number of tourists disembarking in the region. This measure is an important means to regulate and protect both safety and the environment. The measure prevents tourist vessels that are carrying more than 500 passengers from making landings, and for smaller vessels it restricts the number passengers able to disembark from a vessel at any one time.
Operators will be required to coordinate with their counterparts to ensure that only one operator has tourists disembark at any point. In addition to these limits on disembarking, this measure imposes a minimum passenger-to-guide ratio to limit dangers for tourists and to ensure that safety is paramount. As with any tourist activity, operators are responsible for ensuring the safety of their participants. Antarctica is undeniably dangerous and unpredictable. Without appropriate safety attire it is uninhabitable. With this in mind, limiting the number of tourists in any one area at any time is a very fitting measure that forcibly manages the safety of tourists in a highly challenging environment. Previous expeditions have demonstrated that even the most experienced and prepared teams can run into danger. This measure will minimise risks as much as possible for those disembarking onto the land.

Not only is the safety of tourists a priority but so is the safety of this environment. As I mentioned earlier, it is highly critical that we get this right. As history has shown us, human activity has the potential to undermine an environment. For an environment such as this, with so much yet to be learned and gained from scientific research, we cannot afford for human impact to deteriorate the quality of this pristine region. Researchers have a justified fear of introducing disease and causing degradation. By limiting the number of tourists at any one time, there is a better ability to prevent disease outbreak and a higher chance of containing an outbreak if one were to occur.

As Australians, we have a significant responsibility to uphold in Antarctica. Already the Australian Antarctic Division has undertaken an extensive consultation process with stakeholders regarding the measures proposed in this bill. We know that many Australian tourism operators are largely meeting the requirements of these measures voluntarily and, by extension, generally supportive of the nature of this bill. As signatories to the Antarctic Treaty and the Madrid Protocol, it is our international responsibility to ensure safety and environmental protection for this region.

The environment and safety measures outlined in this bill will be an important part of Australia's leadership on environmental protection in Antarctica. In June of this year Australia will be hosting the 35th Antarctic Treaty Consultative Meeting. The signatories to the Antarctic Treaty are all in various stages of legally implementing the measures agreed to at the previous meetings. This bill will see Australia in a position of strength at the June meeting. These actions will be a strong endorsement and encouragement to those parties yet to make decisive action in this direction, and will encourage them to take their international obligations seriously.

Until all the signatories to the Antarctic Treaty legally implement these measures they will not enter into force. For this reason I believe it is important that this bill is passed by the House. Thank you.

Mr MATHESON (Macarthur) (21:38): I rise today to support the Antarctic Treaty (Environment Protection) Amendment Bill 2011. I support this bill not only because the Antarctic is an important place in Australian history but because of its unique connection to my electorate of Macarthur. I am not so sure that any electorate can make such a claim. This connection involves Sir Douglas Mawson, who led the first Australasian Antarctic expedition more than 100 years ago in 1911. He established our first scientific research base in Cape Denison, where Australian scientists have developed a strong reputation for their Antarctic studies over the past century.
Sir Douglas Mawson was the brother of a Campbelltown local, Dr William Mawson. Dr Mawson was a highly regarded citizen who provided medical services to the Campbelltown community for 28 years. He also opened the Milby Private Hospital and built the Macquarie Centre in Campbelltown. In January 1938 a park in my electorate was officially named Mawson Park in honour of Dr Mawson. A pergola, shelter and entrance were erected and two plaques were placed on the pergola which read 'Commemorative pergola to William Mawson' and 'Erected by the citizens of Campbelltown in appreciation'. The park now has three service memorials for those who have fought for our country in the Army, Navy and Air Force and is home to many memorial services in Campbelltown each year.

Aside from this unique connection to my community, I also support this bill today so that we can ensure the Australian Antarctic Territory is protected for generations to come. This bill builds on the measures that the coalition put in place whilst in government to ensure this protection. Put simply, the aim of this bill is to ensure better control and coordination of Australia's Antarctic waters. It implements Australia's obligations under the Antarctic Treaty and the Madrid protocol for the protection of Antarctica. It will provide this government with the ability to grant safety approval and environmental approvals for people operating in the Antarctic.

The coalition has always been a friend of Antarctica. We are proud to be part of this country's strong ties with the continent. Australia has played a leading role in the protection of the Antarctic environment, including an important ban on mining. The ban was incorporated into the Madrid protocol which protects the Antarctic environment. The Antarctic Treaty (Environment Protection) Amendment Bill 2011 gives effect to our country's obligations under the Madrid protocol and the Convention for the Conservation of Antarctic Seals. The protection of the Australian Antarctic Territory is the responsibility of both sides of this parliament, and we need a bipartisan approach to protect this beautiful and pristine wilderness.

Australians should feel proud of this country's strong history of protecting this majestic place. We were one of the 12 original signatories to the Antarctic Treaty, which was signed by the Menzies government in December 1959. The treaty was signed by the governments of Argentina, Australia, Belgium, Chile, the French Republic, Japan, New Zealand, Norway, the Union of South Africa, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

The treaty recognised that it was in the interests of all mankind for Antarctica to continue to be used exclusively for peaceful purposes and that it should not become the scene or object of international discord. The treaty also acknowledged the substantial contribution to scientific knowledge resulting from the international cooperation in scientific investigation in Antarctica. I believe that what we are doing here in this place today follows on from that treaty and our country's proud history of protecting Antarctica for future generations.

The key aspects to the amendments to this environment protection bill include amending the long title of the Antarctic Treaty (Environmental Protection) Act to extend the scope of the legislation; providing the ability for the administrative grant of safety approval and environmental protection approval and to impose conditions on such approvals; implementing new offences and civil penalties regarding unapproved activities, activities carried on in contravention of the conditions imposed by an approval, and offences and civil penalties
related to environmental emergencies; establishing a liability regime for environmental emergencies that occur in the Antarctic; the establishment of an Antarctic environmental liability special account to receive payments from operators for costs for response to action to an environmental emergency caused by their activities in the Antarctic; implementing new offences and civil penalties applicable to tourist vessels operating in the Antarctic; and making minor and technical amendments to the Antarctic Treaty (Environmental Protection) Act. These are positive amendments that will help Australia continue its strong leadership in the protection of Antarctica for the future.

Macarthur has another very unique connection to Antarctica. Our former federal member of parliament, Pat Farmer, recently raised the Red Cross flag at the South Pole after running two marathons every day all the way from the North Pole to the South Pole. One hundred years after my community's first connections was established with the region, Pat has returned to strengthen Macarthur's ties with the Antarctic. Pat set out from the North Pole in April last year to raise money for the Red Cross. He ran through Canada, the United States, Central America and South America to his final destination in Antarctica. The 21,000-kilometre trek saw him brave minus 40 degree snow blizzards; get lost in blazing deserts in Peru; dodge polar bears, snakes, crocodiles, armed bandits; and narrowly miss being wiped out by an out-of-control truck.

As you can imagine, Madam Deputy Speaker, Pat has suffered with severe dehydration and stress injuries after an incredible 80 kilometres every day to achieve his goal. His hope for the run was that the money he raised would inspire people from all over the planet to donate to the Red Cross's clean water and sanitary projects in the Third World to help save lives. My community has watched Pat's courageous battle very closely since April last year and has shown great support to Pat and his cause. I believe that this has resulted in a further strengthening of Macarthur's ties to the Antarctic region.

It is clear that Antarctica will always hold a special place in the hearts of many residents of Macarthur, just like it does with many people around the nation. I am proud to support this bill today that will ensure the safety and protection of Antarctica for many years to come. It is with great pleasure that I commend this bill to the House.

Debate adjourned.

Federation Chamber adjourned at 21:45.
QUESTIONS IN WRITING

Carbon Pricing

(Question No. 493)

Mr Fletcher asked the Treasurer, in writing, on 16 August 2012:

In respect of Treasury modelling of the Carbon Pollution Reduction Scheme, what (a) was Australia's Gross Domestic Product (GDP) in 2010, (b) is Treasury's base case forecast of GDP growth per annum between 2010 and 2050, and the forecast of GDP for 2050 at this growth rate, in aggregate and per capita terms, (c) is the forecast of GDP growth per annum if a carbon price is introduced, and the forecast of GDP for 2050 at this growth rate in aggregate and per capita terms, and (d) is the expected difference in GDP for 2050 and on a cumulative basis from 2010 to 2050 with and without a carbon price.

Mr Swan: The answer to the honourable member's question is as follows:

The 2008 Government report Australia's low pollution future: the economics of climate change mitigation provided details of modelling of the effect of a carbon price on the economy. One of the scenarios modelled in that report, labelled 'CPRS-5', incorporated information from the Carbon Pollution Reduction Scheme Green Paper and was calibrated to achieve a carbon mitigation target of 5 per cent below 2000 levels by 2020 and 60 per cent below 2000 levels by 2050.

In 2011, the Government report Strong growth low pollution: modelling a carbon price was released and the core policy scenario contained in that modelling report closely matched the Government's policy as outlined in the Clean Energy Future.

The responses to your questions regarding the 2011 report are:

(a) Australia's GDP in 2010 is estimated to be $1.28 trillion (2010 dollars).

(b) The forecasts of GDP and GDP per capita average growth rate per annum between 2010 and 2050 are 2.7 and 1.4 per cent respectively for the medium global action scenario. GDP in 2050 is estimated to be $3.66 trillion (2010 dollars).

(c) The forecasts of GDP and GDP per capita average growth rate per annum between 2010 and 2050 is 2.6 and 1.3 per cent respectively for the core policy scenario. GDP is estimated to be $3.56 trillion (2010 dollars) in 2050.

(d) This information is published in Chart 5.13 in the SGLP report, available on the Treasury website.