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FORTY-THIRD PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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,
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 Murray Oakeshott MP, Ms Deborah Mary O’Neill MP,
Ms Amanda Louise Rishworth MP, Mr Michael Stuart Symon MP,
Mr Kelvin John Thomson MP, Ms Maria Vamvakou MP,
Mr Anthony Harold Curties Windsor MP

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

Printed by authority of the House of Representatives
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<tr>
<td>Zappia, Tony</td>
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**PARTY ABBREVIATIONS**

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

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Clerk of the Senate—R Laing  
Clerk of the House of Representatives—B Wright  
Secretary, Department of Parliamentary Services—C Mills
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<td>The Hon Julia Gillard MP</td>
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<tr>
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<td>The Hon Mark Butler MP</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister on Mental Health Reform</strong></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister on the Centenary of ANZAC</strong></td>
<td>The Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Jon Mclucas</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
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<td>The Hon Bill Shorten MP</td>
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<td>The Hon David Bradbury MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Bernie Ripoll MP</td>
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<tr>
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<td>Senator the Hon Chris Evans</td>
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<tr>
<td><strong>Minister for Industry and Innovation</strong></td>
<td>The Hon Greg Combet AM MP</td>
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<tr>
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<td>The Hon Brendan O'Conner MP</td>
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<tr>
<td><strong>Minister Assisting for Industry and Innovation</strong></td>
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<tr>
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<td>The Hon Mark Dreyfus QC MP</td>
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<td>Senator the Hon George Brandis SC</td>
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<td>The Hon Joe Hockey MP</td>
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<td><strong>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</strong></td>
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<tr>
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<td>Mr Don Randall MP</td>
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<tr>
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<tr>
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<td>Shadow Minister for COAG</td>
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<tr>
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<td>(Mr Jamie Briggs MP)</td>
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Thursday, 21 June 2012

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9:00, made an acknowledgment of country and read prayers.

BILLS

National Health Amendment (Pharmaceutical Benefits Scheme) Bill 2012

Returned from Senate

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

National Broadcasting Legislation Amendment Bill 2010

Consideration of Senate Message

Bill returned from the Senate with amendments.

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

Military Court of Australia Bill 2012

First Reading

Bill—by leave—and explanatory memorandum presented by Ms Roxon.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:02): I move:

That this bill be now read a second time.

I am particularly pleased that the Minister for Defence is at the table when we are introducing this bill.

This bill establishes the Military Court of Australia in accordance with chapter III of the Constitution. This new Military Court will provide a permanent solution for the trial of serious service offences. It also forms a central component of the government's commitment to deliver a federal courts system that is open and transparent, modern, efficient—and, most importantly, accessible to all those who need it. Australia's military justice system is structured to support command in reinforcing discipline and enhancing operational effectiveness.

Military discipline which supports the authority and effectiveness of commanders is of vital importance in the operation of the Australian Defence Force. The 2005 Senate Foreign Affairs, Defence and Trade References Committee report, The effectiveness of Australia's military justice system, recommended that the Australian Defence Force abolish the court martial system and introduce a system of trials of serious service offences by a permanent military court established under Chapter III of the Constitution. The former government's legislative attempt to establish a Military Court was found constitutionally invalid by the High Court in 2009 in the matter of Lane and Morrison. This government acted quickly following that decision to put in place an interim system of courts martial and Defence Force magistrates, but has also developed a comprehensive legislative framework for a distinct Chapter III military court.

The Military Court of Australia will be a separate and uniquely identifiable federal court. This specialist court to hear Defence Force service offences will strengthen morale and operational effectiveness in the Australian Defence Force. This bill will provide the Military Court with the necessary independence and constitutional protections necessary for an impartial judiciary. Importantly, judicial officers cannot be appointed if they are currently serving in the ADF. Requirements for the appointment of judicial officers have also been strengthened in response to stakeholder
feedback after a similar bill was introduced by my predecessor on 24 June 2010.

Under this legislation, all judicial officers appointed to the Military Court will be required to, by reason of experience or training, understand the nature of service in the Australian Defence Force. This will ensure that all who are appointed to the Military Court will have a proper appreciation of the nature of service offences and the impact that they can have on maintaining service discipline. Judicial officers will be appointed in accordance with the government's transparent and merit-based appointments process. Matters in the Military Court will be tried other than on indictment, and therefore determined by a judicial officer who would give reasons for the verdict and sentence. The court will not include the option of a trial by jury. This is for two key reasons.

First, service offences are created for the purpose of maintaining discipline in the ADF. The military justice system complements and does not replace the criminal law in force in Australia, and so need not mirror the civilian court process. However, when ADF personnel commit criminal offences within Australia, they will continue to be tried by jury within the civilian criminal law system. Second, where there is need to try a service offence overseas, a requirement to empanel a civilian jury would create significant practical barriers to the prosecution of offences.

The High Court has held that it is for parliament to decide which offences are to be tried on indictment, and which can be tried other than on indictment. The Military Court will generally be expected to try service offences in Australia, regardless of where the offence is committed. In the rare circumstances that it is necessary but not possible for the Military Court to try an offence overseas, a back-up system of courts martial and Defence Force magistrates will be able to hear the matter. This residual system is provided for under the Military Court of Australia (Transitional Provisions and Consequential Amendments) Bill, which I will speak to shortly.

The Military Court will consist of two divisions, the General Division, and the Appellate and Superior Division. The General Division will comprise judicial officers at the level of Federal Magistrate who will hear serious service offences at first instance. The vast majority of less serious service offences—approximately 96 per cent of all service offences—will generally continue to be heard by summary authorities at unit level. However, the General Division of the Military Court may try less serious offences. This may occur where an accused has made an up-front election or where the Director of Military Prosecutions refers the matter to the Military Court.

The Appellate and Superior Division will consist of judicial officers at the level of a Federal Court judge. It will hear very serious service offences, which are prescribed in the bill, at first instance. The Appellate and Superior Division will also hear appeals from first instance decisions of the Military Court, and decisions of a court martial or Defence Force magistrate made overseas. There will be no appeal by the Director of Military Prosecutions from the acquittal of an accused person. This change has been incorporated in the bill since it was last introduced following comments made by representatives of Defence personnel.

The Military Court of Australia will be a separate Chapter III court, and will be administered through the Federal Court of Australia. It is expected that the court will use the existing infrastructure of the Federal Court. This will ensure smooth and efficient
arrangements for the court's administrative affairs on an ongoing basis. The government has worked extensively with members of the defence and legal communities in developing these bills over the past two years, and we thank those who have made valuable contributions in this process.

The Military Court of Australia will provide a robust framework for military justice and ensure that members of our Defence Forces, the wider Australian community, and the nations in which our forces are called to serve will retain full confidence in an open and transparent justice system. Its creation complements reforms already announced and in train following the Skehill review into federal courts and other agencies in the Attorney-General's portfolio. It demonstrates this government's commitment that all people should have access to an independent and impartial judicial process. I commend the bill to the House.

Debate adjourned.

Military Court of Australia (Transitional Provisions and Consequential Amendments) Bill 2012

First Reading

Bill and explanatory memorandum presented by Ms Roxon.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:09): I move:

That this bill be now read a second time.

This bill operates in conjunction with the Military Court of Australia Bill 2012, which I have just introduced, to support a modern, transparent and accountable military justice system. The bill makes amendments to defence and other legislation, consequential to the creation of a new Military Court of Australia. It also provides arrangements for the transition to the new Military Court system from the current interim system of courts martial and Defence Force magistrates, which was put in place after the High Court of Australia found the legislation establishing the Australian Military Court to be invalid.

The new Military Court of Australia will provide a permanent solution for the trial of serious service offences. Courts martial and Defence Force magistrates will be retained as a residual or back-up system. They will only be used in very rare circumstances where it is necessary, but not possible, for the Military Court to conduct a trial overseas.

The bill moves the provisions relating only to courts martial and Defence Force magistrate trials in the Defence Force Discipline Act 1982 to a new schedule 3B of that act. This reflects the restricted operation of courts martial and Defence Force magistrates under the new military justice system. Schedule 3B will also include provisions for appeals to be brought from these service tribunals to the Military Court.

The bill also abolishes the Defence Force Discipline Appeal Tribunal. This tribunal currently has jurisdiction to hear appeals from courts martial and Defence Force magistrates and, previously, the Australian Military Court. However, the jurisdiction of the tribunal will be absorbed by the Military Court.

The court will hear appeals from judgments of the Military Court at first instance, as well as appeals from courts martial and Defence Force Magistrates where they are used in the new system. The vast majority of service offences, which are less serious in nature, will continue to be heard by summary authorities, as is the case under the current interim system. Under the
new military justice system, all persons charged with service offences for trial by a summary authority may elect to be tried by the Military Court.

This bill also includes further initiatives to enhance the Australian Defence Force military discipline system. It modernises the existing antiquated provisions dealing with persons found unfit for trial or persons acquitted on the basis of mental impairment. The current system provides only a limited range of options. If they are found to be unfit for trial they can be held in strict custody until the pleasure of the Governor-General is known, or the charge can be referred to the Director of Military Prosecutions.

Under the new regime, these persons will be dealt with similarly to persons found mentally impaired under the civilian criminal justice system. The Military Court will have the option of dismissing the charge and releasing the person, releasing the person subject to certain conditions, or making another other order it considers necessary having regard to the best interests of the accused person, the safety of any other person to whom the order relates and the safety of the community generally.

Many features of the current military justice system will be retained. The current review mechanisms for convictions and punishments imposed by service tribunals will be maintained. The Director of Military Prosecutions will continue to exist as a separate statutory office, and will be responsible for prosecuting charges in the Military Court.

The current arrangements for cooperation and consultation between the Australian Directors of Public Prosecutions and the Director of Military Prosecutions will continue to address any overlap between service offences and civilian criminal offences. Very serious service offences committed in Australia with criminal law equivalents (such as murder and sexual assault) will continue to require the consent of the Commonwealth Director of Public Prosecutions for prosecution in the military justice system.

This bill will ensure that recent initiatives applying to other federal courts will apply consistently to the Military Court of Australia. Important reforms to judicial complaints handling currently before the parliament will also apply to the Military Court of Australia. The bill will provide a clearer approach to the granting of suppression orders consistent with other federal courts.

The bill has been developed in the period since the Military Court of Australia Bill was first introduced in 2010. The government consulted extensively with stakeholders within the defence and legal communities. The consequential amendments and transitional provisions in this bill will ensure the fair and effective administration of military justice during the transition to the Military Court and after its establishment.

This bill, together with the Military Court of Australia Bill, will provide a robust, permanent framework for military justice in Australia. I commend the bill to the House.

Debate adjourned.

DOCUMENTS

Presentation

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (09:14): As we are dealing with military justice matters, I take this opportunity to present the annual report of the Judge Advocate General for the period 1 January to 31 December 2011 and the annual report of the Director of Military
Prosecutions for the same period, 1 January to 31 December 2011.

BILLS

Tax Laws Amendment (Investment Manager Regime) Bill 2012

First Reading

Bill and explanatory memorandum presented by Mr Shorten.

Bill read a first time.

Second Reading

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (09:15): I move:

That this bill be now read a second time.

In January 2010, the Australian Financial Centre Forum released a report titled Australia as a Financial Centre.

This has become known as the 'Johnson report' in recognition of Mark Johnson's leadership of the forum and his subsequent leadership of the Australian Financial Centre Task Force.

The Johnson report concluded that Australia had arguably the most efficient and competitive financial services in the Asia Pacific. This is reflected in the fact that, even in this era of the mining boom, the financial services sector is the largest single contributor to GDP of any sector in the economy, and, furthermore, in the fact that the financial services sector employs in excess of 400,000 Australians who work very hard—from investment bankers right through to the important bank tellers in our communities.

Despite these strengths, the Johnson report observed that the sector could benefit from becoming more export oriented.

One of the key initiatives aimed at making the sector more outward oriented was the Investment Manager Regime.

This initiative will put Australian fund managers in a stronger position to manage not just funds being invested in Australia—but funds invested in other countries. This will maximise the benefits flowing to the Australian workforce and Australian consumers of financial products.

In addition, the initiative will reduce tax uncertainty for widely held foreign funds investing in passive Australian investments.

This legislation contains two schedules, which contain the first two elements of the Investment Manager Regime.

Schedule 1 will prescribe the tax treatment of conduit income of widely held foreign funds. These amendments will apply to the 2010-11 and later income years.

The amendments are designed to ensure that the complex tax issues that can currently arise do not operate to discourage foreign funds from engaging the services of an Australian intermediary, for instance an investment manager.

These amendments will ensure that investment income of a foreign entity is not subject to tax in Australia simply because it engages an Australian advisor, where that income would not otherwise have an Australian source.

Schedule 2 will address the uncertainty surrounding the impact of United States accounting standard ASC 740-10—the amendments are often referred to as the FIN 48 measures. These measures will apply to the 2010-11 and earlier income years.

The amendments in schedule 2 remove the potential for uncertainty regarding the Australian tax treatment of certain foreign fund income and will allow foreign investors to move forward in their arrangements with confidence of their Australian tax position relating to earlier years.
The proposed amendments are designed to clarify the taxation treatment of certain income of foreign funds which have not lodged a tax return or have had an assessment made of their income tax liability.

Where the conditions of the provisions are met, certain types of investment income and gains will be exempt from Australian tax. In addition, losses or outgoings in respect of certain investments will be disregarded.

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

Debate adjourned.

**Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012**

*First Reading*

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

Bill read a first time.

*Second Reading*

**Mr BRADBURY** (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (09:19): I move:

That this bill be now read a second time.

This bill makes consequential amendments to the Tax Administration Act 1953 to give effect to changes to the managed investment trust final withholding rate.

The Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012 (currently before the House of Representatives) amends the Income Tax (Managed Investment Trust Withholding Tax) Act 2008 to increase the managed investment trust final withholding tax rate to 15 per cent to fund payments. The changes will apply to income years commencing on or after 1 July 2012.

Fund payments made by a managed investment trust to non-resident investors, subject to certain conditions, are currently subject to the managed investment trust withholding tax of 7.5 per cent.

The 15 per cent withholding tax for managed investment trusts is still competitive with rates applying in other countries.

It is consistent with the government's original commitment prior to the 2007 election.

And it is significantly lower than the 30 per cent non-final withholding tax that applied under the previous government.

Increasing the managed investment trust final withholding tax from 7.5 per cent to 15 per cent better balances the need for Australia to be an attractive destination for foreign investment with ensuring Australia receives a fair return on profits to be made in Australia.

I commend the bill to the House.

Debate adjourned.

**Corporations Legislation Amendment (Financial Reporting Panel) Bill 2012**

*First Reading*

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

Bill read a first time.

*Second Reading*

**Mr RIPOLL** (Oxley—Parliamentary Secretary to the Treasurer) (09:22): I move:

That this bill be now read a second time.

Today I introduce a bill that will close the Financial Reporting Panel because of lower than expected referral rates. In 2006, the panel was established to resolve contested issues between the Australian Securities and Investments Commission, ASIC, and reporting entities over the application of accounting standards to financial reports. The panel was designed to represent a less expensive model of resolving these disputes
and allow matters to be heard by persons with particular expertise.

The establishment of the panel formed part of wider reforms to improve the operation of the market by promoting transparency and accountability. However, only five cases have been referred to the panel since its establishment in 2006, and none has been referred since August 2010. One of these cases was resolved before the matter was heard by the panel. Under these circumstances, the costs of maintaining and reporting on the panel simply cannot be justified, while it would become increasingly difficult to find high-quality members for the panel, which would reduce its effectiveness as an arbitrator and a deterrent.

It is important to note that the panel's finding were not intended to be legally binding on either ASIC or the company. Companies have always had recourse to the courts where there is disagreement with ASIC over the application of accounting standards to financial reports. Companies will continue to be able to challenge the application of accounting standards to financial reports through the system after the passage of this bill. To give companies greater certainty, I note that the bill contains a transitional provision to allow courts and tribunals to continue to have regard to any past report by the panel despite its closure.

Finally, I can inform the House that the appropriate approval of the Ministerial Council for Corporations has been obtained as required under the corporation's agreement.

Debate adjourned.

**Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Mr KEENAN** (Stirling) (09:24): I rise to speak on the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill. This bill proposes to amend the Australian Human Rights Commission Act 1986 to establish the statutory office of children's commissioner in the Australian Human Rights Commission. The establishment of this position will cost $3½ million over four years from 2012-13. Some stakeholders have raised concerns that they do not believe this to be an adequate amount—and I will touch on that later in my comments.

The commission currently has a president and six commissioners with separate responsibility for Aboriginal and Torres Strait Islander social justice, age discrimination, disability discrimination, human rights, race discrimination and sex discrimination. The role of the children's commissioner will be to promote public discussion and awareness of issues affecting children and to conduct research and education programs to consult directly with children and representative organisations. The children's commissioner will also examine Commonwealth legislation, policies and programs that relate to children's wellbeing and development.

The functions of the new position are set out in the bill's proposed section 46MB and the office of the commissioner will perform the following functions: it will submit a report to the minister that complies with subsection (3) as soon as practicable after 30 June each year; it will promote discussion and awareness of matters relating to the human rights of children in Australia; it will promote the enjoyment and exercise of human rights by children in
Australia; it will examine existing and proposed Commonwealth enactments for the purpose of ascertaining whether they recognise and protect the human rights of children; and it will report to the minister the results of any such examination.

The bill's explanatory memorandum provides some additional details on the objectives of establishing the commissioner's position. These include to improve the advocacy at the national level for the rights of children under the age of 18 years; to improve the monitoring of Commonwealth laws and proposed laws that affect the rights and wellbeing of children and young people; to promote the cooperation between the Commonwealth, states and territories to promote the rights, wellbeing and development of children and young people; to encourage the active involvement of children and young people in decisions that affect them, particularly administrative decisions and development of government policies, programs and legislation; to support government agencies to develop mechanisms which enhance the involvement of children and young people; and to assist Australia in meeting its international obligations with respect to children, particularly those enshrined in the Convention on the Rights of the Child. It is important to ensure that the functions of the new commissioner do not duplicate those of state and territory child welfare authorities but that the commissioner provides guidance and advice in relation to some of their activities.

The coalition believes that it is important that the House of Representatives Standing Committee on Social Policy and Legal Affairs carefully examine whether the new child commissioner's role duplicates the policy and advocacy functions of state and territory authorities. The coalition will examine any substantive recommendations that the final report may offer. The Senate Standing Committee on Legal and Constitutional Affairs has already inquired into the bill and reported back on 18 June. In its submission to the inquiry, the Law Council stated that while it was broadly supportive of the measure, it was:

... disappointed about the inadequately short consultation period for contributions to this inquiry. While the Law Council acknowledges there is a need, on occasion, for short time frames for consultation on urgent matters, the Law Council does not consider that this is an example of a matter where the short time frame for consultation is justified due to any urgency associated with the proposed legislation. ... it is important that the legislation establishing the position is subject to proper public scrutiny and the Law Council considers that the practical arrangements to appoint the Commissioner should await proper public scrutiny of the legislation.

The coalition also holds concerns about the rushed and chaotic manner in which this Labor government chooses to operate and the lack of scrutiny its legislation receives when it attempts to rush things through the parliament, including refusing to wait for the House committee to report on this bill. It strikes me as passing strange that this bill is considered to be so urgent that it should not be subject to proper parliamentary scrutiny. I would implore the government to look at the Law Council's submission to the Senate committee and contemplate why this needs to be rushed through in a way that does not subject it to the normal scrutiny we would expect for legislation of this type.

The Law Council was also concerned about funding for the position. In their submission they went on to say that, in the 2012-13 federal budget, $3½ million was allocated to the establishment of the commissioner within the Australian Human Rights Commission. When questioned about this funding allocation in a Senate estimates hearing in May 2012, the President of the
Australian Human Rights Commission, Catherine Branson QC, noted:

… the funding of itself is not adequate if we choose to give those staff, which we regard as essentially the minimum with which a commissioner can effectively work, adequate resources for what we would expect to be a rise in complaints made under the Convention on the Rights of the Child. It will also not have the capacity to support the additional demands on support services of the commission, such as the legal office if demands are referred to the legal office. It will not enable us to provide further lawyers and there will be further demands on our finance and human resources people. It is not adequate to provide additional funding there either.

While the coalition does not necessarily endorse this position, it is important that these concerns are noted as it has become apparent that there was not adequate consultation with relevant stakeholders before this bill was rushed through the parliament. The Australian Human Rights Commission also said in their submission:

The Commission has concerns regarding the resource allocation for the position, the title of the position, explicit recognition of the Convention on the Rights of the Child, explicit reference to the state and territory children and young people’s commissioners and guardians, and reference to relevant international human rights instruments in section 46MB(6)(b) of the Bill.

For our part, the coalition recognise the importance of promoting public discussion and awareness of issues affecting children. We also acknowledge that legislation, policies and programs affecting the rights, wellbeing and development of children should be properly examined. However, we are not persuaded that this bill will necessarily advance these objectives any further than is currently being achieved. Coalition members are of the view that the Australian Human Rights Commission, in cooperation with the relevant state and territory commissioners and guardians, already adequately performs the functions envisaged for the new commissioner. We believe that the establishment of a new commissioner at the federal level is going to unnecessarily duplicate the policy and advocacy functions of the respective state and territory authorities as well as the advisory functions provided for in the Australian Human Rights Commission Act. Additionally, given the new commissioner will only function as an advocate and does not have a caseload, we are not persuaded that its establishment would support the work currently performed by state and territory commissioners.

We do not agree that there is any urgency surrounding the establishment of the National Children's Commissioner. There is no evidence to suggest that there has been an increase in the workload of the Australian Human Rights Commission or the respective state and territory commissioners to justify the establishment of a new commissioner at the federal level. We are not persuaded that there are any compelling reasons to further expand the number of human rights commissioners or sufficient justification to create a stand-alone advocacy function for children's rights in Australia at the Commonwealth level.

We are very disappointed that the government has not had the courtesy to await the final report of the House standing committee on this bill before debating this matter in the House.

Mr Tony Smith: Typical.

Mr Keenan: As the shadow parliamentary secretary at the table says, this is just typical of the chaos with which the Labor Party runs its legislative agenda. This adds to the long list of legislation that has been rushed through the House without proper scrutiny. The coalition reserves the
right to move amendments pending the recommendation of the House committee which, quite frankly, is what any sensible political party within this chamber would do. With these reservations, the coalition will not oppose the bill within this place, but we reserve the right, as we sensibly should, to have a look at the House committee's report, the purpose of which is to scrutinise legislation.

Debate adjourned.

COMMITTEES

Treaties Committee

Report

Mr KELVIN THOMSON (Wills) (09:35): On behalf of the Joint Standing Committee on Treaties I present the committee's report entitled Report 125: treaties tabled on 7 and 28 February 2012.

In accordance with standing order 39(f) the report was made a parliamentary paper.

Mr KELVIN THOMSON: by leave—The Joint Standing Committee on Treaties' Report 125 contains the committee's views on a series of treaties which were tabled on 7 and 28 February 2012.

One of the more important treaties covered in this report is the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment done at New York on 18 December 2002. The optional protocol aims to strengthen the protection of persons deprived of their liberty against acts of torture and other cruel, inhuman or degrading treatment or punishment. It provides for a mechanism to better ensure that detaining authorities are accountable for conditions in places of detention and for greater international transparency.

The optional protocol has now been in force for over five years and has more than 60 states parties, and a further 22 are signatories. Australia already has strong legal protections against torture and inhuman or degrading treatment. However, ratification of this optional protocol will improve outcomes for detainees in Australia by providing a more integrated and internationally recognised oversight mechanism. It will provide an opportunity for organisations involved in detention management and oversight to share problem-solving measures and other information on the conditions and treatment of detainees. Implementation should minimise instances giving rise to concerns about the treatment and welfare of people detained in places of detention in Australia. In addition to the human rights benefits, monitoring has the potential to minimise the costs of addressing such instances, including avoiding litigation costs and compensation payments.

The optional protocol is an effective mechanism even in jurisdictions that already enjoy preventive monitoring through pre-existing oversight bodies. The New Zealand Human Rights Commission noted in 2010 that the protocol had been 'valuable in identifying issues and situations that are otherwise overlooked and in providing authoritative assessments of whether new developments and specific initiatives will meet the international standards for safe and humane detention'. The committee does not want to see implementation of this treaty protocol delayed. We have recommended that, rather than making a declaration under article 24 to delay our obligations by three years, the Australian government work with the states and territories to implement a national preventive mechanism as quickly as possible.

The treaties committee has also approved another six treaties including the amendments to the Agreement Establishing the European Bank for Reconstruction and Development adopted at London on 30...
This agreement was in response to the events in the Middle East and North Africa in 2010 and 2011—the so-called 'Arab Spring'. The bank was called upon by the international community to extend its geographic scope to support the transition of the southern and eastern Mediterranean countries to become market economies. It is in Australia’s national interest to accept the proposed amendments to allow the bank to extend its operations to eligible countries in the southern and eastern Mediterranean to support the transition to democracy in such countries. Egypt, Morocco, Jordan and Tunisia have taken steps so that they may potentially benefit from the European Bank for Reconstruction and Development’s expansion. The bank is well placed to support countries that are transitioning towards open and democratic market economies.

The report also covers amendments to the Convention on the Conservation of Migratory Species of Wild Animals, which added two species found in Australia: the giant manta ray and the eastern curlew. The eastern curlew is a striking-looking bird with a long curved bill, which every year migrates around the world between the coastal beach and shore areas which it inhabits. Like many other migratory shorebirds, it is highly vulnerable to areas of its habitat being paved over for industrial or housing developments—the loss of habitat links in its migratory chain is devastating. We should all be concerned at declines in the eastern curlew and other migratory shorebirds from areas in the Yellow Sea in Korea, which they used to use as feeding areas, and I hope that all countries party to this convention will take their responsibilities under this convention seriously.

The remaining treaties covered in this report examined: the Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form; conformity assessment certificates between the European Union and Australia; the Convention on International Wills; and the Agreement on the Conservation of Albatrosses and Petrels. The committee concludes that all the treaties covered in Report 125 should be supported with binding action. On behalf of the committee, I commend the report to the House.

**BILLS**

**Australian Human Rights Commission Amendment (National Children’s Commissioner) Bill 2012**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms PARKE (Fremantle) (09:40): The 17 December 2010 marked the 20th anniversary of Australia’s ratification of the UN Convention on the Rights of the Child. I took the opportunity on that occasion to table a motion in which I outlined a number of promising and not-so-promising aspects of child protection both in Australia and overseas. These included the significant progress that has been made in the reduction of global child mortality, where now something like 10,000 fewer children die each day than did 20 years ago. That is a wonderful statistic. There has also been a sizeable increase in the number of children who have access to primary education compared with just 12 years ago following the introduction of the Millennium Development Goals.

My motion in December 2010 noted that, as one would expect, Australian children fare better than children in many other parts of the world. We know that Australia is, generally speaking, a wonderful place for most children, but while the majority of kids who are lucky enough to grow up in
Australia benefit from the high quality of our health and education systems and from the opportunities that exist in a free, safe and democratic society, it must be acknowledged that kids within certain demographics face very different prospects indeed. Significant issues remain to be addressed in this country, including child abuse and neglect, youth homelessness and the disadvantage suffered by Indigenous children.

The motion, also spoken to by my parliamentary colleagues the members for Pearce, Newcastle and Bowman, called for the federal government to consider appointing a National Commissioner for Children. As the Chair of the UNICEF Parliamentary Association I was glad to move the successful motion at the ALP national conference last year on this issue, while noting that the establishment of a National Children's Commissioner has been a longstanding commitment of the Labor Party and of the Attorney-General herself. So I am absolutely thrilled to be speaking on the introduction of this Australian Human Rights Commission Amendment (National Children’s Commissioner) Bill 2012 for the creation of a National Children's Commissioner, which is not before time but which will be vital to driving efforts to establish a level playing field for all Australia's children.

I join with UNICEF and the Australian children's coalition of organisations in welcoming the government's announcement of the establishment of a National Children's Commissioner. This reform has been called for by a large number of organisations and individuals across Australia for many years. The Australian Child Rights Taskforce in the Listen to children report last year found a number of disturbing outcomes, including that Aboriginal and Torres Strait Islander children have child mortality rates three times that of their non-Aboriginal peers. These are clearly the Australian children whose needs we listen to the least effectively. It also found that the number of children in out-of-home care has increased by 51.5 per cent since 2005. Yet Australia collects no data on the reasons children are placed in care.

The children of asylum seekers continue to be kept in detention facilities in direct contravention of the UN children's convention and Australia currently offers no legal remedies for any such breaches of child rights. Children with disabilities often miss out on crucial and early intervention services and lack the support necessary to assist with life transitions and the support needed to prevent family or career crisis and breakdown. Children and young people who are seeking help for mental health concerns often do not receive timely access to appropriate services. Particular groups are at higher risk of mental health problems, including Indigenous children, children from refugee and migrant backgrounds, same-sex-attracted children, gender-questioning or gender-diverse young people, young carers, children with disability and children in rural, regional and remote areas. In the report, more than 35 leading NGOs, ranging from UNICEF to church organisations to state based children's advocacy agencies, reinforced their agreed position on the importance of a Children's Commissioner and outlining the key roles and powers of such an office. The stakeholder organisations emphasised the importance of a Children's Commissioner being in a position to monitor and secure the effective participation of children; to oversee the observation of child rights principles; and to ensure coordination and nonduplication when it comes to existing child protection frameworks. They also placed great significance on the need to prioritise the protection of vulnerable groups; to recognise the special risks in relation to
Aboriginal and Torres Strait Islander children; to focus on endemic problems in the areas of discrimination and accessibility; and to be in a position to take a proactive and systematic approach to policy development. It goes without saying that the National Children's Commissioner needs to be adequately resourced, with properly defined functions and powers.

I am very pleased that this bill addresses these important principles. As a result of this legislation the role and office of the National Children's Commissioner will be in a position to: improve the monitoring of Commonwealth laws affecting the rights, wellbeing and development of children and young people; encourage the active involvement of children and young people in decisions that affect them, particularly in the development of government policies, programs and legislation; support government agencies to develop mechanisms which enhance the active involvement of children and young people; assist the overall Australian effort to meet its international obligations by promoting and advancing the rights of the child, in particular those enshrined in the United Nations Convention on the Rights of the Child; and provide the commissioner with discretion when performing any of his or her functions to focus on particular groups of children who are at risk or vulnerable such as children with disability, Aboriginal and Torres Strait Islander children, homeless children, or those who witness or are subject to violence.

The introduction of a National Children's Commissioner will represent the first dedicated advocate for children and young people at the federal level. All Australian states and territories have established similar offices and a national commissioner will consolidate and coordinate the expertise and knowledge that exists at the state level. A National Children's Commissioner will give Australian kids a voice at the national level and bring attention to issues of neglect, abuse and discrimination. A national advocate for children will offer a powerful focus for hearing children's voices, especially on the subjects of youth justice, child protection, Indigenous health outcomes and homelessness.

The commissioner will have an important role in monitoring, reviewing and commenting on laws, policies, service standards and practices that affect young Australians. As part of the Australian Human Rights Commission, such a position will have the mechanisms to receive and investigate complaints of breaches of children's rights under the Convention on the Rights of the Child through the implementation of a child-specific complaints system. It will be able to assist in and drive law reform and policy development, and develop consultation mechanisms that encourage the participation of children.

The commissioner will collaborate and coordinate with the community and business sectors to develop and strengthen community understanding of the issues and experiences of children, and have the power to intervene in court proceedings involving the rights of children and young people. The commissioner will also advocate for effective data collection on children's health, wellbeing, development and participation.

In Western Australia, the office of a Commissioner for Children and Young People was created by the state Labor government in 2006, with Michelle Scott becoming the first commissioner on 7 December 2007. The WA commissioner oversees a broad range of areas relating to children's welfare, including early childhood, complaints about government agencies relating to children, mental health, young
people and the law, participation, reducing alcohol related harm, middle years and sexualisation of children. As a Western Australian representative I am very much aware of the good work that Ms Scott has been able to do, and this was certainly a strong part of my motivation in pushing for a commissioner at the national level.

At this point I would like to particularly recognise the work done on this cause by the people at UNICEF Australia—CEO Norman Gillespie, Communications Manager Tim O'Connor, and Advocacy Manager Aivee Chew. In October last year, Ms Chew was a member of a delegation to the United Nations in Geneva with the task of briefing the Committee on Child Rights, and on the broad question of where Australia was succeeding and failing in protecting the rights of its most vulnerable. Ms Chew said at the time that:

We know that Australia is a wonderful place for most of its kids, yet not everyone experiences the same and just levels of opportunity in Australia.

Gross inadequacies remain in Australia's commitment to its children, despite recommendations made five years ago by the UN Children's committee. It has been more than two decades since Australia ratified the United Nation's Convention on the Rights of the Child—the most widely ratified human rights treaty in history. Yet despite 20 years of 'commitment' to child rights in Australia, there is still no national framework and no national children's commissioner.

The delegation presented findings to the committee from the Listen to children report I referred to earlier.

The UN Committee on the Rights of the Child has long recognised that traditional mechanisms within governments do not provide sufficient protection to these vulnerable groups in society. When England introduced a Children's Commissioner in 2005—some time after similar offices had been created in Wales, Scotland and Northern Island—Australian based children's advocacy organisation Children's Rights International released a discussion paper on the issue. Its authors, Claire Bessant and Rhona Smith, wrote:

... children are frequently denied access to justice and indeed may even lack awareness of their rights. Accordingly, the UN Committee on the Rights of the Child has advocated the creation of national strategies promoting children's rights and independent human rights institutions to publicise and realise them.

Children's Commissioners, charged with defending and supporting children's welfare, rights and interests, guided by the principles of the UN Convention on the Rights of the Children, have clear potential as human rights institutions. This makes an irresistible case for the introduction of a Children's Commissioner in Australia, and I am glad that we are now responding to that case. We cannot be complacent when it comes to children's rights, even though the rights and protections in for children in Australia are comparatively strong.

As I said in my speech on the motion in December 2010, there are actions against children in Australia's recent history of which no-one can be proud. The children of the stolen generation and forgotten Australians:

... did not receive this special protection. Our acceptance of responsibility, our sorrow and our sincere apology for the suffering of these children has a sobering resonance in the context of the Convention on the Rights of the Child. That episode in our history is a tragic demonstration of the vulnerabilities of children and of the susceptibility of government agencies to systemic failures when it comes to even the most basic protections. The two anniversaries, a month apart, should remind us of the terrible harm that can occur when the rights of children are not protected and should strengthen us in the ongoing
imperative of recognising and protecting those rights.

The third anniversary, in a few months time, of the national apology to the stolen generations will be another point of reflection. It is of course an anniversary which tolls a heavy warning on the unacceptable consequences of neglecting the rights of children. The stolen generations and the forgotten Australians are not people who exist in some sepia-coloured, less enlightened Australian past. They are with us now, with their pain and also their courage and resilience.

Today we make a real and critical improvement to the protections that exist for children in this country, and in so doing we meet and strengthen the obligations and the spirit of the UN Convention on the Rights of the Child. I wholeheartedly welcome the creation of a National Children's Commissioner, and I commend the minister for moving so quickly to bring this bill forward. The Children's Commissioner at the Commonwealth level is certainly not a role and function that is arriving ahead of its time, but I am proud to be part of a Labor government that is learning from the past and looking to shape a future in which Australian children and children overseas can live to their potential with the protections and freedoms that all children should have.

Debate adjourned.

COMMITTEES

Social Policy and Legal Affairs Committee

Report

Mr PERRETT (Moreton) (09:53): I apologise for interrupting the debate and commend the member for Fremantle on her contribution. I table the advisory report on the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012 and a dissenting report, and I seek leave to make a very short statement.

Leave granted.

Mr PERRETT: This advisory report on behalf of the House Standing Committee on Social Policy and Legal Affairs and the Australian Human Rights Commission explores the future contribution of the National Children's Commissioner to Australian society. I look forward to speaking further on the report later.

Mrs MOYLAN (Pearce) (09:54): Likewise I apologise for interrupting the debate. On behalf of the coalition I seek leave to make a short statement on the dissenting report.

Leave granted.

Mrs MOYLAN: I will speak on the dissenting report at a later date.

Debate adjourned.

BILLS

Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HAYES (Fowler) (09:54): I rise to support the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012. The bill amends the Australian Human Rights Commission Act 1986 and creates the position of the National Children's Commissioner in the Human Rights Commission. The commissioner will have a monumental role in providing a voice for Australian children, particularly those who are living in disadvantaged conditions and those exposed to threats to their rights and safety.

Like many here, I have children—I also very proudly have five grandchildren—and for this reason this bill has a particular
personal significance to me. Even though my children are all grown up, as a parent I cannot help but always want to lend support to them no matter how old they are. Grandparents and their grandchildren have a slightly different relationship to the relationship that parents and their children have, but still as a grandparent you are always looking after and lending support to your grandchildren. I am very blessed because, as I said, I have five grandchildren, and they are very much loved. One of my grandsons is afflicted by autism, and this means that the relationship with him is slightly different again. As a family we do everything we can to ensure that he is not discriminated against in our community, in his schooling or, particularly, within the family.

I feel for people who do not have such a close family bond as we do. There are many in our community who, for various reasons, do not. Many children are forced to become adults well before their time. Children afflicted with disabilities, children living in homeless conditions and children exposed to domestic violence often are forced to take on the persona of mature adults well before their childhood has passed. Having a strong voice for children in this predicament reflects a caring society. This bill is not designed to bureaucratically impose the National Children's Commissioner to supplant the role of a caring family—but the member for Fremantle has been very passionate about this for some time—has the support of a caring family. We as a caring nation need to ensure that they to have a strong voice.

I have had an interest in domestic violence for a heck of a long time, because I have had a long association with law enforcement agencies around the country. I am very proud of the efforts they make to suppress crime and minimise the impacts of crime on the community. When I look at the crime statistics—and it does not matter which date, which jurisdiction or which police station they come from—I see that the reported incidents of domestic violence remain stubbornly high. The number of incidents is in many instances going up. This is sometimes on the basis that people are now more confident about reporting domestic violence to authorities; nevertheless, domestic violence is of considerable concern in our society. We normally talk about the impact that domestic violence has on women, who are its main targets, but it also has a huge impact on children. According to statistics, one in three women in Australia will experience domestic violence and one in five women will experience sexual violence. These statistics are pretty bad on the face of it. According to the Australian Bureau of Statistics 2005 personal safety survey, of all women who have experienced partner related violence that had children, 59 per cent indicated that the violence was witnessed by the children in a relationship. So the violence had a direct impact on the children in those relationships. Most of those relationships would probably have more than one child. If you extrapolate the statistics, it is possible for the total number of victims of domestic violence to be almost the same as the number of children who have witnessed domestic violence. The impact of that is that 60 per cent of young males growing up in an abusive relationship are more than likely to become abusers themselves as they mature and 50 percent of young females growing up in an abusive relationship—and I am assured this is the case—are more than likely to take an abuser as a partner.

To assert that in these areas a child should not have a strong voice is an absolute absurdity and it certainly would be a situation where we would be closing our
eyes to something that all of us in this place know is a reality—that is that the level of domestic violence is high. The victims are not just the women in the relationship who have been targeted specifically for the violence but the children themselves. In a similar way I see a role for the commissioner in terms of homeless children and others children in vulnerable positions in our society.

Homeless children are a group that are very vulnerable and many face unique challenges to survive on a daily basis. This is not just young people living rough. This also includes young people who for various reasons are not able to live at home and have been, using the popular term, 'lounge surfing'. They move from one sofa to another, from one family to another and regrettably they do not have a permanent place of abode. In my former electorate we did a lot of work with an organisation that was specifically providing shelter for young women. I had the opportunity to meet with these kids on many occasions, particularly at Christmas and Easter and occasions that would normally impact on a family. What I learnt from talking to many of the kids there—and they ranged from 12 through to 19—was that there were many reasons they were not at home. But what they really wanted was to have someone actually help them to make decisions in their lives. It was a church based organisation that was helping them in that direction. It showed me that young people do have rights. Young people do need to understand the social systems that we take for granted as adults and they need some person who has the legal authority to pursue their rights.

Back in 2005, when I was the member for Werriwa, in the lead up to the by-election the Macquarie Fields riots took place. There were a lot of young people throwing firebombs and stones and everything else that they could at the local police. At that stage I met up with Father Chris Riley and have had a very long and valued association with him ever since. He is a man who is absolutely passionate about children and making sure that children have every opportunity to succeed in our society. He is not a person who wants to come in and prejudge relationships. He certainly does not prejudge why kids are on the street. He wants to give them an opportunity. I have seen the passion in this man's face when it comes to kids.

Not long after that, we had the devastation of the earthquakes in Indonesia. Father Chris Riley became heavily involved in building a school at Aceh. Many of the kids who were throwing Molotov cocktails and stones at police and doing all that stuff in Macquarie Fields were the ones who accompanied Father Chris Riley to Aceh to help build the Islamic school there. I have met these kids many times. A number of these young people who were on the streets showing all the signs of being delinquent are now qualified social workers and are working within the system to try and assist young people, showing them there is a better way, helping them to be able to make those decisions because many of the young people that Father Chris Riley deals with do not have a stable adult influence in their lives. Unfortunately, many kids in that sort of environment mature rapidly beyond their age and miss out on their childhood. People like Father Chris Riley who are committed to helping young people do an absolutely fine job, but young people must be seen to be able to exercise appropriately their legal voice. They do need someone who can assist. In the short time I have available I would like to mention a person who in New South Wales absolutely stands out as someone who did much for young people. Barbara Holborow was a magistrate in the Children's
Court of New South Wales. She received the Order of Australia earlier this year before passing away at the age of 81. She was a magistrate with the Children's Court for a number of years and she was a person who dedicated her life to disadvantaged youth. Barbara worked in a women's refuge. The first child she adopted was a young Aboriginal boy called Jacob. After that, many foster children came under Barbara's care. As a magistrate, Barbara had an impact on the lives of many thousands of kids. Fiercely committed to reforming the justice system for children, she was involved in setting up free legal aid for children in New South Wales and in creating a court which actually cared for the rights of children, particularly in cases of neglect. Sentences were able to be deferred and diversionary activities were set up for young people.

If Barbara were still with us she would be an excellent person to consider for the role of National Children's Commissioner. A person in authority, Barbara Holborow did so much to ensure not only that children's rights were observed but also that children were given the appropriate chance that all of us take for granted for our own kids. I commend this legislation. Like the member for Fremantle, I am proud to be part of a government that has taken on board the rights of children to ensure that they are properly protected in our modern society.

Ms BRODTMANN (Canberra) (10:09): The Human Rights Commission Amendment (National Children’s Commissioner) Bill 2012, which establishes a National Children's Commissioner in Australia, fulfils a long-term commitment by Labor to appoint a national advocate for children. I underscore the comments of the previous speaker in saying it is an achievement of which we are very proud. The new commissioner will focus on promoting the rights, wellbeing and development of children and young people, advocating for their rights on a national level. The National Children's Commissioner will ensure the voices of children and young people are heard in the development of Commonwealth policies and programs, an incredibly important initiative. The new position will begin from 1 July this year or on royal assent, whichever is later. The National Children's Commissioner will join the six existing commissioners at the Australian Human Rights Commission: the Human Rights Commissioner, the Aboriginal and Torres Strait Islander Social Justice Commissioner, the Age Discrimination Commissioner, the Race Discrimination Commissioner, the Disability Discrimination Commissioner and the Sex Discrimination Commissioner.

We want every child in Australia to grow up safe, happy and well. The new commissioner will represent the views of children and young people, particularly those who are most vulnerable. It is time for children and young people to have a national advocate to ensure their rights are reflected in national policies and programs as more of our policies focus on the health and welfare of children. I would also like to point out—and this is important—that the commissioner will not duplicate but complement the work of states and territories, particularly the work of other commissioners and guardians. The commissioner will take a broad advocacy role to promote public awareness of issues affecting children. He or she will also conduct research and education programs and consult directly with children and representative organisations, as well as monitor Commonwealth legislation, policies and programs that relate to children's rights, wellbeing and development.

As part of the 2012-13 budget the government has committed $3.5 million over four years to fund the new Children's Commissioner position. This is welcome
funding and will ensure the Children's Commissioner has the resources to carry out its important mandate. Certain comparable jurisdictions, such as the United Kingdom, New Zealand and Norway, already have full-time children's rights commissioners, so this development is incredibly welcome and is one of which I am very proud.

The objectives of establishing this position are: to improve advocacy at a national level for the rights, wellbeing and development of children and young people up to the age of 18 years; to improve monitoring of Commonwealth laws affecting the rights, wellbeing and development of children and young people; to encourage the active involvement of children and young people in decisions that affect them, particularly in the development of government policies, programs and legislation; to support government agencies to develop mechanisms that enhance the active involvement of children and young people; and to assist Australia in meeting its international obligations by promoting and advancing the rights of the child, in particular as enshrined in the United Nations Convention on the Rights of the Child.

The commissioner will have discretion when performing any of their functions to focus on particular groups of children who are at risk or vulnerable, such as children with disability, Aboriginal and Torres Strait Islander children, homeless children or those who are witnessing or subjected to violence. The commissioner will also have discretion to consult with whomever is considered appropriate, with a focus on children—representative organisations of children, state and territory children's commissioners, and guardians. The commissioner will not, however, have a complaint-handling role or a role in dealing with individual children, including individual children's cases in the context of child protection or family law.

Although the commissioner will have a limited role to seek leave to intervene in court proceedings that raise significant children's rights issues, this will not extend to representing individual children. They will not have a role as the legal guardian of unaccompanied children in the immigration area or in any other guardianship role.

I am pleased to say that the establishment of a National Children's Commissioner has been well received by stakeholders. Children's rights groups have heralded the establishment of this position as a major step forward in championing children's rights. Early Childhood Australia said:

The creation of a position dedicated solely to promoting the rights, wellbeing and development of children in Australia will ensure that children’s voices are no longer overlooked. They say it will 'play an important role in ensuring children grow up in a happy and safe environment'. A coalition of Australian's leading children and youth focused organisations—the Australian Youth Affairs Coalition, Save the Children and UNICEF—have also welcomed the announcement as 'an important further step in establishing more robust accountability in government policy and practice for children'. Dr Norman Gillespie, Chief Executive of UNICEF Australia, said:

We need bipartisan support for the role to ensure that the outcomes for children are effective. The Australian Human Rights Commission itself has also welcomed the news and said:

… the Commissioner will be an important advocate for the protection and promotion of the rights of children and young people across Australia and will help ensure that their voices are heard.

According to the commission:

A National Children’s Commissioner will play an important role in advocating for the protection of the human rights of some of the most vulnerable children and young people in Australia.
It is also important to note that many children and young people in regional and remote Australia who are at risk of social exclusion and poor outcomes will be better represented thanks to the establishment of this position. In recognition of this, the National Children's Commissioner proposal includes funding specifically for the commissioner and staff to travel to regional and remote Australia to consult directly with children and young people and to deliver education and public awareness sessions in those locations.

I applaud the Gillard Labor government for taking action to appoint a National Children's Commissioner. It says a lot about the way Labor thinks and feels about children and children's rights in our society. Gone are the days when children were seen and not heard. More and more we are seeing the rights of children being taken into account in our courts, our classrooms and our parliaments. This is important because human rights are children's rights too. International human rights instruments recognise that children as well as adults have basic human rights. Children, most importantly, also have the right to special protection because of their vulnerability to exploitation and abuse.

Every representative in this House has been exposed to children at risk and also children who have been the victims of abuse. Earlier this year I went to an event at one of my local schools. The kids were performing a concert, and there was one girl who was incredibly noticeable for the fact that for the whole time she covered her face in her hair and kept looking down. There was no engagement with the audience, with her teachers or with the other children in the choir. This child had, in a way, been stunted. It was obvious that she had low self-esteem, or no self-esteem at all. It was tragic to see this young person in, as I said, this stunted state. I turned to one of the teachers and said: 'Is that girl going through some body image issues? What's the story behind this young girl?' They told me that she had been a victim of abuse for many years, and essentially they had spent a lot of time helping her by counselling and trying to draw her out of herself and improve her self-esteem, her image of herself and her confidence. Putting her in the choir was part of that process to help her to engage with others—her peers, her teachers and also, hopefully, the audience. Judging from what I saw of that girl on that day it was going to take some time, given that, as I said, she was covering herself and almost wanted to become invisible through the hair over her face and the lack of engagement with anyone. It was just tragic to see that someone so young wanted to, in a way, write herself out of any presence on the earth.

In this job I have also, unfortunately, been exposed to many women and children who have been the victims of domestic violence. I have spoken many times in this House of women whom we have had to help out with social housing, including women with teenage kids. One woman in particular who came to see us very early in my term was a victim of domestic violence. She was sleeping in her car. She was undergoing chemo for breast cancer, and she had been living in this state in the car with these two teenage kids for weeks and weeks. She came to us to see if we could assist in any way with social housing, and we did, very fortunately, get a social house for her and her two teenage kids. The challenge she was also facing—as if she did not have enough challenges as it was—was the fact that one of her children was a teenage boy and there is a policy at some women's refuges that they do not take teenage boys. I understand why that is so, but it is an issue on which I have been in discussions with the ACT Minister.
for Women and for Community Services since I have been elected to see what we can do to allow teenage boys to access women’s refuge services. I know that, as I said, there are very strong policies as to why some women's refuges do not take teenage boys, but it was particularly difficult for this woman, who was going through this dreadful predicament of not only being the victim of domestic violence but also undergoing chemo to treat breast cancer.

Late last year, during the school presentations, I had the privilege of going out to Galilee, which is out in the south of my electorate. Galilee looks after and educates kids at risk. They were largely young boys, but there were a few young women there too, and they had just spent the year achieving their year 10 certificate. It was a really special occasion just being there with them to celebrate this significant achievement. They had overcome a number of hurdles to attain that academic level—again, not just the self-esteem issues but also being the victims of abuse and other challenges—so it was a real privilege to be with Galilee. Galilee does great work with kids at risk in the community here in Canberra. I commend it for that, and this was an excellent example of the great work that it is doing to help kids through very difficult stages and get them an academic achievement that will form the building blocks for, hopefully, a bright and successful future. Again, very early on in my term I also had the privilege of going out to the Lions Youth Haven, where Galilee is located. I met with a number of young men who were also at risk and who were not doing particularly well at school. They had been signed up for a program where they were building barriers to protect the trees. At Lions Youth Haven there are a number of people who go horse riding and a number of horses are agisted out there, and the horses were eating the bark on these trees. A number of these trees were significant, and Lions Youth Haven and other members of the community rightly wanted to protect them. Lions Youth Haven decided to get these young men at risk to build barriers to protect the trees. This was great for the environment and it was great for the trees; it was not so great for the horses, who obviously liked the bark!

Just in talking to these young men I heard that it taught them not just a range of skills in how to build something and to see the product of their labour but also teamwork-building skills. They had to build these barriers in a team but, most importantly, they had to erect these barriers as a team. It ensured that they improved their communication skills, and the fact that they had to manage as a group improved their abilities to work as a team and those interpersonal skills. If someone is a victim of abuse or if they are a victim of domestic violence they tend to shut those down, like the young girl that I saw in the choir at that school. In a way, they want to withdraw and become invisible and stunted. This program actually drew these boys out to engage with others and also to work in a productive way with others.

I hope that the establishment of this position will mark the beginning of a new era for children in Australia, particularly those who are most vulnerable, like some who I have just spoken about. Australia can be a wonderful place to grow up in; however, not all children have the same opportunities, and certain demographics are often at a disadvantage when they are young, which can lead to disadvantage later in life. We should do all we can to ensure that all children get the best start in life and are treated with dignity and respect. I have no doubt that this will have better long-term outcomes for those children and society at large. I commend this bill to the House.
The DEPUTY SPEAKER (Mr Lyons): I commend the speaker's obvious commitment to this cause.

Ms GRIERSON (Newcastle) (10:24): I too rise to speak in support of the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012. Obviously, this bill will establish for the first time the National Children's Commissioner, the first ever dedicated advocate for children and young people Australia-wide—something that our federal Labor government has been absolutely committed to.

Of course, the United Nations Convention on the Rights of the Child is the foundation for this legislation. That convention outlines four key principles in advocating for the protection and the rights of children. They are: nondiscrimination; devotion to the best interests of the child; the right to life, survival and development; and respect for the views of the child.

Having spent 30 years of my professional life in schools as a teacher and as a school principal, for me this is a day of great significance and one of personal pride. I warmly welcome the young people who we can see in our galleries today because we are here today trying to represent their best interests. I remember very well teaching a unit of work on the United Nations Convention on the Rights of the Child and how wonderful it was for children and young people to know that they were part of global legislation and a framework to protect their rights. Of course, I also saw—too many times—the abuse of children's rights. I remember my very first year as a teacher, having a class of behaviourally disturbed children and knowing that one of those children was being beaten regularly by his parents. It is a very distressing situation for a young person, as I was then. I think what was also distressing was the conflict for that child, because that child loved his parents so much even though he was a victim of their abuse. So it is a very difficult situation to make sure that we get the rights of a child not just asserted for but also managed sensitively, managed strongly and managed well.

I have also had many experiences of dealing with disclosures of sexual abuse from children. That is the saddest thing of all: to have a child go to a teacher or to a counsellor in a school and disclose that they are a victim of abuse, because usually it is from a family member. I guess that I understand what mentors of children, teachers of children and people who support children through their lives come across every day. I heard the member for Canberra talking about a child at risk and, unfortunately, in education so many times we identify children who are clearly at risk and who are clearly victims of some sort of emotional, physical or sexual abuse. Unfortunately, restrictions in the law sometimes lead to very frustrating situations where we cannot address those problems as well as we might like to if there is no disclosure—and children will often protect the people who do the abuse, thinking that that is the right thing to do. So today is a significant day, and this is an important piece of legislation.

This bill seeks to amend the Australian Human Rights Commission Act to establish the position of National Children's Commissioner in the Australian Human Rights Commission. The intention of the Labor government in establishing the commissioner is: to improve national advocacy for the rights, wellbeing and development of youth under the age of 18; to improve monitoring of Commonwealth laws affecting the rights, wellbeing and development of children and young people;
to encourage the active participation of young people in decisions that affect them, particularly in the development of government policies and programs—so it is always wonderful to have young people in this place; to support government agencies in enhancing and increasing the involvement of youth; and to assist Australia in meeting its international obligations by promoting and advancing the rights of the child as enshrined in the UN Convention on the Rights of the Child. To say that the phrase 'the children are our future' is a cliche denies its reality. The wellbeing of children and young people must be at the forefront of our minds as legislators, because obviously one day they will inevitably replace us. As the Attorney-General has stated, Australia's future depends on them reaching their full potential. The commissioner will stimulate national conversation about the key issues affecting young Australians, striving to fulfil and promote their best interests. I looked back at my first speech in this House and noted then that I was very mindful of the responsibility of representing young people in this place. I mentioned the very high expectations young people so rightly hold for government, and I hope this bill goes some distance in representing the best interests into the future. At the commissioner's discretion, they will be able to focus on particular vulnerable or at-risk groups of children and young people such as children with a disability, Indigenous children, homeless children or those who are witness or subject to violence and abuse.

Our bill also contains provisions enabling the commissioner to consult with bodies that have a focus on children, organisations that represent children and state and territory children's commissioners and guardians. They will research and promote programs that go to the core in both addressing and understanding the issues and challenges faced by young people in modern Australia, and I suppose we would all know that those challenges are much more complex. The internet itself is a liberator but, unfortunately, it also liberates the wrong people to prey on young children. Whilst not dealing with individual cases in the context of protection or family law, the commissioner will be able to seek leave to intervene in court proceedings which raise significant children's rights issues. That is a powerful tool. I know it will be used very sensibly but it is comforting that that is part of this legislation.

The 2008 report by the Australian Law Reform Commission indicated that, over the previous decade, children had slipped off the national agenda, citing a rise in child protection notifications and a lower rate of conviction. At the time, Minister Macklin noted that convictions often did not occur due to a lack of evidence, because for people such as children giving evidence can be a frightening thing to do—and I mentioned just how conflicted young people are in that situation. That is why our government has been determined to create a National Children's Commissioner, somebody who will champion and advocate for those who too often have little or no voice at all.

The facts are that children in regional and remote Australia are at greater risk. When compared with those in larger cities, social exclusion and poor outcomes can snowball and lead to a cycle of disadvantage in many walks of life. Funding has been specifically provided for the commissioner and staff to travel to remote places around the nation in order to consult directly with young people and to deliver educational and public awareness programs about the rights of children and the role of the commissioner.

In 2009, our Labor government established the National Framework for Protecting Australia's Children through the
Council of Australian Governments, COAG. This was in recognition of the unacceptable levels of child abuse and neglect occurring in our community. The framework indicated that in 2007-08 there were 55,120 reported cases of child abuse and neglect that had been substantiated by child protection services, a very unacceptable figure. The Australian Institute of Health and Welfare indicates that in 2010-11 there were over 31,000 children in substantiated abuse or neglect cases, or one in every 165 children under the age of 18. We can imagine that these figures are only a very small glimpse of the real tragedy facing some children in our communities, and it is unacceptable in a first-world country such as ours.

The institute tell us in its report, *Headline indicators for children’s health, development and wellbeing, 2011*, that although Australian children generally fare comparatively well on a global level, when examining health, status and risk, there is considerable variation when it comes to some key groups. The report indicates that Indigenous children are severely overrepresented across the child protection system when compared with non-Indigenous Australians. In 2010, this group were eight times as likely to be the subject of substantiated abuse or neglect, nine times as likely to be on a care and protection order and 10 times as likely to be in out-of-home care. The report continues, indicating that Indigenous children have a greater chance of being disadvantaged in the areas of health, development and wellbeing. We have made great strides as a government in improving Indigenous outcomes. Year 12 retention rates have risen to 47 per cent, from 30 per cent in the 1990s for Indigenous youth. In Western Australia, South Australia and the Northern Territory, mortality rates have fallen by 36 per cent, but there is clearly more to be done.

When examining another disadvantaged at-risk group—children in remote areas—we again hear a shameful story. Compared with their metropolitan counterparts, children in remote areas are two to three times more likely to die as infants or due to injury and 30 per cent more likely to be born with low birth weight or to be overweight or obese. Furthermore, they are more likely to be developmentally vulnerable at school entry, being around 40-50 per cent less likely to meet national minimum standards for reading and numeracy. In lower socioeconomic parts of our nation, we again see significant pockets of disadvantage and, similarly, those statistics put children at risk. They are astonishing figures for a country such as Australia, but they are the cold, hard facts that indicate that we must continue to introduce new measures to look after the rights of children.

Our government will continue to assist and advocate for those people particularly. There is not any single solution to the problems of social disadvantage. That is why we keep introducing policies and programs—and I see the minister here in the chamber—such as the new schoolkids bonus to help make ends meet, and Paid Parental Leave, and we have, of course, lifted the tax-free threshold to $18,200 to help low-income families. We know that financial pressure is often one of the triggers for relationship breakdowns and certainly for domestic disputes and violence.

Recent changes to the Family Law Act introduced by our government took effect this month. These changes better protect children and young people exposed to family violence, ensuring appropriate action be taken to put the child first in family law disputes. It is also why we are introducing the National Children’s Commissioner, to work wholly and solely in the best interests of our young people. The Hunter Valley
Research Foundation in my own area tells us that early school leavers, year 10 or below, have an unemployment rate twice that of trade qualified people and around three times the rate of somebody with a university qualification. Hunter region data from the foundation indicates that early school leavers without post-school education or training are generally the lowest paid. This is a nationwide phenomenon and one that is typically higher in areas of greater socio-economic disadvantage. Globally, Australia is above the average when it comes to OECD figures on all key indicators. However, there remains scope for dramatic improvement.

Dr Sharon Bessell, a senior director of the Children's Policy Centre at the Crawford School of Public Policy at the Australian National University, and Brian Babington, CEO of Families Australia, wrote in the Sydney Morning Herald, on 1 May, 2012 that 'four principles would be vital in guiding the National Children's Commissioner to ensure that an impact is actually made'. Firstly, they said that the position should complement existing state and territory commissioners, and we do understand the importance of value-adding. The new Children's Commissioner will join six other national commissioners in the Australian Human Rights Commission. Secondly, they said that the role of National Children's Commissioner should be above politics and remain impartial, with the rights of the child at the forefront of their decision-making process.

Thirdly, they note that the commissioner must adopt a consultative approach and engage with the children he or she represents. One of the key objectives in creating this role is involving young people in decisions that will ultimately affect them.

Finally, they write that, through the creation of this role, national leadership must be taken 'to promote an inspiring vision for the wellbeing, status and role of children and young people.' I hope that this role will deliver on that particular principle.

There remains much to be done to improve health, education and general wellbeing outcomes for particular groups of young children and all young people in Australia. Obviously, no single solution will fix everything. This bill introducing the National Children's Commissioner is a very strong signal that we are prepared to provide strong advocacy, strong representation for children, providing them with a beacon of hope and opportunity for better outcomes and ultimately a better quality of life. I commend the bill to the House.

Mr Perrett (Moreton) (10:39): I thank the earlier speakers for their contributions to this very important debate on the Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012. Obviously, establishing a National Children's Commissioner fulfils a long-term commitment by the Australian Labor Party to appoint a national advocate for children. I am proud to be on this side of the House and supporting the bill.

I also make special mention of the work done by other ministers. I thank Minister Garrett for making a contribution in his role as education minister; Minister Ellis for ensuring that money goes into early childhood education; the health minister and particularly Minister Macklin for developing the child protection framework, which is important when you have states and territories that have different approaches to the reporting of child protection issues. In some states it is mandatory for everybody. In some states teachers have to report and in other states teachers do not have to. Medical practitioners have to report in every state and...
territory. But the reality is that we are a federation and, whilst that means good policy and good practice can develop, it does not necessarily mean that best practice and best policy spreads throughout the land. I guess that is why we are here as a Commonwealth to ensure that there are best possible standards for children. That is what this legislation before us today does.

I particularly acknowledge a Queenslander, Leneen Forde, who is actually on the board at Griffith University but who in an earlier role led a royal commission that looked at child protection and some of the horrific practices and injustices that had occurred in Queensland. I make mention of Leneen Forde and the great work that she did many years ago.

I am sad to say that my wife, who has been working in child protection for 22 years, has seen some of these investigations and some of those changes. Whilst she always respects confidentiality—except for one case I might mention—she often tells me of the lifelong scars suffered by those who have experienced physical and emotional abuse in the family home and outside. Obviously, DOCS investigates abuse from within the family, then the police step in to investigate those matters outside the home. Sadly, the police do not have as much work as DOCS. The reality is that we tend to be harmed by those who profess to love us, or who should love us, or their children.

I will mention one case that is public and I can only mention this because it is written about in Terri Irwin's book about Steve Irwin. Steve Irwin, as members would remember, sadly passed away, but he was investigated for putting one of his children in a crocodile enclosure. My wife had the job of talking to Mr Irwin on a Friday night. This is all public—obviously, there are confidentiality issues—and it is quite interesting. She would not let me be in the room to hear the conversation, but she did say he even said 'crikey' in the phone call. Obviously, there was a child protection investigation, but nothing like the more serious ones that occur. Obviously, having a six-week old child near crocodiles does not happen too often. That autobiography by Steve Irwin's wife is interesting. I think the Governor-General's secretary phoned Steve to complain about it. It is an interesting representation of the facts surrounding the Governor-General's secretary, and the words which are attributed to my wife are nothing like what was actually said. But, anyway, I drift. I am supposed to be talking about the National Children's Commissioner Bill.

Unfortunately, there are many young children right across Australia from a broad range of backgrounds who are at high risk of abuse, discrimination and subject to poor circumstances. The introduction of a National Children's Commissioner is designed to speak on behalf of those children who do not have a voice and who are suffering alone and in social exclusion. The new commissioner will have discretion when performing any of his or her functions to focus on particular groups of children who are at risk or vulnerable, such as children with disability, those who are homeless or witnessing or subject to violence, and Aboriginal and Torres Strait Islander children. In recognition of the particular disadvantage many Aboriginal and Torres Strait Islander children face, the National Children's Commissioner proposal includes funding specifically for the commissioner and staff to travel to regional and remote Australia to consult directly with children and young people and to deliver education and public awareness sessions in those locations.

The Gillard Labor government is committed to closing the gap of Indigenous
disadvantage and this is another way of gradually achieving this aim. This Labor government is already increasing access to early childhood education for Indigenous four-year-olds in remote communities and we are confident that we are on track to halve the infant mortality rates of Indigenous children under five by 2018. Anyone who has young children knows how these dry statistics take on a completely different meaning when you think about your own children. As a father of two—one is only three years old—I cannot imagine what it would be like to have the sorts of statistics, in our own lounge rooms, in our own suburban areas, that are being experienced in some of the more regional and remote Indigenous communities around Australia.

The commissioner will also have discretion to consult with whoever is considered appropriate, with a focus on children, organisations that represent children, state and territory children's commissioners and guardians. So it will be a cooperative, collaborative network. The key objectives of establishing a national children's commissioner are to improve advocacy at a national level for the rights, wellbeing and development of children and young people up to the age of 18 years; and to improve the monitoring of Commonwealth laws affecting the rights, wellbeing and development of children and young people. As I said, Minister Macklin has already gone some way in terms of establishing the child protection framework. The previous Attorney-General, who is in the chamber, has done some great work in terms of changing the Family Law Act to make sure that we put children first. I commend the member for Barton for his great work. I commend the current Attorney-General as well for making sure children come first and foremost when it comes to family law decisions, because that is where so much horrible work occurs.

I also encourage the active involvement of children and young people in decisions that affect them. We see emerging child protection issues—things such as cybersafety, where you cannot go home to a safe place anymore. Schools have always been jungles, in a way—the blackboard jungle is a reality for some people—but at least children used to be able to go home to a safe haven. Now, sometimes, with Facebook, the internet and phones, people can be hassled, bullied and even driven to horrible deeds because of bullying that occurs through the internet.

There are supports for government agencies to develop mechanisms which enhance the active involvement of children and young people. We also assist Australia in meeting its international obligations by promoting and advancing the rights of the child, in particular as enshrined in the United Nations Convention on the Rights of the Child.

As a Queenslander I flag an ongoing issue I have. Children in Queensland are treated as adults. The reality is that whilst Australia has signed up to the Convention on the Rights of the Child, in Queensland we treat 17-year-olds as adults. It is not exactly the sort of topic that you campaign on but it is something that I flag. I have an ongoing interest in it and hopefully my Standing Committee on Social Policy and Legal Affairs, subject to the approval of the deputy chair and the rest of the committee, will look at this topic of Queensland's treatment of children as adults.

The commission is to act as an overarching authority; it is not to deal specifically with individual children's cases. Obviously, that is for the states and territories. The Commonwealth will,
however, have a limited role to seek leave to intervene in court proceedings which raise significant children's rights issues. But this will not extend to representing individual children. This bill sends a clear message to the Australian public that child abuse will not be tolerated and that there is help out there for the people who need it the most. Education and awareness is one of the best preventative measures, and that is why we are introducing a new Children's Commissioner to actively campaign and advocate for the rights of the child. Whilst this is obviously not a silver bullet, it is a small step towards stopping more child abuse. It should be supported by all of the members opposite.

I welcome the bill and hope it will have a positive impact on family relationships and children's health, development and wellbeing. I look forward to seeing the appointment of the first Children's Commissioner. I thank, again, Minister Macklin and all of those who have done great work in child protection—Chancellor Leneen Forde from the Griffith University in particular. I commend the bill to the House.

Mrs MOYLAN (Pearce) (10:50): Australia has a long history of advocating for and protecting the human rights of its citizens. A central tenet of that protection is the Human Rights and Equal Opportunity Commission, which was established in 1986. Since then, the Australian Human Rights Commission, as it is called now, has continually expanded, creating specific commissioners for each piece of federal legislation enacted to protect citizen rights—such as the Age Discrimination Commissioner in response to Age Discrimination Act in 2004, and the Racial Discrimination Commissioner after the Racial Discrimination Act 1975. Six separate commissioners now exist and all sit within the Australian Human Rights Commission.

Since the commencement of the Convention of the Rights of the Child in 1991, which Australia is a party to, there have been calls for the creation of a national children's commissioner to ensure compliance with the convention. Many inquiries have investigated the potential role and responsibilities of such a commissioner but the discussion stands apart as there is no single legislative instrument at the federal level encapsulating the protections which should be afforded to children.

Because of this anomaly there is debate about whether such a commissioner duplicates the functions of current state and territory children's commissioners and even whether a commissioner can play a meaningful role. This is compounded by the fact that most services and legislation affecting children actually fall under the jurisdiction of the states and territories. The lack of a comprehensive legislative framework to guide the work a national children's commissioner calls into question its potential effectiveness. In Senate estimates on 23 May this year the Hon. Catherine Branson QC, the Human Rights Commissioner, confirmed that unlike all the other commissioners—that is, the Age Discrimination Commissioner, the Race Discrimination Commissioner and all the others—a national children's commissioner will not undertake any casework, specifically due to the lack of overarching children's legislation.

This may also explain the relatively low amount of funding which is currently allotted for the commissioner. This funding will pay for the commissioner, a personal assistant and two research assistants at the most. The lack of funding is a dilemma in itself. Ms Branson confirmed that with the creation of a new commissioner, casework always increases. But there is not a substantial commitment to fund the children's
commissioner, particularly due to its restricted functions. I put it to this House that it will simply not be effective in doing what it is intended to do.

This morning the Standing Committee on Social Policy and Legal Affairs tabled a report in this House. Unfortunately, we did not get an opportunity to speak to that. I would like to address a few comments specifically regarding that report because, like many of the bills referred to this place, the scrutiny of this bill was done in indecent haste without sufficient time to really prosecute the issues. The coalition has tabled a dissenting report, and I would like to explain the reasons this has happened.

The coalition members do not agree with the committee that the Australian Human Rights Commission Act 1986 should be amended to establish a statutory office of the National Children's Commissioner in the Australian Human Rights Commission. Coalition members of the committee recognise the importance of promoting public discussion and awareness of issues affecting children. We also acknowledge that legislation, policies and programs affecting the rights, wellbeing and development of children should be properly examined. However, we are not persuaded by the committee that this bill would necessarily advance these objectives any further than is currently being achieved.

Coalition members are of the view that the AHRC, the Australian Human Rights Commission, in cooperation with the relevant state and territory commissioners and guardians, already adequately performs the functions envisaged for the new commissioner. The establishment of a new commissioner at a federal level would unnecessarily duplicate the policy and advocacy functions of the respective state and territory authorities as well as the advisory functions provided for in the Australian Human Rights Commission Act. Additionally, given the new commissioner will only function as an advocate and not undertake any casework, coalition members are not persuaded its establishment would support the work currently performed by the state and territory commissioners. Rather, the bill would merely contribute to the expansion of Australia's already burgeoning bureaucracy.

Coalition members cannot agree with the commission that there is urgency surrounding the establishment of a national children's commissioner. There is no evidence to suggest that there has been an increase in the workload of the AHRC or that of the respective state and territory commissioners to justify the establishment of a new commissioner at federal level. Coalition members are not persuaded that there are any compelling reasons to further expand the number of AHRC commissioners, nor significant justification to create a stand-alone advocacy function for children's rights in Australia at the Commonwealth level. Therefore, sadly, the coalition does not support the bill.

It is fundamental that the most vulnerable people in our society receive care and protection, and none are more vulnerable than children. But tokenistic gestures do not equate to real protection on the ground. If the government were truly sincere about protecting the rights of children we would not see children continuing to be locked up in detention centres when they have committed no crime, and the government would not pursue policies that penalise single parents and force small children onto the street.

I take the first issue first because it is dear to my heart. In 2004 I, along with the former member for Kooyong, Petro Georgiou,
Russell Broadbent, the member for McMillan, Bruce Baird, the former member for Cook and former senator, Judith Troeth, really struggled to convince the government that detention centres are not the places for people who have not committed any crime. In most cases—and nothing has changed—these are not detention centres but maximum-security prisons where we put murderers, rapists, armed robbers and people who are real criminals. These children have committed no crime. We fought tooth and nail to bring about changes and in 2005 the Howard government announced that it would only be under the most dire circumstances that children would remain in detention centres. A time limit was put on processing them and giving these families with children TPVs.

It greatly disturbs me that we have nearly 500 children—I think that is the number—who remain in detention centres in this country. If we are truly concerned about the plight of children then surely one of the first things we have to do is go back to the spirit of the agreement we made with the Howard government and make sure that we no longer keep children in detention centres. It simply is not right. If the general public of Australia had seen what I saw when I visited some of the centres they would be shocked and would in no way sanction this policy. I continue to be concerned about these very basic and fundamental issues that could be addressed. So why are we pretending here that a children's commissioner is going to resolve some of the most fundamental problems that are before us today?

To go to the second issue, and I do not think I am out of order to speak on this now, social security legislation for what was formerly called Welfare to Work is scheduled to come into this House today and I will speak in greater detail on it then. But the issue here is that we have a bill coming before us which seeks to move single parents off the parent payment when their child turns eight and onto the Newstart allowance. This affects the most vulnerable people in our community, the most vulnerable families who are living below the poverty line. There are 100,000 single parents in this country and 90 per cent of them are women. They are not there because they want to be there. They are not there because they deliberately get pregnant and have children to get onto social security benefits, as many would want us to believe. They are there, very often, because they are escaping domestic violence. And sometimes they are there because their partner passes away. This group of people will, under the legislation to come before us later, lose a minimum of $60 a week from their entitlement by moving to Newstart.

What really upsets me is that this legislation says that it is to get people into work. If that is the case, why has the government taken $50 million a year out of job agency payments? These job agencies are already struggling to meet the needs of the long-term unemployed, and we are going to foist on them 100,000 people, or whatever the demographic might be that move over to Newstart allowance, who will be going to them to get help to go to work. These agencies are severely underfunded as it is and they are going to lose $50 million a year. It is just not right. If we truly wanted to move people from welfare into work then we would not be taking measures like that which provide them with very little support.

I listened to the radio this morning and heard about the many members of this parliament who will sleep rough on the streets tonight. I commend them for that. But I remind the House that if we were really serious about the human rights of children we would attend to their most basic and
fundamental rights, which are to have a roof over their heads, to have food, to have clothing, to be able to go to school, to be able to have medical assistance and to be able to gain an education. The fact is that on the streets tonight more than 16 per cent of Australia's 105,000 homeless will be families—these are parents with children.

Mr O'Connor, the Minister for Homelessness, is a good minister for whom I have a lot of regard. I heard him say on the radio this morning that the number of women and children among the homeless on our streets are growing in number, yet we are going to drive them further into poverty by taking $60 a week off them by shifting them onto Newstart allowance. So I just wonder what we are doing in this place by standing up and trying to defend a piece of legislation to establish a children's commissioner. We are going to pay for another bureaucrat. I am not taking shots at bureaucrats; some are very good, they do a fine job and I have a lot of respect and a high regard for them. But we are going to pay for another bureaucrat while on our streets we are seeing those fundamental needs unmet. We are living in a wealthy country. Every person should think about this. I have heard a couple of members talk about the abuse and neglect of children. Fiona Stanley, a highly respected medical practitioner and worker in this field, wrote a very fine book a couple of years ago in which she pointed out that poverty is a big reason we are seeing increasing abuse and neglect of children. So I just shake my head at this legislation. It is not that I and the coalition do not want to see greater protection of children. We would like to see greater protection, but we need to address the fundamentals. *(Time expired)*

**Ms SMYTH** (La Trobe) *(11:05)*: I think it is fitting that, at the conclusion of the last contribution to this debate, I set the record somewhat straight on the question of housing and this government's commitment to social housing. It was clearly the last speaker's contention that we should be focusing on developments in housing that would assist families and people living rough to find a home or adequate housing. It is somewhat ironic that we are having this discussion when, as part of the stimulus package that this government—and this government alone—committed to, we have a commitment in my home state of Victoria for more than 4,500 social housing units, the vast majority of which have, in fact, been constructed. I visited one in recent weeks and saw the practical benefits that this government has delivered to people, to families and to children who were living in unacceptable circumstances. This was one of the first acts taken by this government, so I will not countenance any comments being put on the record in this place about the commitment of this government to ensuring that people have adequate housing in this country going unchallenged. Clearly, there is much more to do, but it is this government that, after more than a decade of neglect and disregard by the Howard government, made housing and social housing a national priority and backed it with funding. Those opposite simply cannot claim to have the same kind of record on these issues at all. That is the first point. The second point is that, as a member of the Standing Committee on Social Policy and Legal Affairs, I was pleased this morning to be able to be part of the review of the report which has now been tabled in the House in relation to and in support of the National Children's Commissioner. I certainly do not see this as a token measure. I see this as an important measure which ensures advocacy for children in this country and it is something which is long overdue. It has been called for for a considerable time. I know that many advocates from a progressive policy view,
and certainly many Labor people, have advocated for a National Children's Commissioner for some time.

Indeed, in 2009 we delivered the first-ever national framework for protecting Australia's children, and all of the policy measures that we have put in place—from education to mental health care for children and young people to early intervention to ensure that children are protected through early learning, through health measures that we have put in place and through education—go to our core beliefs that children should have a good start in life and be supported in their infancy to ensure that they have an opportunity to succeed in life. So it is consistent with those objectives and those policy measures that we today see debate on the National Children's Commissioner.

In 2009 and 2010 the Department of Families, Housing, Community Services and Indigenous Affairs conducted considerable public discussion on a national children's commissioner. The debate and discussion about this issue have been going on for some years in a formal sense and, prior to that, informally. Due to the variety of stakeholder views on the issue, the government conducted further targeted consultations about it. In December of last year the department produced a discussion paper on the question of a children's commissioner and, indeed, the matter is the subject of not only the House standing committee's deliberations on the matter but also the Senate committee's considerations about the establishment of a children's commissioner. And through those processes we have seen some 59 submissions to the Senate inquiry overwhelmingly supporting this bill and the concept of a national children's commissioner. Because we see that around Australia there is a piecemeal approach, it has to be said, to protecting the safety and wellbeing of children, it is important that we have a national framework and a national advocate for children. This is by no means the tokenistic measure that the coalition has referred to in its dissenting report to the standing committee's report earlier today. It is not the tokenistic measure that was alluded to in the previous member's contribution in this place.

Indeed, we have had comments from the Australian Human Rights Commissioner and the commission itself in relation to the establishment of a national children's commissioner, particularly in relation to the question of interoperability with state and territory agencies, which was mentioned in the previous speaker's contribution. At the Senate hearings on this issue the commissioner noted the considerable planning and consultation processes that had taken place on the development of the proposal for a commissioner. She said: 'There has been quite long-term consideration of the relationship between a national children's commissioner and the guardians and children's commissioner at a state and territory level. The topic of the possibility of establishing a national children's commissioner has been under consideration for some time.' She went on to note that state and territory commissioners and guardian representatives had made a combined submission to the Attorney-General's Department supporting the establishment of a commissioner. It was her view that there would be an opportunity for enhancement of the work of those respective agencies and advocates and that that work would continue.

So there is a high level of interest in the establishment of a national children's commissioner. It presents an opportunity to provide advocacy for children and young people right across the spectrum of issues affecting them, from welfare and safety considerations to the ongoing and important
issue of 'closing the gap' of Indigenous disadvantage and issues like infant mortality. I see the commissioner as having a significant role to play and I fully support the objectives of the bill before us today. As a consequence, I am very pleased to be able to commend the bill to the House.

Ms PLIBERSEK (Sydney—Minister for Health) (11:12): I will be summing up on behalf of the government. I thank honourable members for their contributions to the debate on the Australian Human Rights Commission Amendment (National Children’s Commissioner) Bill 2012, and I particularly thank the members for Pearce and La Trobe whose contributions I have been listening to very intently.

This bill will establish the National Children's Commissioner within the Australian Human Rights Commission. The member for Pearce was suggesting that we have a choice as governments between action and advocacy, and that a role like this, which is focused on advocacy, is necessarily in contradiction to, or intended instead of, action in the area of children's rights, which, of course, is not correct. This government has acted more than any other government in Australia's history to protect the rights and interests of our most vulnerable Australians—children—and that includes in areas like our Healthy Kids Check, and preschools where we are moving to universal preschool education for at least one year for Australian children. It also includes the types of investments that we have seen in policing and also in counselling in the Northern Territory and in other parts of Australia in communities where child abuse is at completely unacceptable levels.

Homelessness was mentioned as well, and we have built 21,000 public housing dwellings around Australia out of the global financial crisis stimulus package. There is the National Rental Affordability Scheme for 50,000 properties, with 10,000 built already and 10,000 to be built next year: 50,000 in total. There are dozens of new homelessness facilities right around Australia, including ones for families, and there has been significant investment in services that prevent homelessness because it is better to have families staying at home rather than losing their homes.

The schoolkids bonus is the classic example in the most recent budget; a measure that supports families with children and makes life a little bit easier for those families—a measure opposed, extraordinarily, by those opposite. A Children's Commissioner is not in opposition to action in these areas but a complement to it. It is important for the voiceless to have a voice and that is what the Children's Commissioner provides for our children.

A National Children's Commissioner will be a strong and forceful voice for these children and young people and play a proactive and positive role in their wellbeing and development. Our children are our future and if we do not value them we can never hope to protect them. A National Children's Commissioner will put their needs front and centre, and that is why the government is so pleased that we will establish for the first time a dedicated advocate focused on the human rights of children and young people at a national level.

This bill's basic principle is that every child is a valued member of our society. A National Children's Commissioner will raise public awareness of nationally significant issues affecting children and young people through discussion, research and educational programs. The commissioner will examine relevant existing and proposed Commonwealth legislation to determine if it adequately recognises and protects children's
rights in Australia and report their findings to the government. The commissioner will consult directly with children and their representative organisations to ensure that they can influence the development of policies and programs that affect them at Commonwealth level.

Importantly, the National Children's Commissioner will have a clear focus on vulnerable or at risk groups of children, such as children with disability, Aboriginal and Torres Strait Islander children, homeless children, or those who are witnessing or subject to violence. The commissioner will also report to government each year on matters relating to the human rights of children. The position will contribute to meeting Australia's obligations under the Convention on the Rights of the Child and reinforce our commitment to our international obligations and relationship with the United Nations.

The commissioner will not duplicate the roles of state and territory children's commissioners but will seek to work closely and collaboratively with them to identify national or cross-jurisdictional matters that would benefit from national leadership. Members of the Australian Children's Commissioners and Guardians Group have already indicated their willingness to work collaboratively with the new commissioner and have reiterated their support for the position. The commissioner will not have a guardianship role nor will it have a complaint-handling role or a role in dealing with individual children, including individual children's cases in the context of child protection or family law. However, the commissioner will have a limited role to seek leave to intervene in court proceedings which raise significant children's rights issues—but that will not extend to representing individual children.

I would like to now address some of the issues that have been raised in the debate. The member for Stirling raised the speed with which this has come forward. This has not been a speedy process for the Labor Party. We have been advocating for such a position since 2003. We have conducted consultation with state and territory commissioners and non-government organisations from a range of fields, including a child protection and service delivery, over the last two years. This Labor government wants to see a National Children's Commissioner up and running as soon as possible for the benefit of Australia's children, to give them an independent voice on the national stage.

Funding was allocated in the 2012-13 budget and is available from 1 July 2012. I do not really see why for legislation such as this the opposition seems determined to tie up and delay such important reforms. Some members opposite also raised duplication with state and territory children's commissioners, but there is no duplication of function here. This will be a uniquely national cross-jurisdictional advocacy role.

The member for Fremantle has been a very strong advocate for this position and for children's rights across the board for a very long time. The Attorney-General particularly wanted to thank her for her support and assistance in developing this policy and the role of the commissioner. The member for Canberra highlighted some important functions the commissioner will undertake and the benefits that will flow from the commissioner's advocacy.

The Attorney-General particularly wanted to thank all honourable members for putting their considered views on this important piece of legislation. The Attorney-General thanks the House committee for its report, which recognises the urgency in establishing
the position and the need to avoid unnecessary delay. The Attorney-General acknowledges the committee recommended funding be reviewed. The government is confident that funding will be sufficient to meet all its functions, but of course the government will closely monitor it through implementation.

The government looks forward to the passage of this bill to ensure a National Children's Commissioner can be established as soon as possible for the benefit of Australia's children and young people. The creation of the National Children's Commissioner is an important initiative in the government's work to protect our children and young people and promote and protect their human rights. I commend the bill to the House.

Bill read a second time.

Third Reading

Ms PLIBERSEK (Sydney—Minister for Health) (11:19): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Personally Controlled Electronic Health Records Bill 2011

Consideration of Senate Message and Unrelated Amendments

Debate resumed.

Senate’s amendments—

(1) Clause 5, page 8 (line 15), omit "amended.", substitute "amended; or".

(2) Clause 5, page 8 (after line 15), at the end of the definition of Ministerial Council, add:

(c) if that Agreement is not in force—the COAG council (however described) responsible for health matters.

(3) Clause 5, page 11 (line 1), before "System", insert "performance of functions under this Act by the".

(4) Clause 9, page 17 (line 26) to page 18 (line 3), omit subclause (3), substitute:

(3) Each of the following is identifying information of an individual, other than an individual in the capacity of a healthcare provider:

(a) if applicable, the Medicare number of the individual;

(b) if applicable, the Veterans' Affairs Department file number of the individual;

(c) the name of the individual;

(d) the address of the individual;

(e) the date of birth, and the date of birth accuracy indicator, of the individual;

(f) the sex of the individual;

(g) if the individual was part of a multiple birth—the order in which the individual was born;

Example: The second of twins.

(h) if applicable, the date of death, and the date of death accuracy indicator, of the individual.

(5) Page 18 (after line 25), at the end of Part 1, add:

13A System Operator may arrange for use of computer programs to make decisions

(1) The System Operator may arrange for the use, under the System Operator's control, of computer programs for any purposes for which the System Operator may make decisions under this Act.

(2) A decision made by the operation of a computer program under an arrangement made under subsection (1) is taken to be a decision made by the System Operator.

(6) Clause 15, page 21 (after line 5), after paragraph (m), insert:

(ma) to prepare and provide de-identified data for research or public health purposes;

(7) Clause 38, page 32 (after line 20), at the end of the clause, add:

(3) The health information referred to in subsection (2) in relation to a consumer may include the name of one or more healthcare providers that have provided healthcare to the consumer.
(8) Clause 44, page 35 (line 30), after "provider", insert "organisation".

(9) Clause 51, page 40 (lines 9 to 12), omit subclause (2), substitute:

_Cancellation or suspension if consumer no longer eligible, etc._

(2) The System Operator may, in writing, decide to cancel or suspend the registration of a consumer if:

(a) the System Operator is no longer satisfied that the consumer is eligible to be registered; or

(b) the System Operator is no longer satisfied, having regard to the matters (if any) specified in the PCEHR Rules, that the identity of the consumer has been appropriately verified; or

(c) the System Operator is satisfied that, unless the registration of the consumer is cancelled, the security or integrity of the PCEHR system may be compromised, having regard to the matters (if any) prescribed by the PCEHR Rules; or

(d) the System Operator is satisfied that the consent referred to in subsection 41(3) in relation to the consumer has been withdrawn; or

(e) the System Operator is satisfied that the consent referred to in subsection 41(3) in relation to the consumer was given by an authorised representative or nominated representative of the consumer, and:

(i) the authorised representative or nominated representative who gave the consent ceases to be an authorised representative or nominated representative of the consumer; and

(ii) the System Operator requests the consumer to give consent of the kind referred to in subsection 41(3); and

(iii) the consumer does not, within a reasonable period, give the consent.

(10) Heading to subclause 51(4), page 40 (line 26), omit "whether consumer eligible", substitute "action in relation to consumer's registration".

(11) Clause 51, page 40 (line 29), omit "whether a consumer is eligible to be registered", substitute "whether to take action under subsection (2) in relation to the consumer's registration".

(12) Heading to subclause 51(5), page 41 (line 1), omit "whether other entity eligible, etc.", substitute "action in relation to entity's registration".

(13) Clause 51, page 41 (lines 3 to 8), omit all the words from and including "consumer" to and including "registration", substitute "consumer while the System Operator investigates whether to take action under subsection (3) in relation to the entity's registration".

(14) Clause 58, page 46 (line 9), omit "has applied", substitute "is applying, or has applied, ".

(15) Clause 58, page 46 (lines 29 and 30), omit "has applied", substitute "is applying, or has applied, ".

(16) Clause 73, page 57 (lines 6 to 15), omit the clause and note, substitute:

73 **Contravention of this Act is an interference with privacy**

(1) An act or practice that contravenes this Act in connection with health information included in a consumer's PCEHR or a provision of Part 4 or 5, or would contravene this Act but for a requirement relating to the state of mind of a person, is taken to be:

(a) for the purposes of the Privacy Act 1988, an interference with the privacy of a consumer; and

(b) covered by section 13 or 13A of that Act.

(2) The respondent to a complaint under the Privacy Act 1988 about an act or practice, other than an act or practice of an agency or organisation, is the individual who engaged in the act or practice.

(3) In addition to the Information Commissioner's functions under the Privacy Act 1988, the Information Commissioner has the following functions in relation to the PCEHR system:

(a) to investigate an act or practice that may be an interference with the privacy of a consumer under subsection (1) and, if the Information Commissioner considers it appropriate to do so, to attempt by conciliation to effect a settlement of the matters that gave rise to the investigation;
(b) to do anything incidental or conducive to the performance of those functions.

(4) The Information Commissioner has power to do all things that are necessary or convenient to be done for or in connection with the performance of his or her functions under subsection (3).

Note: An act or practice that is an interference with privacy may be the subject of a complaint under section 36 of the Privacy Act 1988.

(17) Page 57 (after line 16), at the end of Division 4, add:

73A Information Commissioner may disclose details of investigations to System Operator

The Information Commissioner is authorised to disclose to the System Operator any information or documents that relate to an investigation the Information Commissioner conducts because of the operation of section 73, if the Information Commissioner is satisfied that to do so will enable the System Operator to monitor or improve the operation or security of the PCEHR system.

(18) Page 57, after proposed clause 73A, insert:

73B Obligations of System Operator in relation to correction, etc.

(1) The System Operator may, in order to meet its obligations under the Privacy Act 1988 in relation to the correction and alteration of records:

(a) request a participant in the PCEHR system to correct personal information contained in a record included in the PCEHR system and, if the participant does so, to upload the corrected record to the PCEHR system; and

(b) if the participant refuses to do so—direct the participant to attach to the record a note prepared by the consumer in relation to personal information included in the record, and to upload the record and note to the PCEHR system.

(2) A participant in the PCEHR system who is given a direction under paragraph (1)(b) must comply with the direction.

(19) Clause 74, page 58 (line 9), after "provider", insert "organisation".

(20) Clause 76, page 60 (line 10), after "provider", insert "organisation".

(21) Clause 77, page 60 (line 16), before "The", insert "(1)".

(22) Clause 77, page 60 (after line 29), at the end of the clause, add:

(2) Despite subsection (1), the System Operator is authorised, for the purposes of the operation or administration of the PCEHR system:

(a) to hold and take such records outside Australia, provided that the records do not include:

(i) personal information in relation to a consumer or a participant in the PCEHR system; or

(ii) identifying information of an individual or entity; and

(b) to process and handle such information outside Australia, provided that the information is neither of the following:

(i) personal information in relation to a consumer or a participant in the PCEHR system; and

(ii) identifying information of an individual or entity.

(3) This section does not limit the operation of section 99.

(23) Clause 97, page 73 (line 28), after "must", insert "take such steps as are reasonably necessary in the circumstances to".

(24) Clause 99, page 76 (line 17), after "provider", insert "organisation".

(25) Clause 105, page 80 (line 9), omit "operator", substitute "organisation".

(26) Clause 105, page 80 (line 12), omit "provider operator", substituting "provider organisation".

(27) Clause 108, page 84 (after line 2), after subclause (4), insert:

(4A) Without limiting the matters to be covered by the review, the review must consider the following matters:

(a) the identity of the System Operator; and

(b) alternative governance structures for the PCEHR system;
(c) the opt-in nature of the PCEHR system, including the feasibility and appropriateness of a transition to an opt-out system.

(28) Heading to subclause 109(2), page 85 (line 7), omit "jurisdictional advisory committee", substitute "committee and council".

(29) Clause 109, page 85 (line 9), after "committee", insert "and the independent advisory council".

(30) Clause 109, page 85 (line 10), after "committee", insert "or the independent advisory council".

(31) Clause 109, page 85 (after line 30), after subclause (4), insert:

PCEHR Rules may relate to agreements

(4A) The PCEHR Rules may specify that a person must enter into a specified kind of agreement in order to be, and remain, a registered healthcare provider organisation, registered repository operator, registered portal operator or registered contracted service provider.

(32) Clause 109, page 86 (after line 27), after subclause (7), insert:

PCEHR Rules may relate to research

(7A) The PCEHR Rules may specify requirements with which the System Operator and other entities must comply in relation to the preparation and provision of de-identified data for research or public health purposes.

Ms PLIBERSEK (Sydney—Minister for Health) (11:20): I move:

That the amendments be agreed to.

The amendments to this legislation, the PCEHR bills, reflect recommendations by the Senate Community Affairs Committee, address issues raised through consultation and make other small clarifications and corrections. Some of the key amendments will ensure the system operator can cancel or suspend a consumer’s registration if continued registration poses a risk to the personally controlled electronic health records system. The amendments strengthen consumer consent arrangements; clarify the extent of the Australian Information Commissioner's powers in respect of the PCEHR system; clarify the use of de-identified data for research and public health purposes and provide for requirements to be made for this function; support the use of participation agreements by the system operator; improve the transparency of the future review of the legislation; improve the consultation undertaken on the making of PCEHR rules; and they reflect the evolving design of the PCEHR system.

This is a once-in-a-generation opportunity to deliver these important reforms. The PCEHR bills and these amendments are part of the government’s bold health reform agenda, reforms that will make it easier for consumers to receive the right care when and where they need it. I want to thank members opposite for their cooperation in relation to this legislation and I commend these amendments to the House.

Dr SOUTHCOTT (Boothby) (11:22): Time is of the essence here, because it is only 10 days until the personally controlled electronic health record launches on 1 July. The amendments under discussion arise out of the Senate inquiry, which the opposition moved for, into the PCEHR legislation. The amendments are sensible, and the opposition does not oppose them. I have a few brief points to make on the PCEHR and the government’s implementation of it.

Right from the beginning—from the first grand announcement by the member for Griffith, the then Prime Minister, about the personally controlled electronic health record—the government has struggled to meet its own deadlines. We are now 10 days from the launch of the PCEHR, and the parliament is still considering the important issues around governance, security and privacy in the legislation which is needed for the system to operate. We now know that the National Authentication System for Health,
NASH, will not be ready for the launch on 1 July and that Medicare will be required to provide an interim system until the NASH is ready.

I understand that there has been some dispute about how much has been spent on the e-health record and NEHTA. On my figuring, though I am very happy for the minister to correct me if I am wrong, since 2010, $846.7 million has been allocated by the Commonwealth to NEHTA and the personally controlled electronic health record. This sum is made up of $467 million for the e-health record in the 2010 budget, a $109 million contribution to NEHTA which was part of the COAG agreement in 2010, $233.7 million in the 2012 budget, and $37 million in the most recent Tasmania bailout. When the contribution from the states, which is another $109 million, is included, almost $1 billion—$955.7 million—has been spent on NEHTA and the e-health record. Since almost $1 billion has been spent, we would expect to see something on 1 July; instead, we hear that the electronic health record will not allow electronic or online registration when it launches. So there is the farcical situation of an electronic health record which cannot be signed up to electronically.

Senate estimates recently heard that the GP practice management software will not be ready to interface with the electronic health record until September this year—that is, three months after the launch of the electronic health record on 1 July. It remains to be seen what will be available on 1 July—that is, in 10 days time—after almost $1 billion has been spent by state and Commonwealth governments on NEHTA and the e-health record project. The opposition believes that the government should have listened to its own national e-health strategy, which recommended a gradual and incremental approach focused on building quick wins—such as electronic prescriptions, discharge summaries and pathology results—which practitioners and health professionals would find useful. The coalition would have tackled it that way.

We do not oppose the amendments, and we did not oppose the original legislation; however, we will be keeping a close watch on the continued roll-out of this $846.7 million of Commonwealth money on NEHTA and the e-health record.

Question agreed to.

Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011

Consideration of Senate Message and Unrelated Amendments

Debate resumed.

Senate amendments—

(1) Schedule 1, item 16, page 5 (lines 14 and 15), omit "to disclose a healthcare identifier to the PCEHR System Operator", substitute "to use, and to disclose to the PCEHR System Operator, a healthcare identifier".

(2) Schedule 1, item 16, page 5 (line 21), omit ", of a healthcare recipient".

(3) Schedule 1, item 16, page 5 (line 24), omit ", of a healthcare recipient".

(4) Schedule 1, item 17, page 6 (lines 9 and 10), omit the item, substitute:

17 Subsection 20(1)

Omit "is authorised to disclose an identified healthcare provider's healthcare identifier to an entity", substitute "or a registration authority is authorised to use, and disclose to an entity, an identified healthcare provider's healthcare identifier and identifying information".

(5) Schedule 1, item 18, page 6 (lines 11 and 12), omit the item.

(6) Schedule 1, item 21, page 6 (line 28), omit "has applied", substitute "is applying, or has applied.".

(7) Schedule 1, item 21, page 7 (after line 10), at the end of section 22A, add:
(3) If the healthcare recipient has an authorised representative or a nominated representative, the PCEHR System Operator is authorised:

(a) to collect identifying information of the authorised representative or nominated representative from the service operator; and

(b) to collect the healthcare identifier of the authorised representative or nominated representative; and

(c) to use and disclose the identifying information and healthcare identifier;

for the purpose of verifying the identity of the authorised representative or nominated representative and for other purposes of the PCEHR system, subject to the Personally Controlled Electronic Health Records Act 2012.

(8) Schedule 1, item 21, page 7 (lines 11 and 12), omit "and registered repository operator", substitute ", registered repository operator or registered portal operator".

(9) Schedule 1, item 21, page 7 (line 13), omit "The", substitute "(1) The PCEHR".

(10) Schedule 1, item 21, page 7 (line 14), omit "registration authority", substitute "registered portal operator".

(11) Schedule 1, item 21, page 7 (after line 17), at the end of section 22B, add:

(2) The PCEHR System Operator, a registered repository operator or a registered portal operator is authorised to adopt the healthcare identifier of an authorised representative or a nominated representative of a healthcare recipient as its own identifier of the authorised representative or nominated representative, so far as is reasonably necessary for the purposes of the PCEHR system.

(12) Schedule 1, item 21, page 7 (line 23), after "provider", insert ", or an authorised representative or nominated representative of a healthcare recipient".

(13) Schedule 1, item 21, page 8 (after line 30), at the end of section 22D, add:

(4) Despite paragraphs (2)(b) and (3)(b), the consent of the healthcare recipient is not required for the uploading of information by the Chief Executive Medicare in accordance with paragraph 38(2)(a) of the Personally Controlled Electronic Health Records Act 2012.
unauthorised spending of its members' hard earned dollars on the member for Dobell's federal election campaign, on cash withdrawals, on travel, on expensive restaurant dining and on escort services. The report also clearly highlights significant mismanagement of the HSU national office by the member for Dobell. In fact, the report goes so far as to suggest that substantive parts of the member for Dobell's evidence provided to Fair Work Australia were 'false and misleading'.

However, though I hate to appear as a cynic, this bill introduced by the Minister for Employment and Workplace Relations seems to be little more than a hasty attempt by those opposite to give the appearance that they are making an effort to resolve the many issues plaguing the oversight of registered organisations. The reality is that this bill falls well short of doing what is necessary, and we in the coalition have a number of real concerns with it.

The minister said, in response to a question on notice to my colleague Senator Abetz in the other place, that the government would consider the KPMG report currently being undertaken into Fair Work's investigation before changes were considered. That report is underway and may yet make further recommendations, yet here we are with this rushed job of a bill in front of us.

In this bill, Fair Work Australia retains control of investigating registered organisations. My concern with this is that there is very recent evidence of the inability or reluctance Fair Work Australia to undertake timely and comprehensive inquiries into registered organisations. We also face the prospect of having union bosses being regulated by former union bosses if the minister has his way. Quite frankly, this does nothing to alleviate the concerns of the coalition. We have seen this government obliterate the Australian Building and Construction Commission, turning it into a toothless tiger, and we have seen a government willing to accept the vote of a tainted member of parliament, all to ensure that they remain in power. This is a government indebted to the union movement. At the Prime Minister's recent childcare round table, the unions sat front and centre. The unions are so sure of their influence over this government that the United Voice union has put forward a claim for $1.4 billion from this government to meet the wage claims of the childcare sector. That is almost as much as the forecast surplus of the Treasurer. This is a union who, I have been informed by childcare providers, has been touring the childcare centres in this country offering free union membership and promising to deliver wage rises for childcare educators.

I am the first to admit that many childcare workers are not well paid. However, if this really is the approach being taken by this union it is the absolute height of arrogance, promising to deliver something that is entirely out of its hands. Proven by the appalling situation over at HSU headquarters, the arrogance that has been spawned within the union movement in this country is quite terrifying. Union members everywhere should be angry and upset at the contempt in which some union leaders appear to hold them, given these leaders are so free to splash around the cash to benefit their own circumstances. This is a key reason why we must have urgent action to better regulate these organisations. We on this side of the chamber have a comprehensive plan to ensure that all members of registered organisations can rest safe in the knowledge that their money is being spent wisely and will not be misused by those in control of the purse strings.
Interestingly, this minister announced his lesser plan just 10 days after the Leader of the Opposition announced the coalition's plan. This is not the first half-baked policy set by the government. Indeed, in recent months we have had a trifecta. In the Employment and Workplace Relations portfolio we announced before the last election a seniors employment policy. We were told at the time by Labor that it was bad policy. But just a few months ago it was announced by the government as their policy, albeit they have managed to bungle it. The announcement just last week regarding the job relocation plan for unemployed people looks remarkably similar to the coalition's job relocation plan that we took to the last election, the difference being that they will pay job agencies rather than paying job seekers, those who are actually prepared to make the move.

Members will remember back to 2007 when we had Kevin 'Me-too' Rudd and Labor and now we have the me-tooisms back. I say the same thing today that we said then: if you want a coalition policy, it is best that a coalition government deliver it because, if you cannot trust those opposite to get it right, you need the coalition. That is why we have a government with a half-baked seniors employment plan, a half-baked job seeker relocation plan and this half-baked bill that does not really deal with the issues.

I refer again to the situation that enabled the powers-that-be of the Health Services Union to use moneys from the workers they represent—some of the lowest paid workers in this country—to pay for what can only be described as a lavish lifestyle. We firmly believe that registered organisations should be accountable and transparent to their members, just as companies and directors are required to be accountable and transparent to their shareholders. Our plan would ensure that registered organisations and their appointed officers would follow the same rules and regulations that govern companies and their directors. The level of accountability and transparency that currently applies to companies and their directors would be extended to registered organisations. The level of reporting and penalties for non-compliance for registered organisations is different from that which exists for companies. For example, had the Fair Work Australia findings of both investigations into the Health Services Union been made against a company and directors, they would have been subject to significant financial penalties and potential imprisonment. Instead, HSU officers in Victoria are exposed to a comparatively modest civil penalty. Indeed, even if the full civil penalties were applied, you would have former union bosses paying a penalty less than the monetary value that was taken. Indeed, there is no disincentive for the bosses of registered organisations that do the wrong thing.

The coalition would establish a new regulator—the Registered Organisations Commission. It would be required to cooperate fully with law enforcement agencies when it is in the public interest to do so. Removing this responsibility from Fair Work Australia is really the only sensible course of action. They have clearly demonstrated that they are not up to the task of regulating this sector in a timely and effective manner. They are too plagued with demands from their various taskmasters, with their investigation into the Health Services Union blowing out to more than three years in duration.

We are told that justice delayed is justice denied and for the low-paid members of the Health Services Union, that is exactly what has happened. We need legislation that will see real change, and only a coalition
government can deliver the hope, reward and opportunity in this space that Australians are clamouring for. This bill is a poor bill that does not deal with the problems. It does not even enforce comparable standards to those requirements sought of company directors. At a minimum, this should be the case, with officers of registered organisations being liable for equal penalties to those imposed on company directors who are in breach of their charter. Regrettably, the civil penalties imposed by this bill will merely bring the penalties in line with other penalties in the Fair Work Act. The Corporations Act, on the other hand, has provision to impose more significant, deterrent penalties.

The other area of concern the coalition hold is that this bill, while expanding police cooperation powers, does not make it expressly clear that Fair Work Australia can cooperate with police. We never again want to witness an agency that refuses to cooperate with the police or a law enforcement body when it is apparent to all that cooperation is in the public interest. I think the Australian public have a right to expect that tax payer funded agencies in particular have a duty to help uphold the laws of this land and, as such, they must cooperate fully with requests from law enforcement.

We know that the former Industrial Registrar, Doug Williams, on the last day before Fair Work Australia came into existence said this should be referred to the police. Now the government tell us that the laws did not change. They cannot have it both ways. Fair Work Australia should have done what any decent Australian would have done and cooperated with the police. Indeed, the advice of eminent workplace relations lawyer Stuart Wood SC tells us that there was no impediment to Fair Work Australia cooperating with police. We know from a detective sergeant of the Victorian fraud and extortion squad in correspondence released under freedom of information that Fair Work Australia's ridiculous view was based on 'mistaken beliefs' that the police wanted Fair Work Australia to conduct its investigation, which is a total farce. Australians expected better and they have been let down. On this bill we should not need to move an amendment; the minister should have stepped in and ensured that Fair Work Australia was under no illusion that it should be cooperating with police. Instead, all Australians are made out to be mugs.

To make matters worse, this bill is lacking explicit provision to allow Fair Work Australia to provide a brief of evidence to the Director of Public Prosecutions. We saw even more obfuscation from Fair Work Australia when it sent its report to the Commonwealth Director of Public Prosecutions. The DPP told Fair Work Australia it could not pursue the report because it was not provided in a brief of evidence. Fair Work Australia's response? 'We can't do that; our legislation doesn't allow for it.' What a joke! Never before have we seen an institution so insistent on putting itself into a straitjacket and purporting to be completely helpless. One just have to read the emails coming from members of the Health Services Union about how distressed they are about the goings on to know that this is just plain wrong. Fair Work Australia recommended that the DPP should pursue some matters, but now we will not see them pursued because of another Fair Work Australia straw man—this legislation.

Now we have a government that has lost total confidence in the Prime Minister's own institution, Fair Work Australia, such that under this bill Labor is seeking to allow the total outsourcing of investigations to outside bodies. That means no scrutiny from the Australian parliament and no scrutiny as expected by the Australian people. Will Fair
Work Australia investigations be conducted by anyone the general manager sees fit? If anybody is wondering what this means, it means that Fair Work investigations could be conducted by so-called secret police, external to government, and the findings never made public.

No-one believes that, if it were not for the Coalition's work in ensuring that Fair Work Australia lifted its game, we would see any movement from the government, and Fair Work Australia may even still be considering its inquiry. The coalition agrees that more information needs to be given to members of registered organisations, but the coalition also believes that this additional information should be given to Fair Work Australia to ensure that spending by bosses of registered organisations is on the public record and easily available to the statutory body charged with responsibility for managing registered organisations.

Ultimately, we believe that this bill reeks of union involvement and is a desperate attempt to regulate its own patch as lightly as can possibly be achieved. It has been designed by a former union boss and will be regulated by former union heavies. Sadly, it does not go far enough, and the coalition will be proposing a number of commonsense amendments to try to restore some confidence in an institution that is the laughing stock of the country. If those opposite are honestly committed to preventing the widespread rorting of union members into the future, they will agree with our amendments, and I call on the Independents to do so as well.

I move:

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

'the House notes with approval that, in response to public pressure, the Government has introduced this limited bill, but deplores the Government's failure to:

(1) establish an independent Registered Organisations Commission to:

(a) enforce, and police the reporting and compliance obligations;

(b) provide information to members of registered organisations about their rights and act as the body to receive complaints from their members;

(c) educate registered organisations about the new obligations that apply to them; and

(d) absorb the role of registered organisations enforcer and investigator, currently held by the General Manager of Fair Work Australia;

(2) ensure registered organisations face the same accountability and transparency measures as required of companies and their directors under the Corporations Act; and

(3) ensure registered organisations face the same penalties as companies and their directors under the Corporations Act.'
I put it this way: those opposite never meaningfully engage with the union movement and they never meaningfully engage with its members. They are only there to ensure that they can extract political advantage for their own benefit against unions and those who are members of unions. Whenever they occupy this side of the House and there are big policy issues at stake, those opposite—and I know this for a fact—do not meaningfully engage with unions, do not work with them on the process of policy development, do not seek to accommodate alternative views and do nothing other than engage in tick-a-box consultation. So, when they come forward and propose what sounds like a plausible policy, you then need to contrast it with reality.

When those opposite argue that the easiest thing to do in this case in relation to legislation before the House is just to mirror corporations law or the Corporations Act and basically ensure that the penalties and approaches that are used in that law be mirrored entirely for registered organisations, it flies against common sense and reality. I explained the simple reason: look at any measure of the wealth of those corporations—I am not talking generally; I am talking about the funds at hand and the breadth of those organisations—or even at the pay differential between those who are either directors or senior managers in those corporations and the management committees of unions, made up of shop floor delegates who are probably hundreds of times less remunerated and who have less control over the shape, form and direction of an organisation than someone who is a director or senior manager directing some of the biggest firms in this country, whose operations may be based either here or internationally. This compares the types of provisions that govern those individuals—directors or senior managers—and looks at the pay differentials that exist there and the responsibilities they have, and seeks to have the penalties and regime that apply to them then apply to workplace delegates who sit on management committees of unions. This is totally disproportionate and is prejudice masked by policy. This is more about those opposite trying to make it difficult for anyone to even contemplate sitting on the management committee of a union or an organisation that seeks to represent working Australians.

Worse still, those opposite do that not only to make life difficult for those on management committees but also to cut their own nose off to spite their face, because, if they apply that to registered organisations, there would then be a requirement to ensure that those same provisions are complied with by industry associations. Industry associations find it difficult, given the nature of their members’ businesses and operations, to find people to step up and sit on those boards of management. These are industry associations, not employee ones. So, with this registered organisations proposal put forward by those opposite, they would then seek to make it even more difficult to get those people to step forward and sit on management committees for industry associations as well. They seek to make a political point—’We’ll just harmonise the corporations provisions that apply to directors and apply those to registered organisations’—not thinking that industry associations are also affected by what is being proposed.

No-one doubts for a moment the need to ensure accountability and transparency, and I have certainly said this publicly. Unions should welcome accountability and champion transparency in their operations, not just because—and I have said this elsewhere—this makes, for example, for a
stronger bond between members and those people that run their organisations, because they have the confidence that those organisations are being run and operated correctly, but also simply because this is the right thing to do. In particular, as a former union official I was always conscious of the fact that people were giving membership fees from their own salaries and wages and rightly expected that the management of a union would be run properly, with due regard to fees being properly expended. Certainly no-one should dispute that, and my view has always been—I have certainly argued this in recent times—that unions should embrace this and effectively beat regulation by doing this themselves and lifting their own standards.

I certainly think that the proposals that are being put forward in the government's legislation go a long way on a number of fronts. I was particularly heartened to see, for instance, the provisions requiring a greater level of education on the responsibilities—including the financial responsibilities—of those people that sit on management committees of unions, because, as I indicated earlier, a lot of these people are drawn from the shop floor and have not necessarily had to engage in these types of issues previously, ranging from the way in which balance sheets and accounts should be read through to, for instance, the responsibilities of organisations to the people that they employ within unions. There are a whole range of different responsibilities required and I think it is good that we have in place that education process—even the orientation process that we members get when we are first elected to this place—so that we are able to walk people through those responsibilities and ensure that those responsibilities are adhered to by those that run unions and industry associations and that the management of those organisations actually lifts as a result of that.

I think these are good things that are contained in this legislation. I heard the member for Farrer suggest that, with the use of outside organisations for forensic accounting or other purposes, this is a move that would be bereft of accountability. In actual fact, I think that Fair Work Australia getting additional outside skills to infuse into the base of skills within Fair Work is a smart thing so that it can keep up to date with movements in broader industry and the broader economy the way other businesses and organisations are supposed to run, taking into account what may or may not be happening in the international space. Having those skills brought into Fair Work Australia and improving its operations is a good thing. Those opposite seek to pick the worst element of this and suggest that this will fail to improve accountability within Fair Work, as if the accountability mechanisms as they presently exist are not enough—for instance, having the head of Fair Work Australia appear before estimates committees to account for decisions made through that process. And that is just one off the top of my head. Not only that, they have to account for that in their own annual reporting, which is submitted to the parliament and is open for scrutiny for any of us here in the House of Representatives.

On top of that there are the improvements that are being proposed in here for registered organisations to ensure that they detail in their annual reports the types of financial issues that should be put squarely in an annual report to ensure that there is not a suggestion of a conflict of interest. These are good reforms put into this legislation. This is good work—for example, requiring remuneration and board fees to be disclosed to members, or that transactions with related parties, including family members, and
transactions where an officer has a material personal interest be disclosed to members. Again, this is as a result of the legislation we are currently debating.

I have mentioned the financial accountability training and I also point to the other aspect of this legislation that I am particularly pleased to see: that organisations develop policies on financial accountability and management. A lot of organisations already have this but there would be others that might not. Again, it is worth bearing in mind that organisations such as unions vary in size. There are well-established organisations and unions—you might have the AMWU, the AWU or my former union, the CEPU—but there are other smaller organisations as well that do not have the membership base and the income that flows from that membership base and therefore the ability and the strength to engage outside assistance to help shape their policies and procedures. More often than not those smaller unions are fighting a daily battle to keep up with workload and to ensure that the representation they seek to provide is of a high quality. That is not an excuse but a reflection of reality. I think that this bill, in the way that it puts the onus on ensuring that these policies and procedures are in place, is a good thing and it will strengthen the operation of unions and industry associations.

As I said, these changes would apply at the federal level to federally registered trade unions and to federally registered employer organisations. By their breadth they are significant reforms. These have been done—and this is important to point out—in a very open way. The consultation itself has been conducted with industry associations and unions across the board. It has been done openly with peak employer bodies like the Business Council of Australia, ACCI—the Australian Chamber of Commerce and Industry—Master Builders Australia, Ai Group, the National Farmers Federation and the ACTU, all through the National Workplace Relations Consultative Council. This was a good approach, done openly and involving all groups; and again I make the point that those opposite cannot simply negotiate and consult one side of the equation and leave the others out. They cannot just talk to employers and fail to take into account employee concerns as well. We have tried to ensure that the breadth of consultation covers all views to try to balance those out. As the communique issued by the National Workplace Relations Consultative Council back on 25 May read:

... the changes proposed by the Minister will significantly improve the financial reporting framework, governance and accountability for registered organisations ...

It is certainly good to see that this has been received well by those affected.

Finally, it is important to point out that as much as there have been movements to improve the operations of unions and industry associations by some of the measures I outlined earlier, where these are not observed or complied with the penalty regime is significantly increased. In fact, it is increased threefold for breaches of the Fair Work (Registered Organisations) Act by up to $6,600 for an individual for each contravention and $33,000 for organisations. It is certainly worth noting that when the member for Warringah was minister for industrial relations he saw fit to put penalties at only $2,200 and $11,000 respectively. So it is important to note that these penalties have been ramped up significantly.

We have also sought to ensure that these are done commensurate with the size of the organisations themselves. As I said earlier, there is no point in simply reaching for the types of penalties that are levied towards directors and senior managers of major
corporations in this country, and just believing that it is appropriate to sheet those over to unions and industry associations, because the impact of that is significant and it is completely disproportionate to the size. I certainly commend this bill to the House and would have major problems supporting the amendments proposed by those opposite.

Ms GAMBARO (Brisbane) (11:57): It is my great pleasure to rise and speak on the Fair Work (Registered Organisations) Amendment Bill 2012.

It is always very interesting to follow the member for Chifley. He started off his speech here today saying that you could not compare union leadership and office bearers with corporations who pay their CEOs and board members vast amounts of money, that it was an unfair playing field and that you simply could not compare the two. The member for Chifley says that corporations have huge wealth, but corporations covered by the Corporations Act are also small businesses—those very small businesses that, day after day in the previous months, he comes in here telling us would be subjected to the benefits of the mining tax. Many of those small businesses—those small business mums and dads that he keeps telling us about—are covered by the Corporations Act. So how can he say that those people have certain fiduciary responsibilities but that somehow the unions do not come into that category at all and should not be treated as such?

The bill that the government is responding to is a very sad and sorry saga. It is the result of the report into the Health Services Union and the member for Dobell. The 1,200-page report that detailed the financial misuse and inappropriate manner in which the hard-earned money of the Health Services Union members was spent by senior union officials has led many of us here in the chamber to be disgusted. It is ironic that an organisation that has purported for many, many years to represent hardworking workers and their rights has now been exposed as having zero regard and zero respect for those workers. The revelations that union members' money was spent by union officials on escort agencies, travel, restaurants and huge cash withdrawals are disturbing, to say the least, to many of us. The revelations involving the Health Services Union demonstrate that there is an urgent need to ensure that money paid by members to registered organisations is used responsibly, appropriately and in a transparent way. We know that some union organisations have used money for inappropriate purposes and they have breached existing rules, and this evidence shows that the existing laws need improvement. The penalties for breaches of these laws are also in line with what the community expects for such gross breaches of trust. We know that Fair Work Australia's investigation into the Health Services Union took an unacceptably long three years. We have seen a failure to cooperate with the police and Fair Work Australia claiming that it could not prepare a brief of evidence.

The coalition believes that this bill does not go far enough. It fails to deal with the very real issues that were brought up over the course of Fair Work Australia's three-year investigation. We will be moving amendments to this bill that will substantially improve it. However, if the Independents again decide to vote with the government and block our amendments then we will not oppose the bill. But it is interesting to note that, if individuals in a private corporation engaged in behaviour similar to what was outlined in the Fair Work Australia report, those individuals would face severe fines and penalties under the Corporations Act. The coalition believes that that should also be the standard for
registered organisations. There need to be rules and, just as there are rules to ensure that companies and their boards of directors do the right thing, the same rules should also apply to registered organisations and their officers. The shadow minister, Senator Abetz, in a speech to the Australian Industry Group recently, said:

It isn’t reasonable that someone can be a shareholder in a company and expect one level of transparency and accountability from the board — yet that same person who is a member of a union cannot expect that same level of accountability from their union or for that matter an employer organisation.

These sentiments have not been confined to the coalition. There are many people who have spoken on the record out there, and I notice that Dave Oliver, the now Secretary of the ACTU, said on 3 May 2012:

… every union member in this country has a right to know that when they pay their dues, that their money is going to be subject to good governance and good regulation.

He then went on to say:

… if union bosses are caught with their ‘hand in the till’—

now, everybody knows what ‘hand in the till means’—

then there should be ‘significant penalties’.

We all agree and, in fairness, the government does to an extent as well. But the bill goes some of the way by requiring that the rules of all registered organisations deal with the disclosure of remuneration, particularly on pecuniary and financial interests; increasing the civil penalties under the Registered Organisations Act; enhancing the investigative powers available to Fair Work Australia under the Registered Organisations Act; and requiring education and training to be provided to officials of registered organisations about their governance and accounting obligations. However, these measures do not go far enough.

Funnily enough, Minister Shorten’s announcement of the legislation that we are seeing came just 10 days after the Leader of the Opposition announced the coalition’s better plan for accountability and transparency for registered organisations. But Labor’s plan, as displayed in this bill, is sadly lacking on a number of fronts: it sees Fair Work Australia in control of investigating registered organisations; it does not explicitly provide Fair Work Australia with the ability to cooperate with the police; its requirements and penalties are still not in line with the Corporations Act; and it has no reporting mechanism on why the investigations are going over time.

There is a better way and the coalition’s plan will make sure that members of registered organisations, mainly small businesses and workers, can be assured that their money is being used for the very right reasons. Just as there are rules to ensure that companies and their boards of directors do the right thing, the same rules should also apply to registered organisations and their officers. Our changes will ensure that registered organisations and their officers are as accountable and as transparent as companies and their directors and that they play by the very same rules.

It is also clear that Fair Work Australia is not up to the job of making sure that registered organisations do the right thing. They are either a model of incompetence or they are engaging in a deliberate go-slow to protect the government. We will make sure that there is a regulator that has real teeth, by removing the investigative and compliance powers over registered organisations from Fair Work Australia and give them instead to a new and genuinely independent body to be called the Registered Organisations Commission. The new regulator will have stronger powers, act more quickly, act more efficiently and be required to cooperate with
other law enforcement agencies where it is in the public's best interest to do so. It will not just be a case of a union boss regulating a union boss.

Although the overwhelming majority of registered organisations do the right thing, the coalition will ensure that they are strongly deterred from doing the wrong thing and that, where inappropriate actions occur, they will be investigated and enforced by a genuinely independent regulator that has teeth. Our proposal also explicitly clarifies that Fair Work Australia does indeed have to cooperate with the police. Even though there is evidence from Stuart Wood SC to investigate that a provision to this effect does not indeed exist, we will ensure that it is expressly clarified in the legislation.

As I said before, we will be moving amendments at the completion of the second reading debate. These amendments need to be accepted by the crossbench and inserted into the bill, because there are 60,000 low-paid, hardworking members of the Health Services Union who did not deserve to have their trust and faith in the organisation breached in the way that it was. It is hard to take the Labor Party seriously on this because, when all of this was happening, the member for Charlton was the head of the ACTU and the Minister for Employment and Workplace Relations sat on the ACTU when the member for Dobell also sat on the ACTU. How can you take Labor seriously when this happened right under Labor's nose, while the member for Dobell was a member of parliament and Michael Williamson was the President of the Labor Party?

I was present in this House when the Howard government introduced the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002, and I well remember the deal that the Labor Party did with the Democrats at the time to water down some of the provisions in that bill that related directly to what we are talking about today. I am really glad that the member for Barton is in the chamber—though I do respect him enormously—because I hope that in his speech he might be able to assist the chamber in recalling his time as the shadow minister for workplace relations. He will recall, on 16 September 2002, coming into the chamber and speaking on the Workplace Relations Amendment (Registration and Accountability of Organisations) Bill 2002 and the negotiations that he made as shadow minister with the government of the day. The member for Barton, on behalf of the Australian Labor Party, will recall that they watered down the coalition's proposed legislation with the Democrats, and wound back what we as a government wanted to do to ensure accountability and transparency of registered organisations in Australia. The member for Barton should take some time today in his speech to explain to the chamber why the ALP watered down the bill in negotiations and how those changes have led to the place that we are in today.

In conclusion, the bill should be amended, and I urge the parliament to support the amendment.

Mr McCLELLAND (Barton) (12:09): Before addressing the matters that the honourable member raised, can I say on the record that in no way did I recommend the watering down of the legislation. In fact, I moved amendments on 17 September 2002 that significantly increased the powers of the Federal Court of Australia. I refer the honourable member to page 6,512 of the Hansard of 17 September 2002, which sets out the amendments moved by the opposition—which amendments were accepted by the government, following discussions that I had with the then minister
for workplace relations, with a view, as the amendments will show, to very firmly strengthening the legislation. I will refer in my contribution, in part, to that.

In my experience, the vast majority of trade unions are professionally managed by highly competent and dedicated people who act on the basis of sound professional advice. But, regrettably, there have been exceptions to that. Officers have sought to obtain personal benefit, or benefit on behalf of others, at the expense of members of their union. Reported instances include not only misapplying funds and resources of the union but also using the privileges of their office to attract and obtain services and benefits from third parties.

Aside from issues of profiteering, secret commissions and tax avoidance, these undeclared benefits can compromise officials. Rather than diligently representing the interests of their members without fear or favour, they effectively ‘run dead’ as a result of these side deals. This is no less than graft and corruption in its most reprehensible form, and it occurs at the expense of vulnerable members whose interests they have been charged with representing.

To borrow the words of Prime Minister Gillard, speaking on ABC Radio on 9 May of this year:

Let me say I never want to see a dollar that a worker gives a union used for any purpose other than the proper purposes of representing that union member's best interests.

Indeed, I know the Prime Minister is quite familiar with this area of the law; as lawyers in the mid-1990s, we were involved in a matter representing opposing clients. Indeed, my involvement in that matter has coloured much of my thinking in this area and resulted in me moving amendments on 17 September 2002 to actually strengthen the powers of the Federal Court of Australia.

In short, this bill has merit and I support it. But, with my new freedom as a backbencher, I would like to suggest where I think the law can be further strengthened. My main focus is on enhancing the ability of members of organisations to seek orders compelling officers of their union to perform and observe the rules of the union and, in so doing, comply with their broader fiduciary and statutory obligations, and ultimately, if required, to compensate the organisation for loss arising from their misconduct.

I will briefly outline the scheme of the act and, in so doing, will highlight those areas where additional enhancements should be made. The foundation of the scheme is, essentially, the codification of law that has established what those fiduciary obligations are. In particular, part 2 of chapter 10 of the Fair Work (Registered Organisations) Act contains quite detailed provisions regarding the general duties of trade union officials in respect of the financial management of organisations and also in respect of the misuse of position.

Section 285, for instance, sets out the obligation to exercise care and diligence. This requires judgment to be made in good faith and for proper purpose. The section specifically provides that decisions cannot be made for the purpose of seeking a material personal interest. Section 286 sets out the obligation to act in good faith and for a proper purpose and, specifically, to act in the best interests of the organisation. Section 287 sets out the obligation not to obtain personal advantage for oneself or for another person, and section 288 sets out the obligation not to improperly use information for personal benefit or for the benefit of another.

As I mentioned, these principles arise from the common law, including case law concerning trade unions, such as the well known cases of Short v Wellings (1951),
Allen v Townsend (1977), Cook v Crawford in the early 1980s, Saddington v Oliver (1983) and indeed the former member Lindsay Tanner v Darroch (1986). As I mentioned, these issues also arose in those matters that I was involved with in the mid-1990s, which were filed in both the then Industrial Court of Australia and the Federal Court of Australia. There are a number of matters, generally under the name of Ludwig v Harrison and others, but probably most relevantly matter No. 1032 of 1996.

It can be seen that the statutory provisions and legal principles impose obligations, not just in respect of financial management and proper administration, but also, more generally, with respect to conduct that seeks to benefit the individual or, as the legislation also emphasises, a third party. These principles are sound; it is with respect to the issue of remedies that I think more attention needs to be given.

Part 2 of chapter 10 sets out the mechanisms for enforcing the obligations of trade union officials, including by obtaining a civil penalty order and, potentially, an order for compensation. The relevant provisions include section 306, which provides for the imposition of a civil penalty order of up to 100 penalty units in the case of a corporation and 20 penalty units in the case of an individual. Section 307 specifies the circumstances in which a compensation order may be made for breach of a civil penalty provision and requires the court to have regard to the extent of any profits made by an individual. Section 308 gives the Federal Court wide power with respect to any orders that may be 'appropriate in all the circumstances', including the power to grant interim injunctions.

Section 310 gives standing to commence an action for a civil penalty and compensation order to either the general manager of Fair Work Australia or to the affected organisation itself. Subsection 310(2) specifies that the minister for workplace relations also has standing but only with respect to enforcement of matters arising under section 305(2)(zk) which relate to enforcing orders once made. The first point I would therefore make is with respect to that issue of standing. The restriction on the minister for workplace relations commencing enforcement proceedings should, in my view, be removed. Clearly, that ability would be desirable to cut through bureaucratic delay, intransigence or obstinacy.

In addition, section 330 provides that the general manager may undertake an inquiry with respect to possible contravention of a civil penalty provision. Section 331 empowers the general manager to conduct an investigation with respect to contraventions of the civil penalty provisions. That gives rise to my second and third points. That is, if those inquiries and investigations are to be both timely and effective then consideration should be given to imposing a time limit. This should be extendable only with the consent of the minister, who should report to the parliament on the granting of any such extension. My third point is with respect to amending subsection 330(3), which currently provides that the general manager does not have the ability to compel the giving of evidence.

My fourth point relates to section 333, which provides that members of an organisation may request an investigation. The section provides that, in the case of a trade union of in excess of 5,000 members, at least 250 members must make such a request. In the case of a smaller organisation, at least five per cent of members must make such a request. I believe that consideration should be given to reducing the number of
members who can request such an investigation.

But my main recommendations are in the area of performance and observance of the rules. It is frequently overlooked that—despite including the detailed scheme in respect of the duties of trade union officials which are set out in chapters 9 and 10 of the Registered Organisations Act, and I have outlined those provisions—the act retains the right of an individual member of a trade union to apply to the Federal Court of Australia for orders requiring an official to perform and observe the rules of the organisation. These powers are set out in part 3 of chapter 5 of the Registered Organisations Act and, in particular, sections 164, 164A and 164B. Similar provisions have been found in the Commonwealth industrial relations legislation since the original Commonwealth Conciliation and Arbitration Act 1904. In fact, considerable case law has developed around this power, confirming that, in exercising powers under the rules of a trade union, officials owe a fiduciary obligation to the organisation and members of the organisation. Those cases include a number of the cases to which I have earlier referred.

Importantly—this is in response to the comments of the member for Brisbane—this power was expanded by amendments that the then opposition moved, to extend the Federal Court's power to make orders to rectify the consequences of the breach of rules of an organisation, including the fiduciary obligations that trade union officials owe. As I said, those orders are set out in the debate of 17 September 2002 at page 6,512. I should say that the debate proceeded in the Main Committee because the government and the opposition had reached a consensus. Indeed, I had a very productive and constructive relationship with the then minister for workplace relations, who agreed to accept the amendments moved by the opposition.

The honourable member for Brisbane will see that the amendments that I made relate to empowering the court to rectify breaches of the rules of organisations. There was one restriction that remained in the legislation, to which I will shortly refer, and that restriction was already in the government's legislation with respect to the Federal Court not, in that particular part of the act, being empowered to order the payment of compensation, because it was contained in the civil penalty provisions. It is my view that the scheme of the act, as it has been tried—I think the former minister would agree with me—and the consequence of delay in the investigation of the HSU matter indicate that those procedures are too cumbersome. Going back to the thrust of the amendments that I moved on 17 September 2002, those orders confirmed the Federal Court's power to make orders to rectify the consequences of the breach of the rules, including making an order against a former official. The argument was that perhaps the legislation did not extend to an official once they were no longer an official and hence not under a continuing obligation to conform with the rules. That was rectified so that former officials could be included. Significantly, it also significantly included the ability of the court to make an order against a third party who may have benefited from the breach of the rules or a breach of the fiduciary obligations. The motivation, as I have indicated, for my moving those amendments was the experience in that matter that I had involvement in in the mid-1990s.

As I have indicated, those amendments that I moved followed very constructive discussions with the government and were accepted by the government. Those amendments and the reasoning for those amendments are set out in the relevant parts
of the Hansard to which I have referred. The
remaining limitation on the Federal Court's
power is that which is contained in section
164B(4). That specifically prevents the court
from ordering a person to pay compensation
to an organisation—it was already within the
government's legislation. That includes
circumstances where the loss is a
consequence of that person's breach of the
rules and specifically their fiduciary
obligations to the organisation.

Therefore my fifth recommendation,
returning to the point raised by the member
for Brisbane, is that that restriction which
was already in the then government's
legislation should be removed. That would
enable the Federal Court, in appropriate
circumstances, not only to enforce the rules
and fiduciary obligations but also to rectify
the consequences, including the ability to
compel a third party or the official
themselves to compensate the organisation
for the consequence of abuse of rules or the
abuse of their fiduciary obligations. This
would essentially give the Federal Court of
Australia an overarching supervisory
jurisdiction over the internal management of
trade unions. That jurisdiction is consistent
with the role that courts have traditionally
played, virtually since Federation. I think
that is a way of really giving practical
strength to the operation of this act.

Mrs PRENTICE (Ryan) (12:24): I rise
to speak on the Fair Work (Registered
Organisations) Amendment Bill 2012. There
are some unions across Australia which have
been engaging in shady practices for
decades, without any regard for the
consequences for and the interests of their
members, and without oversight by the
government. The reaction from the
government with today's bill is not enough.
For example, it does not adequately address
the substantive issues that have been raised
throughout Fair Work Australia's protracted
three-year-long investigation into the Health
Services Union. Nor does it provide for a
regulatory structure that will actually be able
to deal with serious transgressions. This is
why the coalition is proposing a further eight
amendments to the Fair Work (Registered
Organisations) Amendment Bill 2012.

Before I became a member of this
parliament, there was an investigation,
commenced by Fair Work Australia, into
allegations of misbehaviour that occurred at
the Health Services Union. After 3½ years,
Fair Work Australia produced a very
substantive 1,200-page report, with chapter
after chapter detailing allegations of
unauthorised expenditure of union funds and
union money inappropriately going to the
personal expenditure and benefit of union
officials. These findings highlighted that
hundreds of thousands of dollars from some
of the lowest paid workers in this country
were being spent in contravention of the
wishes and direction of Health Services
Union members.

The necessity for greater oversight of
registered organisations comes from Fair
Work Australia itself. In its statement
regarding its investigation into the member
for Dobell and the HSU, Fair Work Australia
said of the Health Services Union:
The investigation reveals an organisation that
abjectly failed to have adequate governance
arrangements in place to protect union members'
funds against misuse. Substantial funds were, in
my view, spent inappropriately including on
escort services, spousal travel, and excessive
travel and hospitality expenditure.

These revelations are a clear indicator that
there is an urgent need to ensure that money
paid by members to registered organisations
is used for proper purposes.

I do not begrudge either the existence of
unions or an employee's choice to exercise
their right to voluntary association. There is
the potential for unions to play a role in

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negotiations between an employer and an employee, if an employee chooses to be a part of that process. Nor do I believe that corruption and illegality are endemic to the union movement. One can point to many fine examples of people in the history of industrial relations in this country who have worked tirelessly to protect the rights of workers. But while lowly paid hospital workers may wish to join a union, they do not have any supervision over how that money is spent. The responsibility of the parliament, therefore, is to enact a regulatory system that protects those workers.

In Queensland today, Premier Campbell Newman announced amendments to the existing electoral laws so that unions would no longer be able to give money to political parties unless that donation is approved by a secret ballot of members. This is an initiative of the Queensland government which I strongly support. As Premier Newman said:

At a time when people are struggling to make ends meet, we think it is terrible that hard-working union members should have to be hit by a large increase in union fees to go to a political party.

Yes, we acknowledge there is a legitimate advocacy role that unions play in liaising with governments and political parties on behalf of their workers, and if we are to believe that they are truly working on behalf of their unions, then members should get a vote. However, what we do know is that some organisations have used their own members’ money for inappropriate purposes and for purposes which may fall outside the law. The problem is the regulatory structure under which registered organisations operate. The existing laws need improvement and they need that improvement urgently.

The question is not about the fundamental nature of a union of employees. The question is: if something goes wrong, who is going to fix it? If something goes wrong, are there enough protections in place to ensure that transgressions are remedied and remedied quickly?

Today’s bill will amend the Fair Work (Registered Organisations) Act 2009, which sets out the statutory obligations and privileges for so-called registered organisations. These include both federally registrable employee associations—trade unions—and federally registrable employer associations, which includes employer associations and industry associations.

Presently, the responsibility for administering obligations and responsibilities imposed on registered organisations goes to the general manager of Fair Work Australia. Such obligations include ensuring that financial statements and associated reporting requirements are met. Powers include the ability to conduct inquiries and investigations into registered organisations and pursue allegations of breaches. As mentioned, the current legislation does not include enough powers for the general manager to pursue such allegations to the fullest extent.

This bill does not go far enough and does not adequately address the real issues which have been brought up over the protracted three-year-long investigation. The coalition will not oppose this bill because, with this government, at least some action on this issue is better than nothing. The coalition is proposing today, however, eight amendments to improve the design of the bill and to improve outcomes for workers. Most importantly we will create a new organisation to oversee registered organisations. The coalition will seek to remove the responsibility of the general manager of Fair Work Australia to ensure compliance and shift that to a new, separate and independent body which will be called the Registered Organisations Commission.
This commission will fall under the auspices of the office of the Fair Work Ombudsman. It will be able to use the Fair Work Ombudsman's network and resources where appropriate and will ultimately report and be answerable to the parliament.

The coalition amendments include provisions that, should a report be delayed, the commission must report to the parliament and inform parliament of why there is a delay. The commission will also be responsible for educating registered organisations about the new obligations and will be able to receive complaints from members and provide information about what they can do if there is a problem or complaint. Just as there are specific rules which apply to companies and boards of directors to ensure that they are doing the right thing, the same rules should apply to registered organisations and their officers. However, the rules and requirements in today's bill, as a result of the changes, are still significantly weaker than those expected of company directors. As such, the coalition will move amendments to ensure that the penalties are the same as those expected of company directors and ensure that the Registered Organisations Commission will have powers broadly in line with those provided to the Australian Securities and Investments Commission. One key amendment will seek to bring across section 184 of the Corporations Act into the Registered Organisations Act. This would make it a criminal offence if bosses of registered organisations do not act in good faith, if they use their position dishonestly or if they are reckless—to wit, the coalition's amendments will seek to further increase penalties in line with the Corporations Act.

The coalition's plan will make sure that members of registered organisations—mainly small businesses and workers—can be assured that their money is being used for the right purposes. Although the obligations in the Corporations Act 2001 and the Fair Work (Registered Organisations) Act 2009 are broadly similar, there are important differences. For example, the penalty provision for the offence of using information to advantage themselves, or someone else, or causing detriment to the organisation, gives rise to a potential criminal offence under section 184 of the Corporations Act 2001. Criminal offences attract the penalty of a fine of up to $200,000 for an individual and/or up to five years imprisonment.

Believe it or not, the penalties for comparable offences by officials in a registered organisation are almost nonexistent. Similar obligations under sections 287 and 288 of the Fair Work (Registered Organisations) Act 2009—'Using information for personal advantage or detriment of organisation'—are limited to a civil penalty of up to $2,200 for an individual. There are no criminal penalty provisions.

I must redress common myths spread by those on the opposite side of the House that the coalition will seek to reintroduce Work Choices. The Leader of the Opposition has declared time and time again that Work Choices is 'dead, buried and cremated'. Unlike the Prime Minister the Leader of the Opposition is a man of his word, and the people of Australia know that. They claim that the coalition's amendments today are an attack on unions. Again, this is not true. Under the coalition all registered organisations will be covered by the same rules. Trade unions, industry associations and employer associations will be covered by the legislation. We want to ensure that every single member of a registered organisation, whether that be a small business or a worker, can be confident that their money is being used appropriately and
if there is something wrong they have an avenue through which they can lodge those concerns. This is a reasonable and rational approach to protect Australians from serious transgressions.

Today's bill and the proposed coalition amendments are necessary to protect Australians. For too long, unions have escaped proper scrutiny, and finally this has exploded with the investigation of the Health Services Union and the protracted investigation by Fair Work Australia. I commend this bill and the coalition's amendments to the House.

Ms O'DWYER (Higgins) (12:35): I rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. I would like to pay tribute to the speech just delivered by my federal colleague the member for Ryan. She made some excellent points and I want to make some similar points. Before I commence, I must admit that I do find it a little surprising that, when the Prime Minister has boasted about a policy where she says she has "worked hard to get the balance right—and I believe that the Fair Work Act is right" we stand here yet again in this chamber to debate yet another amendment to the Prime Minister's Fair Work Act.

The purpose of the bill is to "increase the financial and accountability obligations of registered organisations and their office holders, strengthen the investigative powers of Fair Work Australia and enhance remedies under the Registered Organisations Act." It will do this, according to the bill, by requiring rules of all registered organisations deal with disclosure of remuneration, pecuniary and financial interests, increasing the civil penalties under the Registered Organisations Act, enhancing the investigative powers available to Fair Work Australia under the Registered Organisations Act and requiring education and training to be provided to officials of registered organisations about their governance and accounting obligations. But of course it is not enough, as my colleague so rightly pointed out.

The question is: why has this bill come about? Why all of a sudden now does the political wing of the union movement feel as though a stronger stance against corruption and misappropriation must be taken? Is it because it is the right and honest thing to do? Is it a proactive step to stamp out cronyism within the union movement? Is it to finally put it on a level legislative playing field as its corporate equivalents are on, to impose the same kinds of punishments for infractions where there the only difference is where the money is coming from? No, it is not. This government lack the moral fortitude to do something like that. It is simply because they were shamed and embarrassed into some action through the scandals and disgraces of the Health Services Union that have plagued this government and in particular the member for Dobell. It is because they have been shamed by the strong leadership demonstrated by Tony Abbott on this issue and the strong stance that he has taken.

It does make one wonder, however, if the issues that arose out of the HSU scandal had not come to public attention, whether the Minister for Employment and Workplace Relations would even be proposing these amendments, as limited as they are. Of course not; the minister would never let a good, consistent, moral policy get in the way of the advantage of the union bosses. It is troubling and concerning that it takes what the minister himself has labelled as 'disturbing' behaviour to finally get some action from the government.

But will the legislation that is proposed and is before the House today actually fix the
problems around accountability, reporting standards, misappropriation of members' funds and fraud? Will it address the issues around penalties, both civil and criminal? The resounding answer to those questions is no. To start with, under the proposed legislation Fair Work Australia will still be the regulatory body overseeing the union movement. This is a regulatory body that has been widely criticised for the time it has taken to carry out the investigation into the HSU—more than three years long and still there is no adequate conclusion.

But what would one expect when you have ex-union bosses investigating ex-union bosses? It is simply not possible. The coalition has long called for this role to be transferred to a registered organisation commission, and the investigation into the HSU is the perfect example of why this is a necessary course of action. Yet there is nothing in this bill today that would allow for this registered organisation commission to be brought into effect.

Under the government's proposed legislation, the rules are too little too late. They are still weak and do not bring the unions and the registered organisations into line with company directors or their equivalents. Only under a Labor government does there always seem to be one set of rules for the masses and another one for their mates. In fact, in some parts, the reporting requirements for the union movement are less onerous than the rules that the government have more recently proposed to impose on charitable organisations and not-for-profits. So we potentially have this quite farcical situation where a union would face less stringent reporting arrangements than those faced by, for instance, the local footy club or the local parents association and other not-for-profits. This, to me, makes no sense whatsoever.

But it is not only the provisions that are monumentally weak; it is also the punishments proposed, should a breach be found to have occurred. If a company director was found to have used $500,000, for instance, for his own personal use then he or she would face large fines, criminal charges and possibly years in jail. Why should it be any different for an official in the union movement? In both circumstances individuals have been charged with the responsibility of managing other people's finances, and in both cases those funds would have been misappropriated for personal use. So why should the penalties differ so much? There is no commensurate justice in the changes being brought forward today for what are certainly morally commensurate offences.

This balance in justice strikes at the heart of those that have been transgressed against. How can an orderly in a hospital feel any sense of justice when the only reason justice has not been served is that they are a member of union and not a shareholder of a company? This is a very gross breach of faith. They deserve the same protections that apply to a shareholder in a company and the penalties that should apply should be the same.

There have been many farcical events throughout this whole sorry state of affairs; however, none more so the case of when Fair Work Australia refused to cooperate with police. A statutory regulatory body, set up by this government to be the overseer of the industrial relations system refused to cooperate with the requests of the nation's law enforcement agencies. If you heard rumours of something like that, you simply would not believe it. In this country, the basis of the justice system is to get to the bottom of the truth and punish those that have done wrong and seek justice for those who have been transgressed against—not to
protect and prolong the fact that the truth is still hidden. The government's legislation does not adequately address this obvious flaw in the system and we insist it be addressed prior to the passage of the bill.

The coalition does offer a better way, which is why the coalition has brought forward amendments to strengthen the bill as it currently stands. The amendments ensure that requirements on registered organisation officials are in line with those of directors and companies under the Corporations Act and that the penalties are in line with the Corporations Act. Our amendments also give specific permission for Fair Work Australia to prepare a brief of evidence; ensure that the investigation is conducted by Fair Work Australia and not outsourced entirely, as this bill would allow; and ensure that the disclosure of how money is spent is provided to Fair Work Australia as well as to union members. Our amendments require that, when investigations last for more than a year, a report must be made to the parliament at that time and for every six months thereafter. The amendments make the provision relating to police cooperation very clear so that Fair Work Australia can cooperate with police at the commencement of, during and at the conclusion of an investigation. We will also ensure with our amendments that the penalty is increased for misusing members' funds, in line with the Corporations Act.

The reality is that this bill has been designed as window-dressing. It is a fig leaf for the minister and window-dressing for union bosses. It is so that they can declare to the Australian people that they have done something. We say that they have simply not done enough. It is little wonder that the public's trust and participation in the union movement is at historic lows. Far more transparency is required within the union movement for it to ever regain the relevance and trust that it once had. It should no longer be a boys' club—no more mates looking after mates, no more cronyism, no more political expediency and no more of union bosses looking after the interests only of themselves and not of their members.

This bill is a step in the right direction, which is why the coalition will support it, but the government needs to take a much stronger stand. They need to join with us in supporting our amendments, which will make this bill so much stronger. If they do not, the Australian public has the right to ask the question: are they serious about improving transparency and ensuring justice for members in the union movement who have been transgressed against? There should be an equal playing field here. Corporations and registered organisations and their officials, just as company directors, should all be treated the same. That is all that we are proposing. I commend the bill and its amendment to the House and I simply ask that those on the other side support the very good amendments.

Mr FLETCHER (Bradfield) (12:48): I am very pleased to rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2012. It is a matter of public record that we have seen extraordinary scandals, regrettably, in governance in the union movement in recent years. We have seen very disturbing reports of a culture in which corrupt union officials systematically rip off their low-paid members, extracting huge amounts of money for their personal benefit. The names Craig Thomson and Michael Williamson will remain infamous as people who have dealt with their members in a highly irresponsible and very disappointing fashion.

This culture in which union officials take advantage of low-paid and, in many cases, poorly educated members does not stop,
regrettably, with the Health Services Union. We have seen plenty of other examples of this kind of conduct reported recently. For example, the Australian newspaper recently reported on a case involving the Meatworkers Union and its affiliated superannuation fund. Mr Wally Curran, an 80-year-old self-described communist, a strong man of the Meatworkers Union and also, until very recently, a trustee director of the Meat Industry Employees Superannuation Fund, is reported to have received payments associated with the fact that the superannuation fund invested $30 million in a highly risky investment in a construction company called Austcorp, which later collapsed. So it seems, unfortunately, that the conduct that we have seen in the case of the Health Services Union is by no means unique to that union. It is clear beyond any reasonable doubt that there is a pressing need for substantial reform of the governance of unions and registered organisations under the Fair Work (Registered Organisations) Act.

The bill before the House this afternoon purports to deliver the program of substantial reform which is so clearly needed if low-paid, vulnerable members of unions are to avoid being taken advantage of by the very officials who are supposedly there to advance their interests. There is a clear need for that major reform, and the government is claiming that the bill before the House this afternoon delivers that major reform. The bill before the House this afternoon does not deliver the major reform which is claimed. This bill is nothing but a minor piece of window-dressing produced by the minister and the government in a desperate attempt to try and divert and distract media and public scrutiny from the sorry state of governance in the union movement.

As other speakers have made clear, the coalition does not oppose the measures in this bill. As far as they go, they are of some value. But what is clear is that the measures in this bill do not go nearly far enough to deal with the fundamental, wide-ranging, serious problems of governance in the union movement which have come to light publicly in recent years. In the brief time available to me, I want to highlight just three points. The first is that we have seen, regrettably, scandal and mismanagement in union governance in recent times—scandal matched only by the scandal of the incompetent, leisurely response on the part of the supposed regulator, Fair Work Australia. The second point I want to make is that this bill is nothing more than window-dressing and, on any analysis, many of the provisions are minor, technical in nature and, to a surprising degree, quite ineffectual. The third obvious point to make is that the coalition has a better—more substantive, better thought out, more wide-ranging, more comprehensive and more effective—plan to deliver the reform of governance that is so sorely needed in the union sector if low-paid, vulnerable members of unions are to stop being ripped off by the very union officials who are supposedly there to advance their interests.

Let me turn to the proposition that we have seen not one but two scandals of governance in recent years. The first scandal of course is the extraordinary conduct which appears to have become normal behaviour at very senior levels of the Health Services Union for many, many years, according to a comprehensive—late but comprehensive, ultimately—investigation by Fair Work Australia. Let me just remind the House of a mere handful of the comprehensive list of deeply disturbing findings made by Fair Work Australia in its 1,100-page report. We are told, for example, of the use by Craig Thomson, then the National Secretary of the Health Services Union, of his union MasterCard to purchase $418 worth of escort
services from Tiffany’s in Surry Hills during his stay in Sydney for the ALP conference on 11 June 2005. We are told of his use of the card to purchase $660 worth of escort services from the Staff Calls escort agency, also in Surry Hills, on 26 August 2006.

These are findings by Fair Work Australia, not allegations. We constantly hear the word ‘allegation’ thrown around by members on the opposite side of the House, but I remind the House that these are findings by a statutory agency following a comprehensive investigation. That statutory agency has found that Mr Thomson, then the secretary of a union registered under the Fair Work (Registered Organisations) Act, spent nearly $6,000 on the services of escorts, using his union credit card. There is no possible basis on which that expenditure can be considered to be in the interests of the low-paid and vulnerable members of that union. There is no possible basis on which Mr Thomson could have persuaded himself that it was in the interests of the Health Services Union to do that.

Nor is there any possible basis on which Mr Thomson could have persuaded himself that it was in the interests of the union for him to take two months off in October and November 2007—fully paid, not on annual leave—so that he could campaign in Dobell to become the Labor Party’s member for Dobell. There is no possible basis on which Mr Thomson could have persuaded himself that that was in the interests of the members of the Health Services Union. How could he possibly have persuaded himself of that?

The regulator, Fair Work Australia, found that on 14 separate occasions Mr Thomson used the union’s money to pay for air tickets for his wife. How could that conduct possibly be considered to be in the best interests of the low-paid and vulnerable members of that union? The answer is obvious: it could not. It is clear from the Fair Work Australia report that there is a systematic governance scandal occurring in the Health Services Union.

But there is a second scandal, which is the scandal of the indolent, leisurely approach by the statutory regulator, Fair Work Australia, in investigating these very serious matters. It took some 3½ years before a report finally materialised. When the report finally did materialise, we were then told by the Commonwealth Director of Public Prosecutions that it was in an inadequate form for the Director of Public Prosecutions to be able to consider conducting criminal prosecutions against Mr Thomson, because, extraordinarily, Fair Work Australia, after all this time and all this effort, had failed to produce a brief of evidence.

It is very clear why this happened, to even the most casual observer. To anybody who has even the most passing acquaintance with the cosy relationship between senior union officials and the Rudd-Gillard Labor government, it is very clear why this happened. Fair Work Australia were on a go-slow because it did not suit the political interests of the Rudd-Gillard Labor government for this appalling scandal to become publicly known. They were prepared to put at risk the interests of the low-paid and vulnerable members of the Health Services Union. They were prepared to have that investigation go as slowly as possible to avoid political embarrassment.

The Minister for Employment and Workplace Relations was quoted as saying that he was appalled at the goings-on in the Health Services Union. Frankly, when I heard that, I could only summon to mind the scene in Casablanca where Captain Renault said, ‘I'm shocked, shocked, to find that gambling is going on in here!’ Later in that movie, we had the same corrupt policeman
saying that he was going to 'round up the usual suspects'. That is about the nature of the exercise we got from Fair Work Australia and from the government. It has been about doing the bare minimum they can do to be seen to be tidying up a mess, but they really do not want to do it. They really do not want to tidy up this mess, because it does not suit their short-term political interests.

That brings me to the second point I wanted to highlight, that this bill is mere window-dressing. When you look at the substantive measures, they are empty and ineffectual to a very large extent. First of all, this bill leaves the discredited organisation Fair Work Australia in charge of investigations into registered organisations notwithstanding its demonstrated dismal performance in the case of the Health Services Union. Secondly, the bill sets extraordinarily low standards of performance for Fair Work Australia. For example, we are told that if the general manager of Fair Work Australia has notified a registered organisation of a contravention then the general manager must 'within 12 months' make inquiries as to whether the registered organisation is complying with rules that it previously contravened. 'Within 12 months'—what an extraordinary standard of urgency! Or I could refer the House to proposed section 335C in relation to the question of cooperation between Fair Work Australia and the police. We know that Fair Work Australia has performed dismally on this front, coming up with every possible excuse as to why it would just simply be inappropriate for them to cooperate with the police. What an appalling suggestion: for a statutory regulator to be engaged in cooperation with the police! We have had excuse after excuse and now we have a provision which apparently is going to solve that problem. But when you analyse that provision, proposed section 335C, you see it says the general manager 'may' disclose the information, being information in his or her possession, about the conduct of a registered organisation if the general manager reasonably believes that, amongst other things, it would facilitate a police investigation. You could drive a truck through the yawning gap in the elements of that provision. It leaves complete discretion in the hands of the general manager when there is absolutely no basis for confidence in the performance of the general manager and of Fair Work Australia given its indolent approach to investigating the Health Services Union scandal. There is absolutely no basis for confidence that the general manager is likely to bother to exercise that power.

Let us turn to the question of disclosure, because these reforms are trumpeted as delivering a magnificent new standard of disclosure for registered organisations. There is a very curious thing about the drafting of this bill, as I am sure you would have noticed, Mr Deputy Speaker, when you considered proposed section 148A. The disclosure regime is given effect to, not by saying that under the law of the Commonwealth registered organisations must disclose the following information but, instead, by saying 'registered organisations must include in their rules a requirement that information is disclosed'. That is a much weaker and much less binding and immediate approach. By contrast, section 300A of the Corporations Act imposes a positive obligation on listed companies to make disclosure of the remuneration of their five highest paid executives, and further details as to what must be disclosed are contained in the Corporations Regulations. That is a tough and binding approach—a very long way from the feather-light tap on the wrist which is proposed by these weak and ineffectual provisions. Indeed, if a registered organisation finds it all a bit too
tough, it can always, under proposed section 148D, apply for an exemption from the general manager of Fair Work Australia—and how tough is that person likely to be? I think the answer to that question speaks for itself.

The third point I want to make very briefly is that the coalition has a much better plan. We will amend the laws to ensure that registered organisations and their officials have to play by the same rules as companies and their directors. We have a comprehensive set of measures which I commend to the House. We have seen a scandal of governance in the union movement and we have seen a scandal of indolence by the regulator, and this bill does very little more than window-dressing to improve the position.

Debate adjourned.

BUSINESS

Orders of the Day

Ms ROXON (Gellibrand—Attorney-General) (13:03): I move:

That Federation Chamber order of the day No. 1, government business, Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011, be returned to the House for further consideration.

Question agreed to.

BILLS

Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr IRONS (Swan) (13:04): I am pleased to rise to support the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. Australians love to travel. It is part of our national psyche to pack the backpack, the suitcase and the travellers cheques and head for foreign shores. This travel can take our citizens to places that are exciting and very different from Australia's way of life and culture and where they can engage with the locals. Our expenditure overseas on these visits can be vital to the economy, in particular, of some of our closest neighbours.

Australians enjoy a standard of living and way of life that is envied by many and, unfortunately, hated by some. That hatred of Australians and Westerners has contributed to the terrorist attacks overseas in recent years which have left many Australians dead or injured. We as Australians, and particularly as Western Australians, shared the tragedy that was the Bali bombings with the people of Indonesia and the rest of the world. With the deaths of 88 Australians and the dreadful injuries to many others, the dark shadow of terrorism finally came to meet Australians face-to-face in the home of one of our nearest neighbours. In Bali, the holiday playground for many Australians, the peaceful, idyllic destination's ambience was shattered forever with that terrorist act. It brought home to all Australians how cowardly terrorists are given the use of senseless and brutal acts, as well as fear, violence and death, as their tools to achieve their religious and fanatical beliefs.

It is as a result of acts of terrorism like the Bali bombings, the Jakarta bombings, the London bombings and 9/11 that the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 has become essential legislation. The government bill seeks to provide, for the Australian victims of overseas terrorist acts, compensation payments akin to those received by domestic victims of crime under the state and territory victims of crime schemes. It is a modest and important measure to fill a gap in the support that
Australia gives to its citizens who have suffered through no fault of their own.

The bill will (a) enable Australians who are victims of a declared overseas terrorist incident to claim financial support of up to $75,000; (b) enable the Prime Minister to declare that a relevant overseas terrorist incident is one to which the scheme applies; (c) establish eligibility criteria so that payments can be made either to long-term Australian residents who are victims of a relevant overseas terrorist act or, in the event of the death of a victim, close family members; (d) ensure that victims are not required to repay or deduct Medicare or other benefits from any payment received under the scheme; and (e) enable the enactment of legislative instruments to provide further guidance on the amount of assistance that each victim, or close family member, should receive. The bill proposes two categories of eligible individuals: primary victims and secondary victims. A primary victim will be a person who is harmed as a result of a declared overseas terrorist act; a secondary victim will be a close family member of a person who dies as a result of a declared overseas terrorist act. Payments will be capped at $75,000 for both primary and secondary victims. However, a person who is injured in a declared overseas terrorist act and whose close family member also dies in the same declared overseas terrorist act may claim as both a primary and secondary victim and may receive payments of up to $75,000 in relation to each claim. The payment for secondary victims may be apportioned between eligible close family members.

I think it is vital that Australians should be aware of the detail in this bill and there are two areas that should be raised. They are, first, section 35B—Declared overseas terrorist act. Subsection (1) provides that the Prime Minister may declare in writing that a terrorist act that occurs outside Australia is a declared overseas terrorist act. This is effected by legislative instrument. Not every terrorist act that occurs overseas will result in a declaration activating the Australian Victim of Terrorism Overseas Payment scheme. The act must be declared in writing by the Prime Minister as a 'declared overseas terrorist act'. That declaration will then be lodged as a legislative instrument. This measure will ensure that remote events are not drawn into the scheme.

Subsection (2) states that if the Prime Minister makes a declaration under subsection (1) then the minister is taken to have made a determination under subsection 36(1) that the terrorist act is a major disaster. The purpose of this subsection is to deem the major disaster declaration to have been made, avoiding the requirement for the minister to also make a declaration. Item 10 at the end of subsection 36(1) provides for a note to be added at the end of subsection 36(1). The note states that if the Prime Minister makes a declaration under section 35B that a terrorist act is a declared overseas terrorist act, the minister is taken to have made a determination under subsection (1) of this section that the terrorist act is a major disaster. So in simple terms, if you are injured in a terrorist attack you will only qualify for payment if the Prime Minister declares the act is an overseas terrorist act.

Another area I wish to raise is section 1061PAF, AVTOP principles. Section 1061PAF provides for the principles that will assist in determining the amount of Australian Victim of Terrorism Overseas Payment payable in any particular circumstance to any particular claimant. Paragraph 2(a) states:

For a primary victim, these factors include:

i. the nature of the injury or disease suffered as a direct result of the terrorist act,
ii. the duration of the injury or disease,

iii. the impact of the injury or disease on the person's bodily and mental functions,

iv. the impact of the injury or disease on the person's life,

v. the likelihood of the person suffering future loss, injury or disease as a direct result of the terrorist act,

vi. the circumstances in which the injury or disease was incurred, and

vii. whether the person was directed by an official of Australia or a foreign country not to go to the place where the terrorist act occurred.

In relation to subparagraphs 2(a)(i) to (a)(iv), the nature of the injuries, whether they were a direct result of the terrorist act, their duration and impact are factors that can be taken into account in the assessment process. In relation to subparagraph 2(a)(v), the likelihood of future loss is an important consideration to be taken into account when making an assessment. As a primary victim may only submit one claim, it is important that this claim reflects the true loss or harm from the terrorist act. Victims may wish to lodge a claim quite quickly following the terrorist act due to financial pressures. However, if the victim's injuries have not yet stabilised or there is delayed psychological injury, the assessed quantum may not fully realise the extent of future loss. The intention of this provision is to allow for future loss when making the determination. The victim should obtain medical advice in order to provide a correct prognosis of future loss. This would cover a situation, for example, where a person receives injuries to his back and breaks his leg as a result of a terrorist attack. An assessment based on the cost of his present medical expenses and injuries is $30,000. However, if the person develops severe arthritis 12 months later which is ongoing, the person is no longer able to work and is in continual pain, it would not be possible for the person to submit a further claim because it would create unnecessary ongoing administrative expenses. There needs to be an incentive to delay claims until all injuries are apparent. Accordingly, it is appropriate that possible future injuries be taken into consideration when determining quantum. It beggars belief that someone who has been a victim is going to know what, if any, or how severe any future medical conditions may be. I trust this is an issue that will be dealt with to ensure this amending legislation will provide the best possible assistance to any victims.

There also were concerns raised by officers of the Attorney-General's Department that should there be a major terrorist incident the scheme could be in danger of a budget blow-out. The safety net for this scheme is that it should only apply to people who are Australian domiciled as well as Australian citizens. In that way Australian citizens who are not living here in Australia at the time of the terrorist incident would not be covered. Over the past decade, since 11 September 2001, over 300 Australians have been killed or injured in acts of terrorism overseas. However, acts of terrorism are unexpected and unpredictable. As a result, it is likely that the cost of this scheme will vary over time. It is likely there will be no payments made some years but a significant number of payments made in other years.

I know this is a bill which the opposition leader, Mr Abbott, along with the rest of the coalition, supports. At the time of introduction the Leader of the Opposition issued a press release saying:

I congratulate the government on taking this sensible measure. I thank the Independent MPs who had indicated to the government that they would have backed my private member's bill ... The government bill, as my bill did, seeks to provide for the Australian victims of overseas terrorist acts compensation payments analogous to those received by domestic victims of crime.
under the state and territory victims of crime schemes. An issue which the government has yet to resolve is whether the bill will have retrospective operation.

I do believe there is an amendment to be moved by the shadow minister, the member for Stirling, who I also know has a close affiliation with victims of the Bali bombings, many of whom came from his electorate. Obviously it would be deeply disappointing if victims of the two Bali bombings, the two Jakarta bombings, the London bombing and September 11 were not able to access the compensation that will shortly be available. The Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 before parliament is not necessarily retrospective. It could therefore leave victims of those Bali bombings and other past terrorist attacks, as flagged in the March 2011 press release, without any financial support. I have spoken on the Bali bombings in this place on quite a few occasions and have attended the remembrance service in Perth, in Kings Park, with the Deputy Leader of the Opposition and member for Curtin and the WA Premier, Colin Barnett, during the past few years. I have met victims of the Bali bombings and their families, and if anyone ever qualified for support from this government they certainly do. The Leader of the Opposition and member for Paterson have consistently said in the past that the Australians who were killed or severely injured in the second Bali bombing were the inspiration for the original bill. To keep faith with them, the coalition will move amendments, as I have previously mentioned, to ensure that they also have access to compensation.

I will now make some further comments about the Bali bombings which I have shared with the members of this place previously. The bombings took the lives of 202 people in the district of Kuta in 2002. As Australians and as Western Australians we shared this tragedy with the people of Indonesia and the rest of the world. With the deaths of 88 Australians and the injuries to many others, the dark shadow of terrorism finally came to meet Australians face to face in the home of one of our nearest neighbours. It brought home to all Australians how cowardly terrorists are. This was a tragedy for the peace-loving Balinese, who welcome all Australians and many other world visitors to their beautiful island. They shared the pain and tragedy suffered by many Australians and others from around the world who lost loved ones. Out of this tragedy, we have strengthened the relationship between Australia and Indonesia, and we are closer now in 2012 than ever before. We have found new strength not only between our governments but also between our peoples and our cultures.

Australia has been a friend and ally of Indonesia, our closest neighbour. At the closest point between the two countries there is less distance between Australia and Indonesia than there is between Sydney and Canberra. By being so close we have been able to share in great opportunities for relationships to grow on so many levels. The close proximity of our two countries has also meant that the security and prosperity of Australia is intimately linked with the security and prosperity of Indonesia, and we as a nation are committed to growth and stability for their nation and the region. We stood by Indonesia as they fought for their independence in 1948. Now, in 2012, we must also stand by the victims of the bombings who inspired this bill. I commend the bill to the House.
of the House have very strong feelings, for reasons that are extremely justifiable. I want to thank everyone for their contributions and the spirit in which they were given, in particular those members who have people in their electorates who were unfortunate victims or family members of victims of past incidents. I know that for all concerned it is a very delicate subject and one where people are committed to being able to provide appropriate support. No-one in this House disagrees with the fact that terrorism is a terrible crime, that it has a dramatic and long-lasting impact on the lives of victims.

This Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 will enable Australians who are victims of declared overseas terrorism acts to claim financial support of up to $75,000. The bill establishes a framework for the provision of this assistance. As the bill was introduced some time ago, it will not surprise the House as we flag that the government will be moving some amendments that have already been identified. I will go through those amendments in more detail when they are moved in the consideration in detail stage.

But I would like to address one of the major themes that has been raised throughout this debate, particularly from those opposite, and that is the question of whether or not retrospectivity should apply to this scheme. I understand that that will be the subject of an amendment to be moved by the opposition when we get to the consideration in detail stage. As I said, I respect the speakers who have spoken about this and their genuine commitment. However, I think we do need to look at some of the facts in the history surrounding these particular instances but also the consideration of whether or not retrospectivity should apply. Speakers mentioned in particular the September 11 attacks and the Bali bombings.

In relation to the September 11 attacks and the Bali bombings, the previous government made decisions about support and assistance for victims at the time. In fact, in August 2003, after the Bali bombing, then Prime Minister John Howard ruled out compensation and a compensation scheme for victims of terrorism. Further, in May 2006, the then Minister for Justice and Customs, Senator Chris Ellison, ruled out a compensation support scheme for victims of the second Bali bombing. Of course, support was provided to past victims, and that drew on a number of existing measures, including the Disaster Health Care Assistance Scheme, ex gratia assistance, consular and repatriation assistance and immediate short-term financial assistance through the AGDRP. Since Bali 2002 the Australian government has expended more than $12 million on assistance and support for Australians killed or injured as a direct result of overseas terrorist acts. In addition, the September 11 Victim Compensation Fund provided generous financial assistance to those injured and the next of kin of those who were killed in the 9-11 attacks, including Australians.

So I am concerned that those opposite are raising an issue that they did not act upon when they were in government; that this has been pursued well after the opportunity to be able to consider these matters; and that it was ruled out explicitly by the Prime Minister of the day, and ruled out again by the Justice and Customs Minister, a senator from the shadow minister's own state. Here, our government has taken the step to establish a scheme, once and for all, for future events. Payments have been made of between $250,000 and up to $7.1 million to the next of kin of those persons who were killed in the 9-11 attacks,
including Australians. Accordingly, the government does not propose to extend the scheme to cover individuals who have already been supported.

Our government is very committed to making the changes in this bill. We have welcomed the opposition's support. There has been agreement, in what is a difficult area, about how prospective payments should be capped. I think this is a scheme that will stand Australia in good stead. I am sure that every member of this House hopes that this scheme will never be used. That will mean that we never have Australians in parts of the world where they may be a victim of terrorism. But I fear that despite that ardent wish, we do not live in a world where that is likely to be possible in the future and therefore it is appropriate for us to put in place a scheme which allows for clear support and which sets out the rules and methods for that to be made available to people quickly. I will speak in a little more detail about the amendments that the government is moving when we move to the consideration in detail, and of course I acknowledge that the member for Stirling is also going to move his amendments after that.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation for the bill and proposed amendments announced.

**Consideration in Detail**

Bill—by leave—taken as a whole.

Ms **ROXON** (Gellibrand—Attorney-General and Minister for Emergency Management) (13:23): by leave—I present a supplementary explanatory memorandum to the bill and move government amendments (1) to (11) as circulated together:

(1) Schedule 1, item 11, page 10 (after line 12), at the end of section 1061PAF, add:

(3) The AVTOP Principles may specify circumstances in which the amount of an AVTOP is nil.

(2) Schedule 1, item 11, page 10 (before line 13), before section 1061PAG, insert:

Division 4—Other

(3) Schedule 1, item 11, page 10 (after line 27), at the end of Part 2.24AA, add:

1061PAH AVTOP is not compensation or damages

For the purposes of any law of the Commonwealth, a payment of AVTOP is not to be treated as being a payment of compensation or damages.

(4) Schedule 1, page 13 (line 2), omit the heading.

(5) Schedule 1, item 15, page 13 (lines 3 to 6), omit the item.

(6) Schedule 1, page 13 (line 7), omit the heading.

(7) Schedule 1, item 16, page 13 (lines 8 to 12), omit the item.

(8) Schedule 1, page 13 (line 21), omit the heading.

(9) Schedule 1, item 19, page 13 (line 22) to page 14 (line 6), omit the item.

(10) Schedule 1, page 15 (after line 2), after item 25, insert:

25A At the end of section 39

Add:

(6) The Secretary may determine that a specified period, being a period that is longer than 13 weeks, applies for the purposes of claims for an AVTOP in relation to a declared overseas terrorist act.

(7) If, under subsection (6), there is a determination of a period in force for the purposes of claims for an AVTOP in relation to a declared overseas terrorist act, then this Act applies to those claims as if references in subsections (1) and (3) to the period of 13 weeks were references to the period referred to in the determination.

(8) A determination under subsection (6) is not a legislative instrument.
(11) Schedule 1, item 26, page 15 (lines 6 and 7), omit subsection 46B(1), substitute:

(1) Unless the Secretary makes a determination under subsection (2), a person’s AVTOP is to be paid:

(a) in accordance with section 47; and

(b) on the date that is determined by the Secretary to be the earliest date on which it is reasonably practicable for the payment to be made to the person.

The House would be aware that these amendments have been available for some time and throughout the period of the debate. These amendments have been identified from the lengthy period when this bill was originally introduced to the debating time and each of these amendments is consistent with the original intent of the bill.

The amendments do a number of things, and I will just quickly take the House through them. They clarify that a payment under the proposed scheme can be between zero and $75,000. This will ensure that funds can be distributed in a fair and equitable manner where there is more than one claimant. For example, where a victim has left behind a widow, a dependent child and a brother, it might be appropriate for the widow and dependent child to receive the full $75,000 and, while the brother might also be eligible, it may be appropriate that he receive a lesser payment.

The amendments will also ensure a payment under the scheme does not adversely affect a person’s entitlement to other forms of damages or compensation—those are amendments (2), (3), (6), (7), (8) and (9)—nor any family assistance benefit, amendments (4) and (5). It will allow the period for assessing claims to be extended to ensure that there is sufficient time to assess claims particularly if there is a large number of victims—amendments (10) and (11).

As you would be aware, on 22 March this year the Senate jointly referred the provisions of this bill and a private senator’s bill to the Legal and Constitutional Legislation Committee. It tabled its report. We support six of the seven recommendations and, to implement a number of those recommendations, those details are set out in the revised explanatory memorandum. Having tabled that revised explanatory memorandum, I think this will provide greater guidance about how the Prime Minister will determine whether a specific terrorist act should be covered by the scheme and it will also clarify that the bill enables the extension of the scheme to cover Commonwealth employees working overseas who do not meet the residency test.

Finally, it clarifies how payments under the scheme will interact with other payments. To implement recommendation 6, the government is exploring options for the establishment of a central contact point for Australians affected by terrorist acts. The government does not support recommendation 5, which would double the maximum payment for primary victims. As I have said, the proposed maximum of $75,000 is appropriate for a number of reasons including that it is consistent with the most generous victims of crime scheme, those in Western Australia and Queensland, and the private senator’s bill, and it would seem anomalous to award more to overseas victims than to those who are victims in Australia. It will supplement existing measures of assistance and support including the disaster healthcare assistance, ex gratia assistance, consular and repatriation assistance and immediate short-term financial assistance through the AGDRP. It will not adversely affect the victim’s entitlement to a range of other benefits including compensation, damages and Medicare.
I understand that the opposition have indicated that they support these amendments. We welcome that support and I commend the bill with these amendments to the House.

Mr KEENAN (Stirling) (13:27): These amendments are technical in nature and they do not make any alterations to the purposes of the bill and they are not opposed by the opposition.

Question agreed to.

Mr KEENAN (Stirling) (13:27): by leave—I move opposition amendments (1) and (2) together:

(1) Schedule 1, item 9, page 4 (after line 17), at the end of section 35B, add:

(3) The Prime Minister may, within 6 months after the commencement day, make a declaration under subsection (1) in relation to a terrorist act that occurred outside Australia between 10 September 2001 and the commencement day.

(4) In this section:

commencement day means the day on which Schedule 1 of the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Act 2011 commenced.

(2) Schedule 1, item 12, page 11 (lines 7 and 8), omit "the day the close family member to whom the claim relates died", substitute the following:

the later of:

(a) the day on which the declaration was made under section 35B of the Social Security Act 1991; and

(b) the day the close family member to whom the claim relates died.

These amendments provide for this bill to do what the opposition leader has always intended it to do since he first raised this issue several years ago. They make sure that this bill will be applied retrospectively to Australians who have been victims of terrorism in the past. At present the bill does allow for that to occur. It would require the Prime Minister of the day to be committed to making that occur and, unfortunately, in the correspondence that the Leader of the Opposition has had with the Prime Minister and of course the comments of the Attorney-General, they have made it clear that they do not believe it is appropriate for these measures to apply retrospectively.

Obviously, we would hope that once this bill passes this place that it would never need to be called upon, and I join with the Attorney-General in hoping that that never happens. But in saying that, unfortunately, if history is to be our guide, the likelihood is that Australians may well be caught up, again, in terrorist incidents overseas. I do not understand the logic of the government's position in thinking that it is appropriate for future victims of terrorism to be appropriately compensated, but not past victims of terrorism, which of course was the original intent of the bill when it was raised by the Leader of the Opposition and also the member for Paterson, who joins me here at the table and who has been deeply committed to this measure. The logic of that just seems to be completely inconsistent to me.

I appreciate what was said about the fact that in government the coalition parties had not instituted this measure. That is a reasonable point, although I think it is also fair to say that, over time, thinking on these matters can evolve. The thinking of the opposition has evolved on this. I note the Attorney-General smiling. We have gone out of our way not to politicise any of these issues at any stage during this process—

Mr Dreyfus: The amendments have been designed to do so.

Mr KEENAN: That is absolute nonsense. Only somebody who would ascribe the most base political motives to everything that people do in this chamber could ascribe those motives to the way the
opposition has behaved in pursuing what we believe are very honourable objectives. We have never politicised these measures. We have done everything we can to work in a spirit of constructive cooperation with the government, and we are genuinely disappointed that the government has not seen fit to accept our point of view. I hope that when these amendments are divided upon the House will see fit to accept our point of view.

To compensate future victims is good and appropriate, and I congratulate the government on that, but it makes absolutely no sense without applying it to the Australians who have already been victims of terrorism because of the events of September 11, the events in Bali in 2002 and 2005, and further terrorist events in London in 2005, Mumbai in 2008 and Jakarta in 2009.

If this bill proceeds in its present form and the House does not see fit to accept our amendments, every member should be aware that all previous Australian victims of terrorism will not be eligible for compensation under this measure. That would be a shame, that would be a travesty and it completely defies the whole point about why we are debating this here today, because this bill has its genesis in the Leader of the Opposition and also the member for Paterson being concerned about and talking with and being heavily involved with victims of the 2005 bombing in Bali. The whole reason we are debating this here today is because the original intent was that those Australian victims of terrorism—some of the 300 Australians who have been killed in previous terrorist acts—get access to what we believe is appropriate compensation.

The 300 killed and the countless hundreds who were injured were killed and injured through absolutely no fault of their own. They were completely just in the wrong place at the wrong time. They were targeted because they were Australians and because they were Westerners by, quite frankly, very evil people who are attacking us because of who we are and because they hate what we stand for.

I would urge all members of the House to think very seriously about how they vote on these amendments. The government's position is inconsistent. There is absolutely no reason to apply this only to future victims of terrorism. I would sincerely ask every member of this House to think very carefully on their vote, because we believe it is completely appropriate to compensate all Australian victims of terrorism, regardless of when they fell victim to it.

Mr BALDWIN (Paterson) (13:33): This is a bill that is extremely important to me, important to the Leader of the Opposition and, most importantly, these amendments are important to the 300 that have already suffered at the hands of terrorists: people such as Colin and Fiona Zwolinski and Jennifer Williamson, locals in the Hunter who were killed in Bali, and to people that came home, like Paul and Penny Anicich, Tony and Maryanne Purkiss, Eric and Jenny Pilar, Aleta Lederwasch, Nicholas and Jennifer Scott, Kim and Vicki Griffiths, and Bruce Williamson, who lost his wife.

There is a time when the government must stand up and do the right thing. This government has had no restriction at all in spending money as displayed by previous evidence in this House—money that was spent on pink batts and wasted; money that has been overspent on BER projects. But this government, which always talks about having a social conscience, cannot do a single thing to help out these victims of terrorism. They are asking for no more than what the state would provide them if these
acts had occurred in Australia. I am saying to this government and in particular to the members for Newcastle, Shortland and Charlton, who represent these people in the Hunter: have a heart and come and support these amendments. These amendments do what is fair and right in providing support to those victims of terrorism.

We have been arguing this for a number of years. This was going to be part of the national disability support scheme, according to the former Prime Minister. It is not a lot of money. Averaged out over the 10 years this would have been $2.25 million. The Attorney-General might be questioning that. It was actually here in question time that former Prime Minister Rudd, in trying to admonish me for raising this—

Ms Roxon: Former Prime Minister John Howard—

Mr Baldwin: It was former Prime Minister Kevin Rudd, Attorney-General, who said in this House that it would be included in the National Disability Insurance Scheme, which is yet to come to true fruition. These amendments need to be supported because they are fair, right and justified. If the government cannot see that it needs to support our fellow Australians in this way then this is a truly mean and tricky government. You need to support fellow Australians. You have got billions of dollars to waste in other areas. What about supporting your fellow Australians? You are an absolute disgrace if you do not step up to the mark and support these amendments. Our fellow Australians deserve it and I call on all of those members on your side of the House that have had constituents affected by this to support their constituents instead of walking away. You have no problem in wanting to introduce retrospective taxation into this House; you should introduce retrospective payments for people who have been severely affected.

The DEPUTY SPEAKER (Hon. BC Scott): I remind the member for Paterson, as I have others, on the use of the word 'you'. Please, it is a reflection on the occupier of this chair.

Mr Baldwin: I do apologise, but you can understand my emotion. I meant my comments to be made to the government.

The DEPUTY SPEAKER: No, I cannot understand. I just make the general point for members on both sides of the House. It has crept into the debate on both sides of the House too often.

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (13.37): I will speak very briefly, because I understand that it is in the interests of the House for us to vote on these amendments. As I have said, the government does not support these amendments. The reason the government does not support them is that retrospective legislation is not appropriate here. Those opposite have pretended that they do not want to politicise this; I do not think that has been evidenced in the debate, but I understand that people feel incredibly strongly about this issue.

I remind the House—all those who are about to vote on the amendments—that the previous government ruled out taking this action in 2003 and 2006, and made other payments to do this. Our government is now taking action to ensure that the people whom the member for Paterson and others talked about in such a heartfelt way will never again be in the position that they were in before—they depended on the goodwill of the government of the day, who did not take the action that we are now taking.

We support the introduction of this bill and are pleased that the opposition supports it, but we reject the politicised comments.
about retrospectivity and do not support the amendments moved by the member for Stirling.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the amendments be agreed to.

The House divided [14:42]
(The Deputy Speaker—Ms AE Burke)
Ayes.................68
Noes.................68
Majority ............0

AYES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Truss, WE
Turnbull, MB
Vasta, RX
Wilkie, AD

NOES
Bowen, CE
Brodman, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Fitzgibbon, JA
Geoghanas, S
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Mitchell, RG
Neumann, SK
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Windsor, AHC

NOES
Bradbury, DJ
Brodman, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Fitzgibbon, JA
Geoghanas, S
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Mitchell, RG
Neumann, SK
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Windsor, AHC

The numbers for the ayes and the noes being equal, the Deputy Speaker gave her casting vote with the noes.

Question negatived.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (13:47): by leave—I move:

That standing order 43 be suspended until the conclusion of this debate.
Question agreed to.
Bill, as amended, agreed to.

**Third Reading**

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (13:48): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour.

**STATEMENTS BY MEMBERS**

Sullivan, Mr Scott

Mr RUDD (Griffith) (13:49): Today is Motor Neurone Disease Global Day. Motor neurone disease is the name given to a group of diseases in which the muscles gradually weaken and waste away. One by one, people lose the ability to walk, talk and then to swallow. This disease has no known cause, no known cure and no effective treatment. It is estimated there are about 1,400 people Australians who have been diagnosed with MND.

Today I would like to pay tribute to one of these people. His name is Scott Sullivan. I met Scott just a few weeks ago. Scott, his wife Sarah, and their two young children, Abbey and Charlie, live in Coorparoo in my local community in Brisbane. In 2010, Scott, who is a very young man, was diagnosed with motor neurone disease. He told me his life expectancy is between three and five years. He is a strong man and resolute. Shortly after his diagnosis, Scott helped launch the MND and Me Foundation. A few months back he was awarded the Pride of Australia Courage Medal for Queensland for his efforts. The MND and Me Foundation is a not-for-profit organisation that raises funds for research into finding a cure and provides practical support to ensure that those who live with this terrible disease and their families are properly looked after. I urge all honourable members and the entire Australian community to show your support for organisations like the MND and Me Foundation. Let us try to beat this insidious disease.

Tourism

Mr BALDWIN (Paterson) (13:51): The Labor Party has been very sensitive to our side highlighting their tourism flip-flops. At least the member for Batman, the tourism minister, never lost his good humour. On 2 March 2012, he said to the National Tourism Alliance in Cairns:
I have heard of no potential increase to the Passenger Movement Charge.
This was despite revelations this week that his department had already begun modelling to defend that outcome. The night after the budget the minister appeared before the National Tourism Alliance saying:
I know there are people here who are upset … but my job is to defend the government so I will defend the government.

Later that month he was more candid. To quote Travel Weekly on 30 May 2012:
As lobbying continues, it emerged that tourism minister Martin Ferguson apologised for the increase at a National Tourism Alliance meeting immediately after the budget. He previously assured the industry that a rise in the PMC would not happen.

But this week he had changed his mind again, strenuously defending that measure, saying to the Labor Friends of Tourism group sponsored by AFTA that he believed in the CPI indexation and would defend it even after the minister said he would move an amendment. But the following day he seems to have changed his mind again. He did not come down to the chamber to debate
the PMC indexation, and Labor backed down. Given the minister's anger at the industry for achieving two great wins this week, we will call it 'Flip, flop, flap'.

**O'Hara, Ms Catherine**

*Mr PERRETT* (Moreton) (13:52): I would like to acknowledge the death of Catherine O'Hara, born in Ayr in North Queensland in 1935, partner to Vince O'Hara and mother of Shay, Lily, Jane and the fabulous Megan. Catherine was an educator who inspired generations of students to strive for something better. She instilled in so many an education that at its heart had values of commitment, responsibility and diligence. One of her favourite sayings, as it is mine, was, 'It's not the dog in the fight but the fight in the dog.' Catherine valued her own education and thirst for knowledge. It drove her, it fuelled her curiosity and it made her a risk-taker. She believed in the quest for knowledge so intensely that it was interpreted by some as snobbishness, but she wanted more than to be ordinary for herself, for her family and for everyone around her.

Catherine loathed self-righteousness, dullness and conformity. I saw this just after Christmas last year up on the Darling Downs—and I am amazed that she died so soon after. She would not be boxed, especially as she aged, but great leaders are also great listeners. When people feel they are being heard, powerful change can happen—and Catherine was, above all else, a great listener. She could not abide anyone who did not want to know more and those not interested enough to ask questions. That inquisitiveness extended to books, technology and people's lives. Heaven help you if you did not have anything interesting to contribute to a conversation. Those strong, silent types usually have nothing to say.

When Catherine grew up and left school, women of her era were only offered the career choice of teaching or nursing. This stoked an anger in Catherine that almost defined her. Shay, Lily, Jane and Megan described their mum as somewhat of a maverick figure from the fifties and sixties. *(Time expired)*

**Horse Racing**

*Mr O'DOWD* (Flynn) (13:54): Mr Deputy Speaker Scott, a well-known lad from your electorate, Peter Moody, steps out at Ascot on Saturday night with his Australian champion, Black Caviar. We expect a big run from this horse. It will be a little different over there than with his 21 wins out of 21 starts in Australia. He will be running uphill, probably on a heavy track. The distance is about 1,200 metres, which is right up his alley. Let's hope he can—

*Mr Ewen Jones*: She!

*Mr O'DOWD*: Yes, it is a she—sorry! We are expecting great things and if you get $1.50 you should take it because I think it is pretty good odds.

*Mr Ewen Jones*: Get on!

*Mr O'DOWD*: Yes, get on! Go, you good thing!

**The DEPUTY SPEAKER** (Hon. BC Scott): All eyes of Maranoa are on her too.

**Bass Electorate: MS 24 Hour Megaswim**

*Mr LYONS* (Bass) (13:55): I rise to congratulate the MS Society of Tasmania on their recent successful fundraiser, the MS Megaswim, held last week at the Launceston Aquatic Centre. Teams of 15 people swam for a 24-hour period to raise money for the MS Society, including my daughter and son-in-law, who swam from eight till 11 pm. The funds raised by the Megaswim will allow Tasmanians living with MS to apply for Go for Gold scholarships, which will assist them to follow their dreams, whether these might
be focused on sport, the arts, travel, education or other areas.

Living with MS is a 24 hour a day, seven day a week challenge. The 24-hour swim is a feat of endurance that reminds us of this challenge. MS affects three times as many women as men, with the average age of those diagnosed with the onset of MS being just 30 years old. Tasmania has the highest prevalence of MS per capita in Australia and there is no known cause or cure. At last count, $11,480.01 was raised, with Tahnee Hodgetts and Julie Sladden raising over $1,000 individually—a great achievement.

I would like to thank all the organisers and volunteers for a job well done, including Rotary and Rotaract of Tamar Valley, and Jess from my office, for barbecuing up a storm for the participants and their families during this event. Congratulations to all who participated.

**Macarthur Electorate: Bob Prenter Classic Corporate Golf Day**

Mr MATHESON (Macarthur) (13:56): It is with a heavy heart that I rise today to speak about a charity event that was recently held in my electorate. The Bob Prenter Classic Corporate Golf Day is held every year in Macarthur, in memory of Bob Prenter, the former President of the Campbelltown Monarch Blues Football Club, who, tragically, died in a motor vehicle accident at Christmas in 2002. Bob was my best mate. We grew up together in Holsworthy and played AFL for the Holsworthy Anzacs Junior Aussie Rules Club and Southern Districts Football Club. Bob later became the president of the Campbelltown Monarch Blues Football Club when I was the captain-coach. The Bob Prenter Reserve near Monarch Oval at Macquarie Fields was named so in his honour after his death.

Bob was a great man and a great ambassador for junior sport in the Macarthur region. The annual charity golf day carries on his legacy, raising money for the Campbelltown Australian Rules Football Club, which utilises the funds to help develop local juniors. The guest speaker this year was world champion boxer Daniel Geale. Now in its ninth year, this is the club’s major fundraising event. The overwhelming support from local businesses and residents in my community every year is a testament to Bob and his dedication to sport in Macarthur. It also shows that there is ongoing support for his lovely wife, Sharon, and their children Shannon, Ashley and Hayley.

Bob’s death was a great shock to us all and a huge loss to the Macarthur region. He was a great man who loved his family, his AFL and the Macarthur community very much. I would like to thank everyone involved in organising and supporting this event, especially his son Shannon and club president Keiran Buckley. I hope that its success continues for many years to come. I know that if he were here today Bob would be extremely proud of the annual golf day because it raises funds to develop our next generation of Australian Rules footballers in the Campbelltown and Macarthur region and raise the profile of the sport—something he was very passionate about.

**Motor Neurone Disease Global Awareness Day**

Mr JENKINS (Scullin) (13:58): Today, Thursday, 21 June 2012, I rise to speak on Motor Neurone Disease Global Awareness Day to show my support for those who are sufferers and the families of sufferers and to seek the support of the parliament to look for treatments and cures for this insidious disease. I pay tribute to the member for Griffith for his earlier contribution and I pay
tribute to the member for Mitchell for encouraging us to get onside.

Many may not know that my father was a sufferer of one of the ALS/MND family of diseases. He had it for two decades, which is a bit different to the experience of most. Unfortunately, my good friend and ex-parliamentary colleague the former member for McEwen, Peter Cleeland, was an MND sufferer. He had a very insidious, short version of MND and it was sad to see him not being able to have a full retirement.

Many would know of my great misspeaking and faux pas. I remember very much a function where we celebrated Peter's contribution to public life. He was very nervous and, as one usually does in such circumstances, I said, 'Take a deep breath.' Peter's response was, 'I can't.' I think that it really came home to me that, when you are dealing with people who suffer from such a disease, they really do need support and their families need such support.

Ardley, Mr Russell

Mr BILLSON (Dunkley) (13:59): The great career of a great individual, Russell Ardley, has come to an end. He has retired after 15 years of setting up Mornington Peninsula Youth Enterprises. His son was trapped in addiction and there were no support programs for him. Russell Ardley stood up and dedicated his life. I have great respect for all his—

The DEPUTY SPEAKER (Ms AE Burke): I thank the member for Dunkley. In accordance with standing order 43, the time for members' statements has concluded.

CONDOLENCES

Walker, Hon. Francis (Frank) John, QC

Report from Federation Chamber

Order of the day returned from Federation Chamber for further consideration; certified copy of the motion presented.

Debate resumed on the motion:

That the House express its deep regret at the death on 12 June 2012 of the Honourable Francis John (Frank) Walker QC, a Member of this House for the Division of Robertson from 1990 to 1996, place on record its appreciation of his long and meritorious public service, and tender its profound sympathy to his family in their bereavement.

The DEPUTY SPEAKER (Ms AE Burke) (14:00): I understand it is the wish of the House to consider the matter immediately. The question is that the motion moved by the honourable the Acting Prime Minister be agreed to. As a mark of respect, I ask all present to signify their approval by rising in their places.

Question agreed to, honourable members standing in their places.

MINISTERIAL ARRANGEMENTS

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:01): I inform the House that the Minister for Resources, Energy and Tourism will be absent from question time today. He will be with his brother Laurie, the member for Werriwa, and they will be attending the funeral of their mother. I am sure the thoughts of everybody in the House today are with the family. The minister will be represented by the Minister for Regional Australia, Regional Development and Local Government. He will also be absent on Monday and Tuesday next week, attending an APEC energy ministerial meeting in Russia.
QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:02): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to this letter from TRUenergy advising customers in Melbourne of electricity price rises from 1 July of up to 15 per cent. The letter states, ‘The increase is largely related to the introduction of the carbon price by the Australian government.’ Will the Acting Prime Minister apologise for falsely claiming that the carbon tax represents a tiny fraction of the increase in electricity prices from 1 July?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:02): I thank the Leader of the Opposition for that question. He has continued his long misrepresentation of the impact of the carbon price on electricity prices. I have not seen the letter, but I certainly will study it and look at it very closely. But I made the point in the House yesterday that Treasury modelling shows that nine per cent will be the increase for the average bill. That has been there in the Treasury modelling, and it has been what has been put forward by the energy regulators around the country in the last few months.

I also went to great lengths to say to the House over the past couple of days that, if you take, say, the state of New South Wales, over five years there has been an increase in electricity prices of something like 80 per cent in that state. That 80 per cent increase has nothing to do with carbon pricing. The increase in New South Wales has been exactly in line with the Treasury modelling, but we had the shadow Treasurer going out and saying that these big increases in New South Wales were all the result of the carbon price, a blatant misleading of the parliament.

The fact is that the opposition have no interest in the facts. They will quote any amount of dodgy modelling. They came in yesterday, talked about the Master Builders of Australia and quoted a figure which assumed a carbon price of $46 in 2020, as opposed to the $29 price that we have in our modelling. The truth is that the overall impact on prices is 0.7 per cent—less than 1c in the dollar. The truth is that our economy will continue to grow strongly with a carbon price, and we have seen the IMF backing the design of our carbon price just this week. On top of that, we have the opposition coming into this House and crying about the cost of living but then coming in and voting against the Schoolkids Bonus.

The truth is that there will be an impact on prices from the carbon price. It will be 0.7 per cent on average. It will be greater in some areas, like electricity prices, and less in some other areas. But the opposition will continue to come into this House to run its scare campaign. We have seen the Leader of the Opposition running away from his earlier predictions that Whyalla would be wiped from the face of the earth. We have seen him running away from his predictions that the price rises are unimaginable. He is walking away from all of those things. He has now moved to the python squeeze. As I have said on a number of occasions, he is nothing more or less than a snake oil salesman.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:05): Madam Deputy Speaker, I ask a supplementary question. I again quote TRUenergy’s letter: ‘The increase is largely related to the introduction of the carbon price by the Australian government.’ I ask: who is misleading people? Is it TRUenergy or is it the Acting Prime Minister who is misleading the public about the real cause of electricity price increases?
Ms Macklin interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The Minister for Families, Communities and Indigenous Affairs is not assisting.

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:06): The Leader of the Opposition has been around this country making all sorts of extraordinary claims which are blatantly untrue. Whyalla, he says, is going to be wiped from the map. We have a member of this House who is going to Whyalla on 1 July: the Special Minister of State. I challenge the Leader of the Opposition to join him there, just to see whether it has been wiped from the face of the map.

Of course, we have seen this exaggeration right across the board. You cannot trust a thing that the opposition say. They do not have a policy, other than one which will impose a burden on households of $1,300 per household. Then they come into the House and pretend that they are interested in and concerned about the cost of living, and they vote against the Schoolkids Bonus. The truth is that there is nothing about the opposition that is any alternative framework for Australia. All they ever do is run scare campaigns and say no.

Mr Abbott: Because the Acting Prime Minister said he wanted to study the letter, I seek leave to table it so he can see the truth, which is that the price rises are due to the carbon tax.

Leave not granted.

Economy

Mr DANBY (Melbourne Ports) (14:07): My question is to the Acting Prime Minister. Will the Acting Prime Minister inform the House of the results of the national census released today? How does this new data highlight the need for strong economic management and strong budget management?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:08): I thank the member for that question because, amid all the international gloom and negativity that is about, we should never miss an occasion to speak about how fantastic our country is. We do face challenges—no doubt about that—but we should take great pride in what a dynamic, diverse and ambitious country we are.

Today we have the 2011 census out, and it marks 100 years since the first census. Of course, we have seen dramatic changes in our country over that 100 years: in our size, in the shape of our population and in the composition of our households, and, of course, enormous change in our way of life. The census highlights these changes that are underway. I think that what it says is that if we are a competent and ambitious country, we have to deal with change; and when we have dealt with change successfully we have become a stronger country. It has been one of the great success stories in terms of developed economies, the way in which Australian governments and the Australian people have reformed our economy to make it stronger for the future; always looking to the longer term, particularly to putting in place longer term reforms.

Of course, those on the other side of the House resist change all of the time. They go out with their wrecking ball and oppose fundamental changes which have brought great strength to our country. But we on this side of the House embrace change. We understand that reforms are needed to keep ahead of the curve of history. That is why we on this side of the House are referred to as progressives. We believe in progress. Of course, we believe in being drivers, not passengers.
We believe that equity and prosperity in a country and in a society are something that you have to work hard for and fight for. That is why we have put in place fundamental reforms over the years: pricing carbon pollution, reforming mining taxation, reforming aged care, reforming national superannuation and reforming the hospital system. That is why I am so proud that yesterday this parliament passed the budget, not only bringing the budget back to surplus but once again paving the way for fundamental reforms that make our country a better place and reforms which will mean that we stand out in the world. Reforms like the National Disability Insurance Scheme go to the core of the budget. So passing this fair-go budget last night shows that this country is getting on with the job of reform and staying ahead of the curve of history. That is something that we should all celebrate.

Carbon Pricing

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:10): My question is to the Acting Prime Minister. I remind the Acting Prime Minister that he ruled out Labor introducing a carbon tax seven days before the last election, saying, 'We reject this hysterical allegation that we are moving towards a carbon tax.' Given that this so-called hysterical allegation will be a fact of life for every Australian in just over a week, swinging through the economy like a wrecking ball and putting the python squeeze on every family budget, how can the Australian people—

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member's time has expired. The end of the question was invalid.

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:11): I thank the Deputy Leader of the Opposition for her question, because I, like everyone on this side of the House, have always believed in pricing carbon—in putting in place an emissions trading scheme to do that. That is what we are doing with a fixed price for three years.

Of course, there was once a time when those opposite believed in an emissions trading scheme as well—until the current Leader of the Opposition got rid of the former Leader of the Opposition, the member for Wentworth. We are getting these hysterical claims from the opposition about the fact that there will not be any investment, that the economy will not grow and that price rises will go through the roof, and they are disproved day after day after day. This is what the opposition leader had to say recently—

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. His own words were put back to the Acting Prime Minister that the carbon tax would be a 'hysterical allegation' before the last election. That is the question that he has to answer. Does he stand by that? How can he be trusted again?

The DEPUTY SPEAKER: The Manager of Opposition Business is looking for a point of order on relevance. The Manager of Opposition Business will resume his seat.

Mr SWAN: We have had many of these wild claims; one which in fact said that there will be no new investment. Well, what we have today is an announcement from Rio Tinto—an additional $4.2 billion to expand iron ore output. And we also have a pretty good statement from the head of Shell, which is investing more than $30 billion in Australia. This is what the chief executive has had to say:

Shell as a company is actually very much advocating that we need a price for carbon on the
worldwide basis and we want that to be on a market mechanism.
So all of these predictions that a carbon price is going to kill investment, that it is going to wipe out Whyalla—all of these things are just untrue.

But what they do is talk down our economy. Those opposite talk down our economy every day, and that is an insult to the hard work of tens of thousands of small business people and millions of workers in this country. We on this side of the House understand that putting in place a price on carbon pollution will drive investment, particularly in energy efficiency and renewable energy. That is what prosperous economies in the 21st century need; that is why we are behind it. It is in the history of reform that makes us on this side of the House progressives and you on that side of the House reactionaries, because we understand what must be done for the future so we leave our country a better place for our children and our grandchildren.

Economy

Ms PARKE (Fremantle) (14:14): My question is to the Assistant Treasurer and the Minister Assisting for Deregulation. What is the government doing to bring down a responsible budget and to deliver strong economic management? And why is this important for all Australians?

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:14): I thank the member for Fremantle for her question. Of course, strong economic management is important, and our economy is one of the strongest in the developed world. And we are returning the budget to surplus in 2012-13 and we will be doing that in a way that spreads the benefits of the mining boom.

I am pleased to say that, far from the commentary that we hear from those opposite, this House has already passed a number of significant budget bills. These bills will ensure that we spread the benefits of the boom to hardworking Australians. We have already passed the appropriations bills and we have passed the schoolkids bonus but, of course—no thanks to those opposite—we have always passed a number of important and sensible savings measures. But, of course, those opposite have no interest in supporting families and they have no interest in supporting responsible economic management and returning the budget to surplus.

This week we have seen those opposite come into this place and oppose a number of key corporate tax revenue measures. These are important measures that are about protecting the tax base, and they have opposed them. They are measures like the cross-border transfer pricing rules. These are important rules that will ensure that, where corporations seek to shift their profits offshore to avoid paying tax in Australia, we will have rules in place to ensure that they pay their fair share.

Those opposite came into this place and opposed these reforms.

Mr Billson: His notes are laminated and seaworthy.

Mr Pyne: Seaworthy.

Mr BRADBURY: Now, if they were serious about opposing these reforms, they would not just come in here and vote against them. What they would do is, they would tell those taxpayers that they would reverse these measures if they are ever elected. The problem is that if they do that then their $70
billion black hole will become $7 billion bigger, because that was the size of the revenue protection measures that they came in here and voted against—the hypocrisy of them—and then they came in and foreshadowed the fact that they will vote against our sensible reforms, to the withholding rate, when it comes to managed investment trusts. They say that they are opposed to a taxation rate of 15 per cent. When they were in power, it was not 15 per cent; it was 30 per cent. We all remember how they fought tooth and nail to oppose our efforts to lower that tax rate. Now they come in here and they cry these crocodile tears. If they are serious, they will make a commitment to repeal these reforms if they are ever elected, but that of course will lead to a $7 billion black hole on top of their $70 billion.

The opposition leader talks a lot about a wrecking ball but the only wrecking ball Australians have to worry about is the wrecking ball to their budget. *(Time expired)*

**Mr Pyne:** Madam Deputy Speaker, I request that the minister table his waterproof, seaworthy notes.

**The DEPUTY SPEAKER (Ms AE Burke):** The Manager of Opposition Business will resume his seat.

**Mr Hunt interjecting—**

**The DEPUTY SPEAKER:** Order! The member for Flinders is a perpetual interjector in this chamber, and I want everyone to read standing order 65(b).

**Ms PARKE (Fremantle) (14:18):** Minister, you have talked about delivering a responsible budget. What will this mean for families and communities like mine in Western Australia?

**Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:19):** I thank the member for Fremantle for her supplementary question. Of course, I am happy to inform the House that families all across Western Australia and, indeed, in particular in her electorate of Fremantle will benefit from the responsible measures that we are introducing as part of our budget.

**Mr Tony Smith interjecting—**

**The DEPUTY SPEAKER:** Does the member for Casey want to stay in the chamber?

**Mr BRADBURY:** In the electorate of Fremantle, for example, our tax reforms will mean that on 1 July we will be delivering a tax cut of $300 or more to 42,000 workers in her electorate. Next year, 8,000 families will see another increase in family payments of up to $600 a year, and around 6,750 hardworking families in her electorate have already started receiving the schoolkids bonus to help meet the education costs of their children, no thanks to the coalition. We know that the coalition say that they do not trust Australian families when it comes to spending their money. In the debate on this matter I saw one member opposite who said that they do not think the money will get spent on education costs; they said that they think this money will be spent on whitegoods, TVs or worse and—hopefully in none, or hardly any, cases—drugs and alcohol and other excesses and vices and things like that.

**An honourable member:** Who said that?

**Mr BRADBURY:** That was the member for Cowan. That is what the member for Cowan thinks about the hardworking
families in his electorate. Well, if the member for Cowan does not trust them, they should not trust him. (Time expired)

Mr Simpkins interjecting—

The DEPUTY SPEAKER: The member for Cowan has tried my patience enough this week.

Carbon Pricing

Mrs PRENTICE (Ryan) (14:20): My question is to the Acting Prime Minister. Is the Acting Prime Minister aware that yesterday's Brisbane City Council budget revealed that the carbon tax will cost Brisbane residents $15.8 million in the 2012-13 financial year and that this tax represents 42 per cent of the total rate increase? Does the Acting Prime Minister describe the carbon tax accounting for 42 per cent of the rate increase as a tiny fraction in the same way as he described the carbon tax accounting for 50 per cent of the rise in New South Wales electricity prices as a tiny fraction? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:21): I thank the member for Ryan for her question, because what we are seeing here from the Brisbane City Council is nothing more and nothing less than a cash grab, and they are attempting to do this under the guise of carbon pricing. That is the truth of it. It cannot be justified. It is a rort for the Brisbane City Council. The mayor of Brisbane should be ashamed of what he has done, because the truth is that what he has done does not stand up to scrutiny. It is not a fair way to describe the costs of the carbon price and all he is doing is ripping off ratepayers in Brisbane.

Budget

Mr SYMON (Deakin) (14:22): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. What policies has the government put in place to help Australian families and pensioners make ends meet? What impacts have these policies had already?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:22): I thank the member for Deakin very much for his question. As he knows, there are so many families, so many pensioners, across Australia who right now are benefiting from this government's decision in the recent budget to spread the benefits of the boom. We certainly know that these Australians are not in the fast lane and they do appreciate the additional assistance that is being provided.

I can inform the House that—

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The minister has the call. Excessive noise around the chamber is unwarranted and I remind you of the standing order I have asked you all to read and familiarise yourselves with.

Ms MACKLIN: Since the schoolkids bonus started yesterday, around 370,000 families have already seen additional money put into their bank accounts to help them with school costs for their children. Over the next few weeks, 1.3 million Australian families will see this money go straight into their bank accounts. Of course, from January next year we will see the schoolkids bonus paid at the start of term 1 and then again at the start of term 3. That is money going into families' bank accounts when they need it to help with the cost of their children's education.

I can also inform the House that over the last month more than six million Australian households have received extra help with everyday expenses. Six million Australian households are getting extra money—
Ms Julie Bishop interjecting—
Mr Pyne interjecting—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition and the member for Sturt, the minister has the call.

Ms MACKLIN: That is, six million Australian households who of course know that not one person over there supports the money that these families and these pensioners are getting in their bank accounts. They voted no to each and every one of these families, each and every one of these households, getting this extra money. We know that this side of the House is all about making sure we give families and pensioners help with making ends meet, whereas what those opposite want to do—and Liberals right around Australia are demonstrating they want to do—is just help themselves.

Ted Ballieu down in Melbourne is helping himself. He has just abolished the School Start Bonus. Barry O’Farrell in New South Wales is hiking up the rents for pensioners in public housing. And now we see the Queensland Premier deciding to abolish the school attendance measure so that he is no longer helping make sure children get to school. That is what Liberals do, while we get on with helping parents and helping pensioners.

Mr SYMON (Deakin) (14:25): Madam Deputy Speaker, I have a supplementary question. Minister, how will the policies you talked about support families and pensioners in my electorate of Deakin and others in Melbourne?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:26): One thing we do know for sure is that they will be out of pocket if you on the other side ever get the chance. I can inform the member for Deakin that 6,000 families in Deakin will receive a schoolkids bonus. What we know is that those families in Deakin would have missed out on the schoolkids bonus if the Liberal Party had had their way. The member for Deakin will be able to make sure that each and every one of those families know that, if the Liberals get the chance at the next election, they will rip this money off families; they will take the schoolkids bonus off families. We also know that more than 36,000 pensioners and families in the member’s electorate of Deakin have received extra help over the last month. Once again, the member for Deakin is going to be able to inform those pensioners and those families that, if the Liberals get the chance, they will claw that money back off them after the next election.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:27): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Italy. On behalf of the House I extend a very warm welcome to them.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr EWEN JONES (Herbert) (14:27): My question is to the Acting Prime Minister. Is the Acting Prime Minister aware that CANEGROWERS, the peak industry body for the sugar industry, has found that the cost of electricity and water for irrigating their crops will reduce farm profitability by over one-third in the next year alone because of the carbon tax? Given that cane farmers do not set their own price for their product, will they be compensated, or does he expect them to either wear a drop in profitability of one-third or just go out of business?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:28): I do not
accept the claims made by the member for Herbert, but I absolutely understand the importance of the canegrowing industry to my home state of Queensland. It is a very important industry and one which we seek to foster and to support as much as we possibly can. It is going to be a very important industry for Queensland for a long time to come as we see more and more investment in agriculture in this country, particularly in my home state of Queensland.

That investment will continue with a carbon price, because this economy will grow and it will grow strongly. It can grow and grow strongly with a carbon price, because what we can do is use energy more efficiently and also drive the investment in renewable industry. There is no industry that can be more to the forefront of that than the sugar industry, which is why we do need a carbon price. It is to encourage investment in more energy efficient practices and, in some cases, driven by the products of the—

Mr Ewen Jones: I rise on a point of order on direct relevance. The cane industry is driven by electricity, and the carbon tax is a tax on electricity.

The DEPUTY SPEAKER: The member will resume his seat. The Acting Prime Minister is answering the question. The Acting Prime Minister has the call.

Mr SWAN: Increasingly, this industry will be a very important partner in making sure that we are more energy efficient. The practices will also become much more energy efficient. I have great faith in the future of this industry. I do not have any faith in the sorts of predictions that have been made and the bodgie modelling which is produced by all sorts of organisations that do not understand the importance of a carbon price and do not understand the importance of dealing with dangerous climate change.

What I do know is that Queenslanders up and down the coast do understand the importance of dealing with dangerous climate change in terms of protecting our Great Barrier Reef and in terms of protecting our precious environment. Nothing could be more important for Queenslanders, for our sugar industry, and particularly for people in the north than putting a price on carbon. That is very important to deal with the impacts of dangerous climate change. I know that many Queenslanders, if not the member opposite, understand the importance of this fundamental reform, for the future of our rural sector and the future of our economy and, most importantly, the future of our environment.

Marine Sanctuaries

Mr KATTER (Kennedy) (14:31): I have a question without notice for environment minister Burke. Is the minister aware that the LNP government reduced Australia's north-east ocean access to 18 per cent, closing down almost all fishing in Queensland, and is he aware of the extraordinary hypocrisy of the opposition deputy leader when his new state government has already announced a buy-out of most of what is left? Could the minister advise the House how his proposed Coral Sea closure can be explained to the world when our nearest neighbour has nearly 80 million people going to bed hungry whilst this proposal will reduce Australia, the world's biggest fishing area, to the world's smallest harvest—less than two per cent of the world average—shortening the three years before which Australia will become a net food importer: taking and not giving food to a hungry world. (Time expired)

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:31): I want to thank the member for Kennedy for the question. At least the member for
Kennedy has been consistent in his view on marine parks. The member for Kennedy has not engaged in the rubbish that we have heard from others opposite that somehow marine parks are good if they are done by a Liberal-National Party government but the end of the world if done by a Labor government, and that somehow you could have a rezoning inshore, within the Great Barrier Reef, and that is fine for recreational fishers but if you put boundaries where they cannot go, 400 kilometres away, then that is the end of recreational fishing. The member for Kennedy has been completely consistent the whole way through. He has not had a view of support for marine parks. He has opposed them when they have been done by this side of the House and he has opposed them when they have been done by members opposite. There is not a hint of hypocrisy in anything that we hear from the member for Kennedy.

He will respect that we have a different policy view to him on this. And we are proud of our marine parks role. We are proud that we have engaged in this sort of environmental protection. We do not engage in the duplicity of those opposite. But the member for Kennedy also raises the issues of, and specifically refers to, our nearest neighbour and the population there. It is the nation of Indonesia that he is referring to.

I have to say that, when it comes to marine protection, Indonesia is really a case in point. It was President Yudhoyono who led the Coral Triangle Initiative. It was President Yudhoyono who led much of the work within the developing world, acknowledging that if we are going to use our fisheries they have to be used in a sustainable way. Indonesia, in the work on the Coral Triangle Initiative, and the partners that are part of that initiative—the Philippines, Malaysia, Timor-Leste, Papua New Guinea and the Solomons—which Australia supports, are engaging in exactly the sort of environmental work which we would hope that they would engage in. It is exactly the sort of environmental work that acknowledges that if you trash a resource you will lose a resource.

That is what Indonesia is absolutely leading out there. So in terms of the food security issues which the member for Kennedy points to, Indonesia is a case in point in understanding the importance of sustainability. I would remind all members of what we were talking about in last week's proposal. The impact on the gross value of production is in the order of one to two per cent. I also remind all members opposite that, when it comes to consistency on environmental protection, the member for Kennedy is upfront. He is just opposed to the creation of marine parks. He does not engage in the extraordinary levels of duplicity we have seen from those opposite.

**Carbon Pricing**

Ms BRODTMANN (Canberra) (14:34): My question is to the Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency. Will the minister inform the House of recent investment decisions made by resource companies in the full knowledge of the carbon price coming in. Why is it important that policy to tackle climate change is driven by facts, not fear?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:35): I thank the member for Canberra for her question. The government is introducing a price on carbon because it is the most cost effective way of cutting our greenhouse gas emissions. And it will provide the long-term incentives for businesses to shift to low emissions...
technology and to bring more renewable energy into our grid.

If we do not make these changes we are in danger of being left behind. This was a point being made by the chief executive officer of Shell, Mr Peter Voser, who has welcomed the government's carbon price package. The opposition leader's dark forecasts of doom and gloom have not stopped Shell from committing to invest $30 billion in Australia over the next five years.

It is reported in the *Sydney Morning Herald* today that Mr Voser has confirmed that countries not acting to reduce emissions will fall behind. Far from being terrified by the forecasts of doom and gloom of the opposition leader—the reports also indicate something that has been known widely—Shell already uses a carbon price in their investment decisions. Apparently it is in the order of $40 a tonne. That is the basis upon which they are making investment commitments of $30 billion in the Australian economy over the next five years, notwithstanding all the investment advice from the Leader of the Opposition. Of course, the fact is that major resource companies have been pricing carbon into their investment decisions for quite a period of time. Those same resource companies are investing in Australia in the full knowledge of the government's clean energy package and the carbon price, starting on 1 July.

The Treasurer mentioned a moment ago in question time that Rio Tinto has just announced it is investing another approximately $4 billion in its Pilbara iron ore projects. This commitment represents a huge investment and it stands in complete contrast to the Leader of the Opposition's statements about the outlook for industries like iron ore. When he was visiting the Pilbara last year he talked about doom and gloom and said:

This carbon tax poses an increasing threat to so many of Australia's great industrial areas and very important sectors of our economy.

That is the sort of thing he is saying, but what is going on in the real world? Multibillion-dollar investments; we are seeing massive new investments. Twiggy Forrest and Gina Rinehart do not listen to his investment advice. Rio Tinto is not listening to his investment advice. Shell is not listening to his investment advice, and neither are the backbench. They are still snapping up resources stocks, because they are good investments. It is all doom from him, but the real world has moved on from there. *(Time expired)*

**Carbon Pricing**

Mr TUDGE (Aston) (14:38): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to a bulletin from the Victorian Automobile Chamber of Commerce titled 'Carbon tax to hit aircon gas'. It finds that because of the carbon tax the price of air conditioning gas will increase by $30 per kilogram, from $22 to $52 per kilogram. Does the Acting Prime Minister expect this massive increase to be passed on to consumers or to be absorbed by businesses?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:39): First of all, I make the point that those sorts of claims and pricing decisions will be subject to scrutiny from the ACCC. That is my first point, and secondly, if the claims that the member has made are anything like the claims that have been made by those opposite then the fact is that they will not have a lot of truth about them. The fact is that there will be an impact on the price level overall, 0.7 per cent on average, less than 1c in the dollar. It is true the increases in electricity prices will be bigger than that. We have said they will be around 10 per cent,
and that is precisely what the modelling has found.

We said that what we would do would be to put in place assistance for households to deal with the price increases and also assistance for industry. We are providing something like $15 billion of household assistance over four years. That is $15 billion worth of assistance into the pockets of consumers. In addition to that, particularly for small business, we have starting on 1 July the $6,500 instant asset write-off which will support up to—

Mr Tudge: I rise on point of order on relevance, Madam Deputy Speaker. It was a very simple question: does he expect the increase to be passed on to consumers or for businesses to absorb it?

The DEPUTY SPEAKER: Order! The member for Aston will resume his seat. The Acting Prime Minister has the call.

Opposition members interjecting—

Mr Swan: Probably because he thinks it will disappear on 1 July. There will be a fair bit of assistance for small business and a very big assistance package which will put cash into the pockets of consumers. As for the claims made by the member, they will be examined by the ACCC.

Mr Tudge (Aston) (14:41): I seek leave to table this bulletin, 'Carbon tax to hit aircon gas'.

Leave not granted.

Rural and Regional Services

Ms Saffin (Page) (14:41): My question is to the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts. Will the minister update the House on the most recent round of grants under the Regional Development Australia Fund and how this is being received in regional Australia?

Further, why is this fund important to the future of regional communities?

Mr Crean (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (14:42): I thank the member for Page for her question, because I was with her not so long ago in Ballina when we announced one of the very successful initiatives under this program, the biochar plant, which was funded jointly by ourselves and the Ballina Shire Council. Those who sit opposite and talk about the doom and gloom of climate change should listen to this, because this is an initiative that will see landfill converted to energy and to biochar which not only has the capacity to reduce emissions but can create energy through the biochar organic components that can lift the productivity of our agricultural base.

Whilst we were there we also visited Harwood. The member for Herbert who asked a previous question about cane farmers should also be aware of the important work that is being done there to convert sugar refuse into gas.

An opposition member: He's not interested, Simon!

Mr Crean: He's not interested—he comes in here and talks about the plight of the sugar industry and is not even prepared to listen to positive initiatives that we are undertaking.

That was one project of 16 that I had the opportunity to visit over the fortnight that this parliament was up. These initiatives not only improve the economic input into the regions but also address social needs as well as the environmental needs, the ones we have just talked about. These projects are important not only in their own right but also in seeing a significant cultural change in the way in which regional development is being done: first, the significance of partnerships;
second, the leverage because the funding we have put in has resulted in a multiplier effect of four times; and third, the fact that we have councils and regions being prepared to join the dots. I have used this term before, but I was interested to note the other day that when my shadow, Senator Barnaby Joyce, was speaking to the Local Government Association he used the term 'joining the dots'. He's learning—he's channelling me!

Persistence, though, is also important because 62 per cent of these initiatives were projects that failed the first round. The member for Riverina knows the initiative in Wagga Wagga and he was very proud to come and give me the editorial from the Daily Advertiser, which was ringing our praises for what we did.

I have got them coming into my office asking how they can get access to this program. The trouble is that they want to spend the money, they do not want to fund it, because they have knocked the program—

(Time expired)

Carbon Pricing

Mr BUCHHOLZ (Wright) (14:45): My question is to the Acting Prime Minister. Will the Acting Prime Minister confirm that his own modelling predicts Australian domestic emissions will actually rise, from 578 million tonnes a year in 2010 to 620 million tonnes in 2020, despite the world's biggest carbon tax increasing to $37 a tonne?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:45): I am somewhat surprised to hear that the member does not believe in reducing emissions by five per cent because I thought that was the common target that was shared, but apparently not. The truth is we will reduce emissions by 160 million tonnes over time. That is the truth. But, of course, they want to come in and distort these facts time and time again, tell lies about the figures—

Mr Abbott: Madam Deputy Speaker, I raise a point of order on direct relevance. His modelling shows that our emissions go up, not down, under his carbon tax. That is the question he should be answering.

Mr Albanese: Deputy Speaker, the opposition continue to rise and come to the dispatch box to make political points, not to move points of order. My point of order is that this is disruptive conduct and should be dealt with under the standing orders.

The DEPUTY SPEAKER (Ms AE Burke): The Leader of the House will resume his seat. The Leader of the Opposition has used the point of order for debate. I have cautioned people against that. The Acting Prime Minister has the call.

Mr SWAN: The truth is we will reduce emissions by 160 million tonnes by 2020, and that is there in the modelling. I know they want to come in and selectively quote figures. That is the truth of it. And because we are putting a price on carbon we are going to drive investment in renewable energy, we are going to become much more energy efficient. That is going to be very good for our economy. It will take carbon pollution out of the atmosphere; it will be good for the environment. It will be a long-term reform that will continue to see our economy grow strongly. That is the sort of tough reform that I was talking about before in my answer about the census.

Over 100 years, because Australia has faced up to these big decisions, because we have put in place the long-term reforms, the great economic reforms of the eighties and nineties and now the big economic reforms like pricing carbon and putting in place a resource rent tax—these are the reforms that will drive prosperity into the future. But, as I said before, those on that side of the House are reactionaries. We on this side of the House are progressives because we
understand you need to be ahead of the curve of history. And if you are going to maximise your prosperity in the Asian century you need to get the policy settings right. Sometimes it means taking some difficult decisions. This is a difficult decision, but it is the right decision for Australia. After 1 July so many of the exaggerations that come from those opposite will be proven to be false and we can get on and have a realistic debate about how we make this a better country, how we make our economy more prosperous and how we have a better society with a cleaner environment.

Carbon Pricing

Ms HALL (Shortland—Government Whip) (14:48): My question is to the Minister for Trade and Competitiveness.

The DEPUTY SPEAKER (Ms AE Burke): Order! Will the member for Shortland resume her seat. Would the individuals at the table desist because I cannot hear the member for Shortland over them. The member for Shortland has the call.

Ms HALL: Thank you, Madam Deputy Speaker. My question is to the Minister for Trade and Competitiveness. Will the minister advise the House of Australia's future export prospects and will these prospects be affected by putting a price on carbon?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (14:49): I thank the member for Shortland for her question. I can inform the member for Shortland and the entire House that International Monetary Fund forecasts released in April this year show that Australia's export volumes of goods and services are expected to rise by 7.6 per cent in 2012 and 6.3 per cent in 2013, in the full knowledge of the introduction of a price on carbon. To put this in context, these would be the strongest export growth figures in a dozen years. And these figures contrast with the much slower export growth, of just 2.3 per cent in 2012 and 4.7 per cent in 2013, for all advanced economies.

We have got this doomsday prophecy: it was firstly a cobra strike, and then it was a python. But, of course, the Leader of the Opposition's variant of a python would be a 'noa constrictor'. You get it around your neck—'No, no, no, it's trying to squeeze the life out of the Australian economy!'—the old 'noa constrictor' over there. I saw video footage of the opposition leader diving into foam—it was this bellyflop into foam. I tell you what: after 1 July it will be a much harder landing for you as you try your contortions and your gymnastics, and the world does not end. The doomsday prophecy will not have come true and then you will have to be able to explain why you have undertaken and implemented the world's greatest bellyflop, because that is what is coming your way, brother.

I had a look today as the days just seem to be getting shorter and shorter. And over on that side they say: 'That's 'cause the sky's falling in, the sky's falling in! It's getting shorter and shorter leading up to 1 July.' Well, I can reveal: today is the winter solstice. We know why they are getting shorter. But over there: 'Oh, no, the sky's falling in.' We will have to bring in the Skyhooks—I mean, the opposition leader is living in the seventies:

I'm livin' in the 70s
I've just caught another disease
...
Got the right day but I got the wrong week,
And I get paid for just bein' a freak.'

That is the Leader of the Opposition.

We are for strong growth. We are for lower interest rates. We are for falling inflation. We are for low unemployment. And I can tell the Leader of the Opposition
we have an investment pipeline unsurpassed in Australia's history: a 50-year high in investment as a share of GDP, almost $900 billion in investment. The market is defying the doomsday of the old 'noa constrictor' over here. You won't squeeze the life out of the Australian economy because Labor will prevail over you.

**The DEPUTY SPEAKER:** I remind the trade minister that the use of the word 'you' is inappropriate.

**Carbon Pricing**

**Mr PYNE** (Sturt—Manager of Opposition Business) (14:52): My question is to the Acting Prime Minister. I remind the Acting Prime Minister that he has asked the Australian public this week to dismiss the findings with respect to the carbon tax from cane growers, GROCOM, TRUenergy, IPART, the ACT price regulator and even his own modelling in his answer to the last question. Does he seriously expect the Australian people to believe him rather than these organisations, when he described claims that he would introduce a carbon tax as 'hysterical' and then promptly did so within weeks of the election?

**Mr SWAN** (Lilley—Deputy Prime Minister and Treasurer) (14:53): I thank the shadow minister for his question. We on this side of the House are proudly introducing a carbon price.

*Opposition members interjecting—*

**Mr SWAN:** We are doing it for all the right reasons.

*Opposition members interjecting—*

**The DEPUTY SPEAKER:** Order! Order! The member for Cook is warned!

**Mr SWAN:** I am also very proud that we have had a long-held policy of pricing carbon on this side of the House. Those on the other side of the House once had a policy of pricing carbon, until they got rid of the member for Wentworth and installed the new opposition leader. They had a belief. Former Prime Minister Howard and former Treasurer Costello had a belief in an emissions trading scheme, so there is nothing particularly controversial about that.

*Opposition members interjecting—*

**Mrs Bronwyn Bishop:** Madam Deputy Speaker, I rise on a point of order. I refer you to page 553 of the *Practice* and standing order 104.

*Mr Danby interjecting—*

**The DEPUTY SPEAKER:** It was a wide-ranging question which allows for a wide-ranging answer. The Acting Prime Minister has the call.

**Mrs BRONWYN BISHOP:** Thank you, Madam Deputy Speaker. I again refer to standing order 104. I know that the Acting Prime Minister is doing the very best he possibly can within his competency but he must maintain a link to the substance of the question.

**The DEPUTY SPEAKER:** It was a wide-ranging question which allows for a wide-ranging answer. The Acting Prime Minister has the call.

**Mr SWAN:** We have a price on carbon, which has the broad support of a whole range of industry organisations, and the broad support of the International Monetary Fund, the OECD and the World Bank. And of course any responsible industry organisation in this country understands that we need to price carbon. Peter Voser from Shell has said so very clearly today. Most of the big international companies operating in this country already have a price on carbon factored into their business plans. So the weight of evidence is behind a price on carbon. The weight of evidence globally and nationally is behind it.

But I will tell you what we are seeing here. We are seeing here a failure of
leadership from that side of the House. We are facing up to the big challenges of the 21st century—growing our economy, being environmentally responsible, making sure that what grows here is sustainable for future generations, for our children and our grandchildren, and doing it in a way which is economically responsible and economically rational. If you look at the report from the Productivity Commission, you will see they have endorsed the way in which we are putting a price on carbon. If you look at the modelling from the Treasury, it shows that the economy will continue to grow, that wealth will continue to be created.

Mr Abbott interjecting—

Mr SWAN: We know that if we drive the investment in renewable energy and energy efficiency, we will be much more prosperous.

The DEPUTY SPEAKER: Order! The Leader of the Opposition does not have the call.

Mr SWAN: But those opposite want to take the low road—they want to play politics.

Mr Abbott interjecting—

The DEPUTY SPEAKER: Order! The Leader of the Opposition does not have the ability to interject constantly on any speaker, and, if he thinks that being the Leader of the Opposition gives him extra cover, he may find that that is not right.

Mr SWAN: It is a very low road. Modern Australia was not made by the sort of political approaches we are seeing from that side of the House—the gutless, irresponsible approach of those on the other side of the House.

Opposition members interjecting—

Mr Pyne interjecting—

The DEPUTY SPEAKER: Order! The Acting Prime Minister will resume his seat. I did not hear the comment. You may have all heard it, but you are all screaming so it makes it very difficult for the chair to hear it, and on that basis I am not actually going to ask the Acting Prime Minister to withdraw. You may come to realise that allowing me to hear things might help. The Manager of Opposition Business has the call.

Mr Pyne: Madam Deputy Speaker, you upbraided the Leader of the Opposition moments ago, who was responding to the provocation from the Acting Prime Minister—

The DEPUTY SPEAKER: Order! The Manager of Opposition Business will resume his seat. There is no action to be taken. The point I have made to the Leader of the Opposition is that the standing orders apply to him as they do to everybody else.

Mrs Gash interjecting—

The DEPUTY SPEAKER: Order, the member for Canning is warned! The Acting Prime Minister, to assist the chamber will withdraw and we will try to continue.

Mr SWAN: I withdraw, Deputy Speaker, but I make this point: every single time the Leader of the Opposition looks down the barrel of a camera and talks about the carbon price—

Mrs Gash interjecting—

The DEPUTY SPEAKER: Order! The member for Gilmore should talk about everybody on her side who points!

Mr SWAN: he is misleading the Australian people. That is very clear. That is his choice and that is the choice the Liberal Party has made. But we on this side of the House will defend the national interest and we will do it with vigour. (Time expired)

Mr John Cobb interjecting—
The DEPUTY SPEAKER: Order! The member for Calare can leave the chamber under the provisions of standing order 94(a).

The member for Calare then left the chamber.

Superannuation

Mr KELVIN THOMSON (Wills) (14:59): My question is to the Minister for Employment and Workplace Relations, and Minister for Financial Services and Superannuation. Will the Minister explain the importance of the government's future financial advice reforms, which passed the Senate yesterday?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:59): I thank the member for Wills for his question. It has been a big week in the Senate this week. Not only have we seen the budget progressing, not only have we seen the schoolkids bonus that is going out; we have after a long 11 years seen the first fair dinkum reforms to the provision of financial advice in Australia.

Ms O'Dwyer interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for Higgins is warned!

Mr SHORTEN: What we will see, courtesy of these reforms passed yesterday in the Senate, is a trifecta of improvements in the provision of financial advice in Australia. First of all we will see greater protection for consumers and people going to financial advisers. If only these changes had come in 11 years ago. I am indebted to the work of the member for Robertson and, in a rare moment of bipartisanship, assisted by the member for Bradfield. Recently in the Trio inquiry they revealed that, in that terrible matter where people lost literally millions of dollars, one of the reasons people invested in the Trio funds was that because they were induced into it by planners who were receiving conflicted commissions from product providers. What a shame. If only we could turn the clock back.

What we are doing now is making sure that we eliminate conflicted commission structures in financial planning so that people can feel confident. But also in this trifecta of reasons why what we have done in the Senate is such a good idea is it builds upon the other changes we have made to superannuation. On the Labor side of this House we believe in the great good of a comfortable retirement through increasing super from nine per cent to 12 per cent. But what is the point of increasing compulsory super if on the way while it is being managed in investment we see the money for superannuants being frittered away in excessive fees, charges and commissions? Labor has dealt with that so there will be more money for people when they retire.

The third thing in the trifecta of advantages of what happened in the Senate yesterday is that we will see the expansion of advice. We will see the provision of scaled advice. We will see restoration in the confidence of financial planning as a tool for wealth management for people in the future. Let me put on the record that most financial planners do an excellent job. What we are doing in supporting the professionalisation of financial planning is rebuilding confidence in that profession and seeing greater opportunities for it to expand in the future.

So there you have it, members of the House—better protection, more wealth, greater use of financial planners. But I do wish we could turn the clock back to 2001, because at that time the current shadow Treasurer had an opportunity to introduce a best interests duty and he did not. At that time he had the chance to eliminate conflicted remuneration and he did not.
Unfortunately, he was just too slow and too late to help those people at Trio.

Registered Organisations

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (15:02): My question is to the Minister for Employment and Workplace Relations. I refer the minister to the government's measures to improve the transparency of registered organisations. Does the minister agree with the member for Barton's comments in the House today that the government's changes do not go far enough, based on the member for Barton's previous experience in certain industrial cases to which he specifically referred, and that 'the law can be further strengthened'?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (15:03): I always appreciate the contribution from government members about the regulation of registered organisations, because I know on this side of the House we understand the value of a transparent, honest and independent trade union movement and employer associations. Whilst I do not often feel this sensation, I am a little grateful to the Deputy Leader of the Opposition for talking about this issue, because it reminds me of the same theme I had in my previous answer about the shadow Treasurer. What a shame in 2001 when the then minister for industrial relations failed to put in place the laws we do now.

Ms Julie Bishop: I rise on a point of order. The member for Barton referred specifically to cases in which he had been involved. I have asked the minister if he agrees that based on those particular cases the law should be strengthened.

Mr SHORTEN: In terms of the propositions which the government is advancing, I am more than confident that every Labor member will support the propositions. I more than confident that fair-minded crossbenchers will support the propositions. I more than confident that the Business Council of Australia, the Australian Chamber of Commerce and Industry, the Australian Industry Group, the National Farmers Federation and the Road Transport Federation will. What a bunch of Marxists they must all be to support this! What a bunch of dupes you are implying they all are. What would have happened in 2001 if the then minister for industrial relations had done his day job instead of bashing unions—

The DEPUTY SPEAKER: The minister will resume his seat. The Deputy Leader of the Opposition on a point of order?

Ms Julie Bishop: The minister is defying the ruling on relevance. I have asked him about specific cases—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition will resume her seat! The minister has the call.

Mr SHORTEN: I look forward to her contribution in the debate. I submit to the House that what we are doing is improving transparency. We are fixing the problems which the previous minister failed to do. And, by the way, rather than take up further time here, I will debate the shadow Leader of the Opposition—in fact, I will take any three shadow ministers—you pick the crowd, you pick the venue. Let's talk about your hidden workplace relations policy. Bring it out of hiding.

Government members: Hear, hear!

Ms Julie Bishop: On a point of order. Again, ministers opposite keep using the word 'you' and 'your' and it reflects on the chair. I am concerned about that.
The DEPUTY SPEAKER: The Deputy Leader of the Opposition will resume her seat. I will, yet again, remind all members of the chamber that they are speaking through the chair when they are on their feet, and I do not need to cop any more abuse than I am already getting!

Great Barrier Reef

Ms LIVERMORE (Capricornia) (15:06): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Will the minister update the House on the latest report released by UNESCO concerning the Great Barrier Reef? What methods of protection is the report proposing for the reef? How is the government responding to these recommendations and what other recommendations have been made in Australia in the past 24 hours?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (15:06): I want to thank the member for Capricornia for her long-term interest on behalf of her community in the Great Barrier Reef. The UNESCO report that has come out over the last 24 hours has not yet been adopted by the World Heritage Committee, but it does contain considerable recommendations of which members should all be aware. In the first instance it refers to and distinguishes between, on the one hand, port applications and developments which are coming down the pipeline and which are already existing working harbours and, on the other hand, ones in relatively pristine sites. It is an important distinction, and it does mean that places such as Abbot Point and Gladstone—where there are already working harbours—are being viewed differently by UNESCO from places such as Balaclava Island, where it is currently relatively pristine.

They have also acknowledged the connection between what happens on land and what happens in the Great Barrier Reef, which is an important point. I acknowledge the member for Capricornia as one of the architects, back when we were in opposition, of the reef rescue program. The reef rescue program, where the government works with cane growers and graziers to make sure that we reduce the impact of run-off to the reef, is acknowledged as a significant improvement in the protection of this great international asset.

I am also asked about other recommendations that have been made in Australia in the last 24 hours. Anyone who saw the first two pages of today's Courier Mail would have been astonished by the comments that were made in this House yesterday by the Leader of the Nationals. The Leader of the Nationals has decided that, when it comes to the Barrier Reef, there are a number of claims of damage to the reef that he can ridicule. The ones he chose to ridicule were that there is an impact from what happens on land with run-off, that there are impacts on what happens with shipping in the ocean and that there are impacts from the crown-of-thorns. They are the three areas that he decided to ridicule.

I remind the Leader of the Nationals to go to a very good interview with Fran Kelly which was conducted by none other than his own shadow minister for the environment and where it is apparently coalition policy that they have three pillars: ‘One is the on-land work in terms of incentives to reduce sediment; two is the offshore work in terms of doing our best to protect the turtles and dugongs; and three is a real crown-of-thorns eradication program.’ On all three issues, which are good policy and solid policy put through by the shadow minister for the environment, the Leader of the Nationals...
stands out on his own, wanting to be the last of the environmental vandals.

The Labor Party knows that we are on the right side of history on environmental protection. Whether it is on the Great Barrier Reef, on the Daintree rainforest, on the Franklin River, on Kakadu National Park or on what we have done with protection of the oceans of the last two weeks, the National Party will continue to be dragged kicking and screaming to important environmental reforms that are only delivered by Labor.

Mr Swan: I ask that further questions be put on the Notice Paper.

PERSONAL EXPLANATIONS

Mr SIMPKINS (Cowan) (15:09): I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the honourable member claim to have been misrepresented?

Mr SIMPKINS: Yes.

The DEPUTY SPEAKER: Please proceed.

Mr SIMPKINS: The Assistant Treasurer claimed earlier, during question time, that I had said in the debate on the Family Assistance and Other Legislation Amendment (Schoolkids Bonus Budget Measures) Bill 2012 that families would use their payments for whitegoods, TVs and drugs. I would like to either read what I said or table it.

The DEPUTY SPEAKER: The member just needs to demonstrate where he has been misrepresented.

Mr SIMPKINS: I said:

They will receive that money and then, when the next bill comes in, that money will probably just flow out to pay for that. In a very small number of circumstances we may see a pick-up in whitegoods, TVs or, worse and hopefully in none or hardly any cases—

Which was not mentioned— drugs and alcohol and other excesses and vices and things like that.

Opposition members interjecting—

The DEPUTY SPEAKER: The member for Cowan has shown where he has been misrepresented.

COMMITTEES

Selection Committee

Report

The DEPUTY SPEAKER (Ms AE Burke) (15:10): I present report No. 8 of the Selection Committee, relating to the consideration of bills. The report will be printed in the Hansard for today. Copies of the report have been placed on the table.

Report relating to the consideration of bills introduced 18 to 21 June 2012

1. The committee met in private session on 20 and 21 June 2012.
2. The committee determined that the Tax Laws Amendment (Managed Investment Trust Withholding Tax) Bill 2012 be referred to the Standing Committee on Economics for inquiry and report.

REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION: (a) doubling of tax; (b) impact on investment in Australia; (c) sovereign risk issues; and (d) impact on long term infrastructure investment and other investment.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:11): 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:

Australian Competition and Consumer Commission—Reports for 2010-11—Report 1: Telecommunications competitive safeguards;
Report 2: Changes in the prices paid for telecommunications services in Australia.
Gambling Reform—Joint Select Committee—Interactive and online gambling and gambling advertising and Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011—Government response, 3:11:08 PM.

Question agreed to.
Debate adjourned.

BILLS

National Water Commission Amendment Bill 2012

Report from Federation Chamber
Bill returned from Federation Chamber without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:12): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012

Report from Federation Chamber
Bill returned from Federation Chamber without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:13): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

BUSINESS

Orders of the Day

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:14): I move:
That Federation Chamber, Private Members’ Business, orders of the day No. 9 relating to motorcycle safety, No. 11 relating to the Small-scale Renewable Energy Scheme, No. 13 relating to international aviation and emissions and trading, No. 18 relating to non-government school funding, be returned to the House for further consideration.
Question agreed to.

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:15): I move:
That Federation Chamber, Private Members’ Business, orders of the day No. 2 relating to the Small-scale Renewable Energy Scheme, No. 13 relating to international aviation and emissions and trading, No. 18 relating to non-government school funding, be returned to the House for further consideration.
Question agreed to.
Transport) (15:15): I ask leave of the House to move a motion to enable the following orders of the day: Private Members Business' to be called on and considered immediately in the following order: motion relating to international aviation and emissions trading, motion relating to motor cycle safety, motion relating to the small-scale renewable scheme and motion relating to non-government school funding.

Leave not granted.

**MATTERS OF PUBLIC IMPORTANCE**

**Economy**

The DEPUTY SPEAKER (Ms AE Burke) (15:15): The Speaker has 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 adverse impact of government policy management on Australia’s sovereign risk profile.

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) (15:16): I thought the acting Prime Minister was going to stay for my address but he was like Captain Emad. He was out the door. Captain Emad, what happened to him?

The DEPUTY SPEAKER: Order! The member for North Sydney may follow if he is not careful.

Mr HOCKEY: Madam Deputy Speaker, the Westpac consumer sentiment index was released last week and Westpac described their latest survey for June as 'another disappointing result'. The National Australia Bank had its monthly business study last week and their chief economist, Alan Oster, said:

I have never seen a result like that ever.

He added that the degree of weakening in activity over the past couple of months suggests that the economy is struggling with conditions in some of the previously strong industries—namely mining and finance. Business and property are also looking somewhat laggard at present.

We get accused of talking the economy down. We get accused of negativity. Here are the worst consumer sentiment surveys that have been seen by the surveyors, and we get blamed for it as if it is our fault. The government is the one that is in charge of overseeing the Australian economy. The government is the one who is responsible through its policies for the direction of the Australian economy and this week alone we have seen the government bury and resuscitate policies in biblical proportions that have not happened for more than 2,000 years. Policies that came out during the budget were killed and then resuscitated by the Prime Minister last week. The first was company tax cuts. The second was the passenger movement charge CPI indexation which the government increased in the budget but this week dumped. The third one truly takes on Lazarus proportions— withholding tax on management investment trusts. It was announced in the budget that the government was going to reduce it from 30 per cent to 7½ per cent. The budget said it is going to go back up to 15 per cent.

An opposition member: It bounced.

Mr HOCKEY: It has not quite bounced, but they put it in their bill that was before the House yesterday. Then they excised it from the bill yesterday and today they have reintroduced it. So at first the government reduced it from 30 per cent to 7½ per cent. Then in the budget they said they were
increasing this tax to 15 per cent. Yesterday they said they are dumping it back to 7½ per cent and today they have introduced a bill to increase it back to 15 per cent. And they are wondering why people are confused about the direction of this government. Seriously, it is a yoyo tax policy; it goes up and it goes down, it goes up and it goes down. But this is consistent with Labor in government.

We know the almighty proposal from the Prime Minister that there would be no carbon tax under a government she leads and then a few weeks later she introduced it. At the time, the Treasurer and I were on the 7:30 Report. That is when Kerry O'Brien was still hosting it. Red Kerry was still there interviewing. He asked a question of the Treasurer. He said, 'Would you introduce a carbon tax?' The Treasurer said: 'That is a hysterical assumption, a hysterical allegation. We will not do that.' Of course, Australians took him at face value. And here the Treasurer was giving us a brief analysis of what hysterical is today. He is the man hysterical because he is in a week and a half introducing the world's biggest carbon tax.

But this is part of the litany of broken promises from Labor. I thought I would get a list. There are more than 37 election promises broken, promises made solemnly by the government to the Australian people, promises that have resulted in back flips and contortions on a grand scale. You remember community consensus on taxing carbon. That was one of the love-ins. They said they were going to cut company tax—a $500 standard deduction on tax returns is what Labor promised. They dumped that in the budget. They promised to deliver the millennium goal on foreign aid. Well, they have dumped that. They have dumped a 50 per cent discount on interest income. They were so committed to dealing with the challenge of carbon dioxide emissions that they had a grand plan to give green buildings a tax break. They have dumped that. They promised to increase defence spending. They said there were going to be cuts in the defence budget but they were going to reinvest them in defence. The Prime Minister has broken that solemn promise and broken it quite spectacularly, because Australia is now at the lowest level of defence spending as a percentage of GDP since 1938, but that is what the Prime Minister calls a defence spending increase.

Believe it or not, those opposite said they were going to spare the Public Service from budget cuts. I believed them, too, because the Public Service is 20,000 larger in number than it was when they came into government just four years ago. They are making some cuts, but in the wrong areas. Remember gambling reform? Remember the agreement with the member for Denison? He remembers it, but you guys have forgotten. There is more. We know about onshore processing. We could get Captain Emad in here again. Where is Captain Emad? He has gone out the door with Swanny! And we remember the offshore processing centre in East Timor. What the hell happened to that? The Prime Minister forgot to tell the Timorese she was going to build a processing centre for refugees in their country. That is like reopening Fort Denison in Sydney and the Prime Minister of East Timor announcing that he is going to shuffle people there.

Of course, we had cash for clunkers—they believed in that. That did not even get to legislation. They had a big review into the Building the Education Revolution program, led by Mr Ongill. They promised to implement all the recommendations and they have implemented none of them. What happened to the Solar Credits scheme? And how about the national school curriculum, which the Prime Minister said was definitely
going to start on 1 January this year? We are still waiting.

The list goes on. I could spend all day here, but do you know what? The first point to make is that this is what creates sovereign risk—these changes; these flip-flops on policy. We do not write the speeches. We do not write the press releases from business leaders and employers, not just here in Australia but also around the world, expressing grave concern about the incompetence of this government. The quotes I am about to give are all from 2012—this year. So I am putting aside all the legitimate criticisms of the Rudd government in 2008, the Rudd government in 2009, the Rudd-Gillard government in 2010 and the Gillard government in 2011 and just dealing with the concerns of employers, businesspeople and workers in 2012. Ian Matheson is from the Australasian Investor Relations Association—covering the whole region. In a report on the survey of the top 200 ASX companies he said:

In the comments from corporates, obviously reflecting what is being told to them by international investors, there is absolutely no doubt there has been heightened concern about things such as the carbon tax, the MRRT (minerals resource rent tax), growing industrial dispute activity and sovereign risk generally. That has been going on for 12 months now.

John Stanhope, former CFO of Telstra, said:

… people looking outside at Australia think we're a sovereign risk because of the uncertainty created by policy fluctuation.

Colin Beckett from Chevron, in charge of the $43 billion Gorgon LNG project in Western Australia, said:

The key is to create a policy and investment environment sympathetic to capability building for the long run—pointing to the need for—a tax system that provides … certainty, stability and low sovereign risk.

Bernie Ridgeway, Managing Director of Imdex Ltd, said:

You're taking a previously blue chip jurisdiction for investment (Australia) and we're turning into something where we've got sovereign risk and uncertainty.

I am going to keep going because I want to get these comments on the record. David Knox, Chief Executive Officer of Santos, said:

My clear message to the Australian Government is: do not create uncertainty. Instead provide our investors with the confidence in Australia as a stable fiscal and regulatory region—allow us to stay competitive.

This is now extending overseas. David Denison, President and CEO of the Canada Pension Plan Investment Board, said—and I am sure the member for Leichhardt can add to it; he is providing plenty of commentary here:

… Australia’s budget that was tabled last week effectively doubled the tax burden on our real estate and infrastructure holdings in that country. If we conclude that these kinds of risks within any country become significant enough to call into question the predictability and stability of cash flows that are at the heart of the investment rationale for infrastructure, our response will be very quick and rational—we will simply stop investing there.

This is about the withholding tax on managed investment trusts, which the government said they were going to reduce from 30 per cent to 7½ per cent. In the budget they went and doubled it to 15 per cent. Yesterday, they dumped it back to 7½ per cent and today they have introduced legislation to re-increase to 15 per cent. One of the biggest investors in the world is saying: 'What are you doing? We will put our money somewhere else.' And they do not just invest in mining; they invest in basic infrastructure like electricity, water, toll roads and transport more generally—and do
you know what? They are saying it is getting too hard.

Ivan Glasenberg, CEO of Glencore, one of the biggest miners in the world and about to buy Xstrata, said in London:

At least in the Congo they need you, they want you there and if they start changing the rules on you, you may not continue investing.

... ... ...

So Australia does have its risk, yes. We saw the carbon tax, we saw the mineral resource tax. This is one of the biggest miners in the world saying that the Congo is proving to represent a lower sovereign risk than Australia under Labor. If you thought that was a one-off in London, Jac Nasser, who is the Chairman of BHP Billiton, is on the global board of News Limited and is a former global head of Ford, said:

I cannot overstate how the level of uncertainty about Australia's tax system is generating negative investor reaction.

He says Australia is increasingly 'one of the higher cost countries'. Tom Albanese, Chief Executive Officer of Rio Tinto, said:

I am sorry to say, now, frankly, when I meet with investors around the world they are saying, 'Tom are you worried about your over-exposure to Australia' ... that's not a good thing, that's a damming testimony for where Australia fits. It's not something to get fretful about, but it's something that should be recognised as a problem.

David Murray, former head of the Future Fund—I am going on, because these are important to list—said:

The consequence of introducing that tax at that level in Australia today is very, very bad for this economy, particularly in terms of its international competitiveness ... it raises costs further within Australia. It reduces our competitiveness for export of energy related commodities and it therefore renders us less competitive in the future. Bernie Brooks, Myer chief executive, said:

I'm not sure how you are going to get a greater degree of efficiency when you have the Fair Work Act—

I have hardly mentioned industrial relations—

which is going to cause an increased cost of labour ... The reality is paying 225 per cent penalty rates on a Sunday is going to have a significant impact on business.

We are not writing these things. These are people that employ other Australians. Bernie Ridgeway, managing director of Imdex, said:

You're taking a previously blue chip jurisdiction for investment (Australia) and we're turning into something where we've got sovereign risk and uncertainty.

Joe Ricciardo, Managing Director of GR Engineering, said:

It's in a de facto government arrangement where the Labor Party's being controlled by Greens and Independents and none of them are aligned to what needs to be done in the country.

Peter Agostino, Senior Managing Director of CBRE, said:

The Labor Party is in the hands of the Greens and Independents for every decision. The issue is we have a Government that doesn't have the ability to govern.

I can go on. Tony Sage, Executive Chairman of Cape Lambert, said:

Fund managers who control stock markets around the world all are telling me they are not investing in Australia because of the Government.

BGC owner Len Buckeridge says:

We have become the laughing stock of South East Asia as our reputation falls into a morass.

I can keep going on. The bottom line is this: Labor is creating uncertainty in Australia. Labor is creating negativity in Australia. Labor's taxation incompetence and poor governance arrangements prove it is not ready to govern the country and should step aside. (Time expired)
Dr Emerson (Rankin—Minister for Trade and Competitiveness) (15:31): Listen not to what the coalition say but to what they do. Watch what they do, and that is to invest as hard and as fast as they can in mining shares in this country. This is their own money, and they are voting with their wallets, as revealed in the statements of pecuniary interest. One after another, they are falling over each other to get into mining shares. Then you have, yet again, the shadow Treasurer of this country walking in and trash-talking the Australian economy, seeking to gain the maximum political benefit while at the same time doing exactly the opposite to obtain the maximum financial benefit—that is, to invest in Australia’s future by investing in our industries.

We have just had a diatribe from the shadow Treasurer, who knows nothing other than talking the Australian economy down, but I would rather look again at what businesses are doing. The Business Council of Australia has just released a report indicating that there is a pipeline of investment running towards $1 trillion. This is unsurpassed in Australia’s history. The report says:

By 2013, expenditure on capital investment is likely to grow to 30 per cent of GDP and remain at that level for the rest of the decade.

How does that constitute perceptions of sovereign risk? Why would investment in this country rise to 30 per cent of GDP, compared to an average investment intensity of 20 per cent of GDP for OECD countries? So not only is Australia doing well in absolute terms and extraordinarily well in historical terms but Australia is also doing very well relative to the rest of the OECD. The Business Council of Australia is indicating that it is likely that investment as a share of GDP for the rest of this decade will be 30 per cent, compared with 20 per cent for the rest of the OECD. It goes on to say:

The size of the largest of the major projects in the pipeline is unprecedented in Australia’s history…

Of course, we have various statements from various business leaders and indeed from politicians. Just yesterday the Liberal Premier of Western Australia referred to that day’s ‘announcement by Rio Tinto’s board that it will fund the completion of a major expansion of Rio Tinto’s iron ore port at Cape Lambert, worth more than $2 billion’. He said:

It underlines the increasingly significant role that expanded iron ore production and a dynamic Pilbara are having in shaping the economic and social future of our State.

This is from a Liberal Premier. He is applauding the big new investments that Rio Tinto is making in Australia because he is playing it straight. He is telling it as it is, not—as the Shadow Treasurer comes in here and does—telling it as those opposite would like it to be; they would rather see Australia fail than the Labor government succeed. They will trash-talk the economy at every opportunity. We know that Shell is investing more than $30 billion in Australia over the next five years. The chief executive of Shell, Peter Voser, said:

Shell as a company is actually very much advocating that we need a price for carbon on the worldwide basis and we want that to be on a market mechanism.

So there you have Shell expressing its faith with a massive investment in this country.

We also had references to gas-producing companies in Western Australia. Here is one: Woodside. That is a very large gas-producing company and it had this to say last month. This is Peter Coleman, the CEO of Woodside. One would think he would know a bit about gas and sovereign risk, as it is a multinational corporation. He said:
Woodside and our peers benefit enormously from Australia’s low sovereign risk profile and open investment regime.

Australia is a place that major oil and gas companies want to do business.

You would not believe that if you were listening to the Leader of the Opposition or the shadow Treasurer.

The Leader of the Opposition comes in every day and says: 'That's it—on 1 July, it's all over red rover. There goes Whyalla. There goes the coalmining industry.' Only last week he talked about what would happen from 1 July—or some time thereafter, because I understand that this is now a python, not a cobra strike or a 'noa constrictor' or whatever he has up his sleeve or elsewhere. What I am saying is that this opposition leader is trying to talk down the Australian economy. He is saying that there will be no coal industry in Australia—that the coal industry of Australia will be annihilated. The problem for the Leader of the Opposition is trying to talk down the Australian economy. He is saying that there will be no coal industry in Australia—that the coal industry of Australia will be annihilated. The problem for the Leader of the Opposition is that 1 July is now fast approaching, and he has not had the dexterity to even consider changing tack other than by changing metaphors from cobras to pythons and 'noa constrictors'. So he is still flat-footed, saying that after 1 July it will all be doom and devastation. That is why you see him today doing this tumble into a pool full of foam. But after 1 July he will crack his head on the diving board. That is what is going to happen: as he tries to do a spectacular backflip he will crack his head on the diving board and he will fall to the pool in a gigantic bellyflop, because the Australian economy will go on and the investment will increase—not because of what people say but because of what people are doing. And that is investing with confidence in the Australian economy.

You would reckon that the ratings agencies would know a little bit about sovereign risk. This is why they live and breathe; this is how they make their incomes. And this is what they said on 8 May—this is Fitch, first of all:

Australia's low general government debt-to-GDP ratio … is already a standout ratings strength, having given it a demonstrable capacity to absorb fiscal and economic shocks.

Fitch upgraded Australia to 'AAA' from 'AA+' in November last year, citing the country's strong credit fundamentals. At the time, we noted that successful implementation of the government's medium-term fiscal consolidation plans would support the ratings.

Now Moody's, also one of the three international ratings agencies, said:

The commitment to returning to surplus is important for Australia's credibility in accessing global capital markets.

And Standard and Poor's on the same day said:

Restoring the government's strong fiscal settings through a forecast return to surpluses over the cycle and maintaining low debt will provide flexibility to respond to large economic and financial shocks, and is consistent with maintaining the 'AAA' rating on Australia.

It is not just Standard and Poor's who are maintaining a AAA rating for the Australian economy; it is all three ratings agencies. This is the first time in Australia's history where all three ratings agencies have rated the Australian economy AAA. And if I were an investor and if I were considering Australia as a destination, I tell you who I would be listening to before I ever listened to the Leader of the Opposition or the shadow Treasurer, and that is the ratings agencies, because it is their job.

The coalition thinks that it is its job to trash-talk the Australian economy. Why? Because they do not want the Australian economy to succeed. They do not want people to get more and better jobs in the Australian economy. The other day—two weeks ago, when those very good figures
came out—we had unemployment of 5.1 per cent, we had GDP growth at 4.3 per cent, we had a Reserve Bank cash rate of 3.5 per cent and we had an inflation rate of 2.2 per cent. And have you ever seen such a hangdog performance from the shadow Treasurer? There he was, and they said, 'Are you questioning the numbers?' and with an old hangdog look he said, 'Oh, the numbers are the numbers.' I have never seen a more despondent shadow Treasurer in recent history, if ever. And the reason is that those opposite want to see the Australian economy fail. That is why they are 'glum and glummer'. That is why the shadow Treasurer was glummer—if possible—than the opposition leader on that day, with that performance. It was the old hangdog look: 'Oh, my God!' You can imagine what happened in the office when they read out the GDP figure of 4.3 per cent. He would have said, 'Oh no! No—it can't be right. I'm not going to do media.' And they would have said, 'Joe, you're booked in.' 'Oh, my God! Can you question the figures? I'd better not question the ABS. But, gee, I'll try to look happy.' But he could not. He could not raise a smile, because they were so despondent. They believed that that had damaged their electoral prospects, which are all they care about.

For further evidence of the fact that Australia is valued very highly around the world as an investment destination, a 2011 survey by the United Nations Conference on Trade and Development, the China Council for the Promotion of International Trade and the Asia Pacific Foundation of Canada found that Australia is seen by Chinese businesses as the second most open destination after the United States. We are not talking about a select number of countries: we are the second most favoured destination in the world as seen by Chinese investors. And this government is working very hard with China to ensure that there is the opportunity of further investment in this country.

But Mr Deputy Speaker Scott I have to say that members of your party—to whom I believe you are not very close—have been running around with anti-China rants. And I hope that you prevail, Mr Deputy Speaker, in the national interest. I am not being political here, I just think that it would be a terrible tragedy if Senator Barnaby Joyce ever made it into the House of Representatives and were to put himself forward as the alternative Deputy Prime Minister of this country. I genuinely believe that, Mr Deputy Speaker. You are a good man; you approach policy on a sensible and balanced basis and you represent your constituents properly. But this guy, because he cannot get off TV and because he cannot keep his mouth shut, runs around with his anti-China rants. These rants are, through the silence of the opposition leader, completely condoned by the opposition leader. Why? Because they come out of the same stable. They are out of the BA Santamaria stable. In fact, the opposition leader said, 'I worship the very water that BA Santamaria walks on.' He thinks that BA Santamaria was the messiah.

Senator Joyce knows that if he goes around scratching hard enough with this 'fortress Australia' mentality—this cringing mentality—he will find that there are some political votes to be harvested. He should be concentrating on supporting rural Australia harvesting grain and harvesting crops, rather than running around seeking to harvest votes in his quest to become the candidate for the Deputy Prime Minister of Australia. So I wish you every success, Mr Deputy Speaker Scott, not only because I like you but because I think this guy is a genuine danger to Australia.

We abandoned the 'fortress Australia' mentality, really, around the fifties and the
1960s. And I will give credit to the now National Party back in 1957, because it was John ‘Black Jack’ McEwen—with whom I would otherwise not have a lot in common—who had the foresight, the vision and the guts to go to the Japanese after the terrible toll of the Second World War and propose a commerce agreement.

Mr Hunt: Menzies!

Dr Emerson: That was supported by Menzies, so I am saying that they were visionaries in doing that. I think that is the sort of leadership that is needed.

That sort of leadership was then followed up by Whitlam, with the recognition of China. He said he would do it when he became Prime Minister and he did. It was followed up by Hawke and Keating, and these are the people who have helped to put Australia in the right place at the right time in the Asian region in the Asian century. It is why we are undertaking this very big and ambitious project: the Australia in the Asian century white paper exercise. At the same time there is this rabid behaviour from Senator Barnaby Joyce, who is not some sort of erratic backbencher; he is bound by cabinet solidarity. The fact that he runs around with his anti-China rants tells me one thing—that is, his activities, his behaviour, his language are all condoned and supported by the Leader of the Opposition. If for no other reason—and I could list 25 of them—the opposition leader should never be Prime Minister of Australia. Senator Barnaby Joyce should never occupy a senior position on any frontbench in this country. I believe that from my heart because of all the work that has been put in by previous governments—Liberal, National and Labor governments—to position ourselves in the right place at the right time in the Asian region in the Asian century. So, when you talk about sovereign risk in these debates, look at the sovereign risk that is being created by Senator Barnaby Joyce and condoned by the opposition leader because, in their hearts, the opposition do want to return to a fortress Australia.

You have, on this side of the parliament, a visionary political party. The Treasurer and Deputy Prime Minister said, ‘We’re the progressives; we do the big changes; we do the important changes for Australia’s future.’ On the other side are the reactionaries. You have the shadow treasurer coming in here with a hangdog look and saying, ‘Look; I’ve found a negative quote. Oh, this is terrible. Oh, here’s another negative quote.’ Well, look at what they do rather than what they say. They fall over themselves to invest in shares. Look at what the ratings agencies say: Australia is AAA rated for the first time in its history. Look at what investors are actually doing. You have got Shell; you have got Woodside. You have got major projects here. You have got an investment pipeline of more than $900 billion. Investment as a share of GDP is set to rise to 30 per cent compared with 20 per cent for the rest of the OECD, all great news for Australia, all because people know that under this government the environment is right to invest in this country. Yes, of course we take advantage of our proximity to China but that is not through good luck; it is through good management, through visionary management. We will continue that. We will continue to say yes to responsible economic policy while they continue to say no to everything. (Time expired)

Mr Simpkins (Cowan) (15:46): I think the minister ran out of things to say several minutes ago, particularly when he started talking about how our proximity to China is apparently due to good management, not luck. I really thought it was about distance, personally. As a proud Western Australian I see what great things the innovators and the courageous have done for our state and, as
we know now, this country. I talk of the industry that, for all intents and purposes, carries this country at this time: the resources sector. There was a time when it was said that Australia rode on the sheep's back, indicating the dependence on the wool industry, yet I wonder where this country would be if it were not for those who backed themselves in the exploration and development of mines and gas and oil fields. Where would we be if no-one wanted to take a risk? Where would we be if people like Lang Hancock had not risked the shirt off his own back in the belief that he could find and develop mining opportunities for the sake of this country? Where also would we be if the big and the mid-cap miners just decided, 'Well, we will sit on what we have; we won't risk anything more'? Where would we be if the guys involved in the small start-up prospecting companies did not mortgage their houses on the belief that they could succeed? It is true that many of the great resource businesses in western Australia were established and continue to be established by pioneers. Whether it was 50 years ago or whether it is right now, success in mining at some point takes someone to go out to some dusty, barren landscape to start making decisions. At the start of some ventures there are no six-figure pay cheques.

Where we would be is that this country would be less developed in every respect of economic, social and other forms of its life. We would be in recession and cities like Perth would be towns, not cities. This country is being held up by those who have taken risks in the belief that for the high risk there will be higher returns. Every one of the fly-in fly-out workers and their families and supporting businesses in Malaga, Wangara or Lansdale within the electorate of Cowan owe their existence to the fact that someone was willing to take risks and get out there, away from the cities and look for oil, gas, iron ore, gold, uranium and many other minerals.

Those who are employed as a result of these origins and as a result of the continuing decisions to invest and take a chance are the ones spending money in our retail sector in Perth and around the country. Food, equipment, vehicles and everything that keeps mines, projects and supporting businesses going are being sought in most cases from other businesses around the country and so the cycle goes on. Of course not everyone can or wants to take those risks but those who can and do in exchange for that risk should get the returns.

This government falsely believes that what comes out of the ground is the property of every Australian, but if it comes out of the ground in WA it is the Western Australian taxpayers that are due the royalties, not the Australian taxpayers. The same applies for each mine in any state or territory. This government sees the resources sector and Western Australia as cash cows. In the case of Western Australia, they fleece in excess of 40 per cent of the mining tax money out of WA and give a pittance back as they try to buy the votes they need to save their political hides.

The carbon tax is a bizarre piece of legislation that will have absolutely no effect on the world's climate, despite it being the world's biggest carbon tax. On the carbon tax, a lot is said by the government about who said what about Whyalla being wiped off a map but, as we know, it was Wayne Hanson, South Australian Secretary of the AWU—probably the preselector for half of the South Australian members on the other side—who said that Whyalla and Port Pirie would be wiped off the map by the carbon tax. So if they want to quote their own preselectors and be accurate maybe they should do so.
The definition of sovereign risk does include uncertainty about a nation’s economic policies, and the idea that regulations or laws can change without warning creates a lack of trust and consequent uncertainty. Sovereign risk is about certainty and consistency, and the carbon tax is an excellent example of a policy creating uncertainty and being inconsistent. Clearly, when the voters and investors hear a Prime Minister six days before an election say, ‘There will be no carbon tax under a government I lead’ and the Treasurer say, ‘Certainly what we have rejected is this hysterical allegation that somehow we are moving towards a carbon tax,’ it is interesting to consider those pre-election statements versus the post-election reality, because this goes to more than just the outrageous deception of the Australian people. These facts about pre-election promises of no carbon tax and then post-election deals with the Greens for a carbon tax say something loud and clear to international and domestic investors. It says that if the going gets tough for the Labor Party they will ditch any key commitment in order to hold onto power. So those thinking about investing in Australia now know that a Labor promise cannot be relied upon and they have to factor that into their lack of certainty about Labor. Even the government’s $23 a tonne as the carbon tax starting price represents a sovereign risk, as that is above any market price in the world and, indeed, the government predictions as seen in the Treasury documents. It seems that while economists everywhere predict the carbon cost per tonne will fall as low as $4 per tonne, Treasury says that it will rise to $29, and if it does not the whole scheme will fail. Investors are looking at the real world realities, and they can see the fallacies that surround the carbon tax.

Fortunately, they know that we are clear in our commitments, and they at least can rely on a future Liberal-National Abbott government. The question becomes: what outcomes are we seeing as a result of uncertainty and radical reversal of policy positions from this Labor government? The impact of sovereign risk on outcomes can be seen in projects such as the Port Hedland outer harbour. Instead of a full commitment to the whole project, now it is being phased so as not to risk the entire investment. This is where the lack of policy certainty and real sovereign risk are now playing.

Fortunately, when investors look around the world at mining and exploration projects, despite increasing levels of uncertainty concerning Australia under Labor, the fundamental political instability in parts of Africa still provides a deterrent. Yet there is increasing interest in South America, and if we are going to attract every possible cent from investors that translates into real jobs and economic activity then the national government needs to stay true to its policies and have policies that encourage risks through good returns rather than uncertainty and political cowardice.

What we have seen from this Labor government is that any critical analysis of its position is described as talking down the economy. Indeed, it is increasingly being made illegal in this country to dissent from the government. If print media is critical of Labor or the Greens then there is an investigation and new regulations or rules are imposed. Yet when the national broadcaster is critical of the opposition, that is okay.

At least one side of politics believes in free speech. I note that the Treasurer is so critical of Gina Rinehart seeking a seat on the board of Fairfax Media that he is actively trying to influence board membership in
Australia. Again, this is what the government do when they wish to stifle alternative views—not that I think Fairfax journalists will ever allow themselves to be told what to do. I find the government's approach Orwellian and pathetic in their contempt of free speech in Australia.

Speaking of opposition to government policies and attempts by this government to suppress it, I should also mention the new responsibility of the ACCC to act against those who dare to suggest that the world's biggest carbon tax will push up prices. As I said, there is an increasing attempt to silence and to apply pressure to any opponents of this government, its Greens backers or its policies. I also count these efforts as akin to sovereign risk, as the Labor government is attempting to protect its policies through regulation, exerting pressure on legal media ownership and influencing the activities of businesses. This constitutes circumstances of doubt and uncertainty for those wishing to invest in and conduct legal business activity in Australia.

I previously spoke about the government's claims that we are talking down the economy and demonstrated how the government hate criticism and have attempted to regulate and influence any criticism of them or their policies. The reality is that at the core of any damage to the economy are the policies of the Labor government, including their terrible backflips, their taxing, their spending and their deception along the way. They have created all of these concerns for business and investors, and it is through their own failures and outlawing of the ability to question them that they are not going to stop Australians, businesses and investors from having an increasing lack of confidence.

The shadow minister has already outlined so many quotes from people who have increasingly identified the sovereign risk in this country. A further very recent quote from Ivan Glasenberg was:

It is a first world country but is doing things that are making people cautious of investing, so Australia is becoming another country where you have got to make sure that the rules aren't going to change on you.

So, unlike what the government says, there are an increasing number of people that are not afraid to speak out and identify the government's failures.

To conclude my contribution, I say again that the increasing levels of sovereign risk that the investors are concerned about are as a result of the Labor government's own decisions. No-one is making this stuff up. The government is wholly responsible and you cannot play the blame game here. We did not make you deceive the Australian people on the carbon tax, use Western Australia as a cash cow or increase the regulations on business. None of this came from the suggestions or the efforts of the opposition. The good news is that this will be reversed with the election of a consistent and economically responsible Abbott coalition government, a government that will allow Western Australia to thrive and that will stop the carbon tax and the mining tax.
legislation. For the first time in this country's history they made it possible and legal for people on the minimum wage to be paid lower than award rates of pay. I think we need to be reminded of their economic position, their fiscal rectitude and the way they have gone about them when they have occupied the Treasury benches.

The truth of the matter is that we have a $1.4 trillion economy. We have a growth rate that is exceeding four per cent. We have an unemployment rate hovering around five per cent. We have a sovereign debt rate of less than 10 per cent, which is about one-tenth of most mainstream economies, and we have low interest rates. As a country we should actually be crowing about that and saying that it is not a bad achievement. Outside the halls here and certainly outside Australia, they go overseas and they do crow about it.

What was Tony Abbott's quote when he visited London recently? It was something to the effect that we have serious bragging rights about our economy. He also went on to say that our economic circumstances are most enviable. They get back on the 747, come back to Australia and want to say that this is a basket case. Quite frankly, the only basket case here is people coming in and wanting to talk down our economy and our economic performance, apart from everything else. You would have to say that that is just simply un-Australian. If you cannot stick to the facts, shut up.

In 2008, not all that long ago, the opposition, which had been in government for 12 years before it was dismissed in 2007, had an opportunity. In 2008, the worst economic shock hit this country and, as a matter of fact, the rest of the world—the global financial crisis. There was no text book on how to handle this. It is was a matter of trying to work together to stimulate the economy. We came up with what I thought were pretty clever ideas, like investing in our schools. Not only did that keep our construction industry working but it also meant that those kids are going to learn and, through these advanced learning technologies, are going to become more productive members of our society as they hit the workforce later on. So we get a double benefit out of that.

What did those opposite say about that? They just said, 'No.' It was not, 'Let's compromise; let's talk about it.' They voted no to any investment in schools. That is probably what they did when they had an opportunity in government, in any event.

We put money into social housing. The idea was to assist state governments with social housing—not only directly funding the development of new social housing but also funding maintenance so that they could get more housing stock on line. Those opposite voted no to that too.

I turn to regional and local infrastructure. This is infrastructure that is owned and operated by all our councils. Whether they were Liberal, Labor or Callithumpian it did not matter; it applied to all our councils. We voted to use that as a way to stimulate our economy by investing directly in the councils, allowing them to oversee those projects. What did the opposition do? They voted no to that.

But they did have an overlying philosophy. When they sat over there in the face of the world's worst economic crisis they did make a contribution to the debate. Their contribution was, 'We should wait and see what happens.' Some could argue that maybe Ireland, Greece and Portugal took their advice seriously and waited to see what happened in Europe and that this why they are almost economic basket cases.

For the those on the opposite side of the chamber to get up and lampoon the Prime Minister for attending the G20 conference
the other day and for saying how well the Australian economy is going, is, I have to say, a bit rich, when Tony Abbott goes overseas—to London—and talks seriously about the bragging rights we have in terms of the Australian economy.

But it is not just what they say. The shadow Treasurer has come in and quoted a whole range of people, again trying to develop the theory of doom and gloom in the Australian economy. But what about the recent IMF report? It was only released earlier in the week. It stated that the starting price on carbon should be around the level set by the Australian government in the Clean Energy Act.

Mr Mitchell: What?

Mr HAYES: Yes, that was the IMF—not exactly a rabid organisation! And that was only this week—on Monday—so those opposite should not have forgotten it by now.

Ms Hall: Did they acknowledge it, on the other side?

Mr HAYES: No, member for Shortland, they forgot to. But you are dead right: they should at least have had regard to that. The IMF went on to say that what we have done is the least costly option if we are serious about addressing carbon pollution. Their economic forecasts were included in the same document. The IMF actually released an economic forecast that showed Australian economic growth will outstrip all other advanced economies. That is not bad going. But if something came out on Monday you would not think those opposite would have forgotten it by Thursday afternoon.

The Business Council of Australia is not a mob of left-wing ideologues—I think there may be a few on the other side who are associated with it—but in their report *Pipeline or pipe dream? Securing Australia's investment future* they state:

By 2013, expenditure on capital investment is likely to grow to 30 per cent of GDP and remain at that level for the rest of the decade.

Thirty per cent is a huge growth. They are saying that this compares to 20 per cent for any other OECD economy. We are talking about the level of major projects in the pipeline. We are hearing that in excess of $540 billion worth of projects are lining up.

Shell have come out and said that they are going to be investing more than $30 billion in Australia over the next five years. CEO Peter Voser included a lovely statement. He said that Shell was actively advocating for a price on carbon on a worldwide basis, and that they would want it struck on a market mechanism. This is a company that is very much in the oil and hydrocarbon business coming out and saying that we do need to do that.

Woodside said something similar. I know that those opposite have been talking about Woodside earlier this week but they probably should have stopped and listened to the comments of Peter Coleman, who is the CEO. He said:

Woodside and our peers benefit enormously from Australia's low sovereign risk profile and open investment regime.

Australia is a place that major oil and gas companies want to do business.

Where is the growth occurring in our economy? On the North West Shelf, in Queensland and the Timor Sea. And who is investing up there? Woodside. That is where the jobs are going. And here is the CEO saying that this is a place where his competitors also want to do business.

We were lampooned for the fact that we were returning to a surplus. The only concern they have on the other side of the chamber is that they had a view that we should have an aspiration to have a surplus. They can be aspirational because when they
went to the last election they could not find $11 billion in their costings! They went and engaged an 'independent' set of auditors to come out and justify where this money was. Those certain independent auditors got done for breaching professional standards. That does not auger well when those opposite want to come in here and try and lecture us on financial rectitude and how to go about transparency.

While we are at it, those opposite have a little bit of a problem with their current policies. At the moment even they admit that there is about $70 billion—

Ms Hall: A black hole.

Mr Hayes: It is not a black hole, member for Shortland; it is a bloody crater! You would need a mining company to fill this crater. Those opposite want to come in here and play this silly game of talking down the Australian economy in the hope that things will go badly. This is nothing short of what they have tried to do with respect to people coming on boats from overseas. You can see those opposite; they actually salivate when they hear of another boat entering our waters.

These people do not care about management of the Australian economy. They just want to whinge and bleat. They have not been able to demonstrate any serious contribution to this debate. (Time expired)

Mr Randall (Canning) (16:07): I am pleased to speak on the adverse impact of government policies and the management of Australia's sovereign risk profile. I do so because it is very important to Australia and particularly to my electorate, with so many workers in Canning being employed in the fly-in fly-out side of the mining industry and the resources industry in general, where there are also drive-in drive-out workers. In this House my electorate is second to the member for Brand's in the number of metropolitan workers that fly-in fly-out or drive-in drive-out, so this is a very important issue.

What is sovereign risk? It is when people and companies see a country as a risky place to invest because the government is making the country less stable. We have become less stable for a number of reasons. The two main reasons are this government introducing a carbon tax and a mining tax. These taxes were introduced by the Gillard Labor government and, dare I say it, the former Labor government, the Rudd government. Prime Minister Gillard had an opportunity to do something about this and she did. Before the last election she said there would be no carbon tax under the government she led. Seven days before that the Treasurer, the deputy leader, said the same thing on The 7.30 Report. Within days, when they were set to form a government, they told a total mistruth about this issue and worked towards a carbon tax. Those sorts of backflips do not engender any confidence in anybody wanting to invest in a country. These are the backflips you would expect from Third World countries, not a First World country.

It is ignorant to believe that there is no evidence for this. I say at the beginning, unlike those opposite who say, 'You're preaching doom and gloom,' I do not preach doom and gloom at all. This side of the House does not preach doom and gloom about the opportunities for this country. What we are saying is we could be doing so much better. We have the opportunity to be an outstanding economy and a destination for investment capital.

Dr Leigh: We are doing well!

Mr Randall: We are, but the point is we could be doing so much better. The little intellectual ideologue that interjects from the other side of the House will get up shortly and read some dissertation from his
academic background and want us to believe his diatribe on these issues. But I come from where the workers come from. I do not come from this hothouse called Canberra, this social experiment. I come from a place where people wear fluoro jackets, working boots and working gloves. They earn real money from real jobs. They are not from the public service capital of this world. They do not feed on others, but actually produce something. That is where I am coming from. I come from the producing capital of the world. We have the richest mining province of anywhere in the world in the Pilbara, and right across Australia the opportunities are available.

Yesterday Atlas Iron were in this place talking to us. They said when they go overseas to sell the virtues of their company, investors in other parts of the world say to them there are three things they are concerned about: first, how is the minerals resource rent tax going to affect you?; second, how is the carbon tax going to affect you?; and third, what tax will they introduce next? This is a government that has not seen a tax that it does not like and does not want to hike.

China is the same. China says, before it invests in any of our companies: 'What is the story not only about your investment profile but also about your industrial relations profile?' On that point, this government has, through its Fair Work Act, allowed there to be an increasing militancy in the workforce which increases sovereign risk. This is borne out by adverse press, such as an article in the Business Spectator which states that for the first time in more than a decade BHP Billiton has been forced to declare it may not be able to supply its customers due to strikes, and the strike in its Queensland operations has gone on for more than 10 months. The article goes on to say:

Days lost to strike action have risen since the introduction of the Labor government's Fair Work Act in 2010 …

The strike has already cost BHP Billiton $2 billion in revenue. Isn't that seen as a risk by someone who wants to invest in our country?

The article goes on to say:

Workplace Relations Minister Bill Shorten, who yesterday said the country had an 'overheated industrial environment'—

and this is the dog in the manger, the former union boss who is now the Minister for Employment and Workplace Relations saying we have 'an overheated industrial environment'. But what is he doing about it? He said, 'We're monitoring it'. What a limp-wristed approach. We have a strike in Queensland and in the Pilbara we have the CFMEU and the Australian Workers Union fighting over members and demarcation disputes. All this goes towards the instability of doing work in our resources sector.

These issues scare countries like China which has invested in the CITIC Pacific project in the Pilbara. The company have said if they had the opportunity again they would not invest. They would not invest because they did not know there was going to be a mining tax. They would not invest because they did not know there was going to be a carbon tax. They did not know that doing business in Australia was going to be so expensive, because of so many factors hitting them now. These factors make this one of the most expensive places to do business.

The shadow small business minister, Bruce Billson, came to my electorate recently and pointed out that producing the same resources outcome in Australia is now 40 per cent dearer than doing so in the United States of America. This is not a Third World country or an African country but it costs 40 per cent more to do business here than to do business in the United States. Why
is this a concern? This mining tax is concerning because the tax impost is not happening in other destinations. If you go to any junior or mid-cap miner in Western Australia you will find that they have alternative mines elsewhere in the world, whether it be in South America, Africa or Mongolia. BHP's largest mining operation in the world is Escondida in Chile. I have been to it; it is the most massive hole in the ground you have ever seen. In Chile they have a mining tax which is flexible, from half a per cent up to 14 per cent. I have been to Colombia where Cerrejon, an incredible coalmine, is owned, 33⅓ per cent each, by BHP, Anglo American and Xstrata. Where have you heard those names before? They all invest in Australia. In Colombia the tax regime is four to six per cent depending on the mineral. And here we are with a 22½ per cent mining tax. So where are people going to go invest? Are they going to go to Colombia where it is four to six per cent or are they going to come to Australia where it is 22½ per cent? They are not going to come here. It is a slow burn but they are out there looking at alternatives. Atlas Iron were telling us yesterday that they are eyeing off mines in Africa because they need an alternative. Even Mongolia is a safer place because at least they know they are not going to have retrospective, backward-glancing taxes.

Put this together with the almost racist view that the unions and union bosses came back to us with in relation to migration, that we could not have foreign workers come to our mines to help create jobs for Australians when we are talking about up to 1,700 foreign workers—I make the point it is 'up to' 1,700—coming to our mines which will eventually create 8,000 jobs for Australian workers. So those opposite are in an absolute mess in terms of their policy. This policy is confusing and they are completely hamstrung by it because it gives uncertainty for those who want to invest in great Australian companies.

Australia is a fantastic destination. It is a stable country. It is a good place to invest because it has a wealth of minerals. But this government is turning a good situation into a risky situation. It is sending out signals that Australia is a place that investors might have to beware of. However, the good news is that we have said we will reverse both the carbon tax and the mining tax. We are going to take them away.

Dr LEIGH (Fraser) (16:17): I am a fan of the US e-zine Slate. John Dickerson had a piece in Slate a couple of weeks ago that I thought was pretty apposite to Australian politics at the moment. It was titled 'Is there any place for Jeb Bush in the GOP?' and it was about the radical shift to the Right of the US Republican Party. The author quoted Jeb Bush as saying, 'Ronald Reagan would have … a hard time in the Republican Party today, and wrote about the fact that the modern US Republican Party has now moved from a party of small 'l' liberalism to being a party of conservatism and reaction, a party that is defined by its anti-tax rhetoric. Grover Norquist has asked for all Republican candidates to sign his anti-tax pledge. Mitt Romney, the frontrunner, has done so, and a moderate like Jeb Bush is left with no place to go.

Reading the piece I was struck by what has happened to the modern Liberal Party in Australia—a party that once stood for market values, that once stood for an open Australian economy, but that now increasingly stands against markets, whether they are markets in carbon or in water. It stands against an open economy, runs scare campaigns on foreign investment and spends its time trashing Australia's reputation in the world.
There is an old Liberal Party that valued the role of the Australian Public Service, that saw the Australian Public Service as having a proud role to play in building a better Australia. The Liberal Party of Menzies believed in the Public Service, but we have just heard from the member for Canning what the modern Liberal Party thinks of public servants. He thinks they are people who feed on others. That is what he just told the House, that Canberrans, public servants, are people who feed on others.

Mr Randall: They don't produce anything.

Dr LEIGH: They don't produce anything; they feed on others. Those Canberrans who are listening to the debate today should be aware that the spokesperson for the modern Liberal Party has the view of Canberrans and public servants that they feed on others.

Dr Mike Kelly: And Queanbeyans.

Dr LEIGH: And people from Queanbeyan, as the member for Eden-Monaro reminds me.

Mr Randall: Mr Deputy Speaker, on a point of order on relevance: the title of this debate is the sovereign risk that this government has brought to the Australian resources industry, not the bureaucracy in Canberra.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Canning will resume his seat. This has been a very wide-ranging debate on both sides, I can assure you—I have been listening to the majority of it. The member for Fraser will be aware of the title of the matter of public importance, but he has the call.

Dr LEIGH: Thank you, Deputy Speaker. In understanding Australia's current context it is critical that we understand the role that public servants play in good policy. When the global financial crisis hit, it was the work of public servants in FaHCSIA, in Treasury, in Finance and in PM&C that put together the rescue package that saved 200,000 jobs and tens of thousands of small businesses. When Queensland was hit by natural disasters, it was public servants who went up there and made sure that people got payments. It was public servants that made sure that rebuilding work was done. But the coalition intends to cut 12,000 public servants. In fact, the shadow Treasurer has said that 12,000 public servants cut out of Canberra is the 'starting point', so it may well be a bigger cut than that.

I mentioned before that the Australian Liberal Party has taken a leaf from the Republican Party's playbook. It is libertarian Ron Paul who wants to cut 10 per cent of US public servants. The coalition say their starting point is seven per cent of Australian public servants. It was US presidential candidate Rick Perry who said he would get rid of three departments. The problem was he could not name them. Those opposite intend to get rid of three departments and at least they can name them—defence materiel, climate change and health—but of course they are just the start.

Those opposite are often called 'deer in headlights', but I think describing them as 'deer in headlights' when they are faced with economic questions is really unfair to deer. I think they are much more like fish out of water. You know that thing you do when the fish comes out of water—you drop it in the bottom of the tinny and it flips and flops and flips and flops around. We had the 2010 budget reply. Remember, that was a great budget reply, when the Leader of the Opposition was going to set out the savings that the coalition would achieve. He passed the buck over to the member for North Sydney who in turn said, 'Oh, no, I am not going to set out the savings. I am passing...
that to the member for Goldstein,' who then turned up to the National Press Club with a performance so embarrassing that even his own adviser was left at the back of the room shaking his head as the member flipped and flopped around. On the $70 billion black hole, some of those opposite will say: 'We do not know anything about that figure. It is the first we have heard of it.' Others will say, 'Yes, that is our savings target and what a big one to meet'—again, flipping and flopping everywhere.

When the member for North Sydney said that Australian entitlements should be cut, that we should have a Hong Kong-style welfare state, the Leader of the Opposition was again flipping and flopping, saying: 'No, no, no, we do not believe in cutting benefits at all. I worship at the feet of BA Santamaria. I do not believe in cutting benefits—'

Mr Tudge: Mr Deputy Speaker, I rise on a point of order on relevance. The member has not mentioned sovereign risk once. He has been speaking now for 6½ minutes. We call on him to be relevant to the issue at hand.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The member for Fraser is aware of the matter before the chair, but I remind both sides of the House that this has been an extremely wide-ranging debate and latitude has been exercised on both sides. I call the member for Fraser and remind him of the debate before the chair.

Dr LEIGH: Thank you, Deputy Speaker. If there is a sovereign risk to Australia it is those opposite talking down the Australian economy. It is those opposite who are willing to say anything and do anything to find their way into power. It is those opposite who are not willing to speak the truth about the Australian economy. There is something economists have called a 'misery index'. It is inflation plus unemployment. I find it hard to think of a time when the misery index has been as low as it is today—five per cent unemployment, less than two per cent inflation rate—and at the same time we have got a cash rate lower than at any other time when those opposite were in office.

There is only one member of those opposite who on economic questions does not look like a flopping fish out of water and that is the member for Wentworth. The problem is that when he sticks his head up to say things, as he did on the carbon price, for example, to make the point, his colleagues got a little uncomfortable. You will not find an economist anywhere that will tell you anything other than that the most efficient and effective way to cut emissions is by putting a price on carbon. When the member for Wentworth pops his head up to say things like that, of course, his colleagues get a little uncomfortable. 'Malcolm, come back down to the cool waters of populism,' they say, 'Come back down here. You do not look like a fish out of water up there, but really we would prefer that you came down here with the rest of the bottom feeders.'

Occasionally, young people will come to me and say that they are thinking about joining the Liberal-National Party. I say to them: that is fine, but let me tell you a bit of your legacy; let me tell you what it means to be a conservative. When Australia was threatened in World War II, it was a Labor government that brought our troops home to defend our shores, and conservatives who thought we should defend the Empire. When gender discrimination reared its ugly head it was a Labor government that proposed the Sex Discrimination Act; it was the conservatives who said no. In a nation built on Indigenous lands, it was a Labor government who brought about historic native title—
The DEPUTY SPEAKER: Order! The member for Fraser has had a lot of latitude and I will refer him to the matter before the House. He can confine his remarks to the matter before the House. He has had a lot of latitude, I can assure you. The matter is about sovereign risk.

Dr LEIGH: Thank you, Deputy Speaker. The sovereign risk that Australia faces is the sovereign risk of threats to economic confidence that come from those opposite running scare campaigns across the country. Barnaby Joyce says that a carbon price will raise the cost of a leg of lamb to $100. I say: pull the other leg of lamb, Barnaby!

Mrs ANDREWS (McPherson) (16:27): Let me start with the words 'sovereign risk'. For the last 10 minutes we did not hear those words very often from the member for Fraser and they are the words inherent in today's MPI. Let me add to them the words 'Labor government'—so 'sovereign risk, Labor government'—because they go together. They are words that we are getting very used to hearing, and it is very sad that because of the Labor government Australia is in very dire circumstances, circumstances that it does not need to be in and that it should not be in. Sovereign risk in Australia is now here courtesy of an incompetent Labor government, one that should be removed.

There is a very long list of bad decisions by this Labor government and it is headlined by the world's biggest carbon tax, a toxic tax on working families and on household budgets. This government should be ashamed that it has failed to support our working families. It has further increased the cost of living here in Australia and put significantly more pressure on our working families and, particularly, on our businesses.

Labor is trying to convince Australians that the carbon tax will be a great initiative for our country. In fact it was only earlier today that the Acting Prime Minister said that the government was proud to introduce a price on carbon. Is the government also proud to say to the Australian people that they are proud of reneging on the promise that they made before the last election not to introduce a carbon tax? Does that make the government proud? Does that make every Labor member in the House of Representatives who was elected on the promise not to introduce a carbon tax feel proud? Will each member feel proud when they face their constituents at the next election knowing that they did not honour their commitments the last time they were elected? Will they feel proud then? I doubt it and they should not.

The government keeps reiterating that this carbon tax will only apply to the top 500 polluters, but it has not been able to identify who they are.

Debate interrupted.

BILLS
Migration (Visa Evidence) Charge Bill 2012
Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012
Explanatory Memorandum

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Defence) (16:30): I present an additional explanatory memorandum relating to the Migration (Visa Evidence) Charge Bill 2012 and an additional explanatory memorandum relating to the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012.

ADJOURNMENT
The DEPUTY SPEAKER (Ms AE Burke) (16:30): Order! I propose the question:

That the House do now adjourn.
Grey Electorate: Remote Area Energy Scheme

Mr RAMSEY (Grey) (16:30): Last week I visited one of my northern towns, Coober Pedy. It pains me to once again have to bring to the attention of the House the price of electricity in Coober Pedy. Last July in this place I moved a motion condemning the Rann Labor government for its $1 million reduction in the electricity subsidy for 13 regional remote communities. In fact, it is no longer the Rann government. Mike Rann was dusted off by some union officials—that has a familiar ring to it in this place. The motion condemning the government for its reduction in subsidies was passed without dissent.

Coober Pedy has what we call 'off-grid electricity'. All other states support their regional communities in the generation of off-grid electricity but the South Australian government has vacated that space. To that end, it announced last year a reduction in the subsidy, which was going to lead to an increase in power prices of over 100 per cent. There was public outcry and my motion was passed in this parliament. Instead the government implemented a three-year scheme with the price going up each year. Here we are in year 2 and the carbon tax has been added to the result. The result is an increase of another 30 per cent—

Mr Hartsuyker: How much?
Mr RAMSEY: Thirty per cent.
Mr Hartsuyker: Shame!
Mr RAMSEY: The result is an increase of another 30 per cent in the price of electricity for commercial users in the township of Coober Pedy. The commercial tariffs will be 124 per cent higher than for on-grid users—and there are more increases to come.

Coober Pedy is an opal mining town and a tourist icon. There is nothing like it in the world. For those who have not seen it, it is a fantastic destination. It has underground accommodation—from extensive award-winning underground backpacker accommodation right through to four-star luxury hotel rooms. You can experience the working mines, and fabulous opals are available at the numerous gem shops in the town. There is the landscape of one million holes, the stunning beauty of the Breakaways and the wild west atmosphere of the town. But Coober Pedy has to compete with every other tourist destination in Australia—places like Longreach, Broome, or, in my electorate, Port Lincoln and Edithburgh—and they have to operate with a 124 per cent penalty tied around their leg. When tourists come into businesses in Coober Pedy they say, 'Great place but it's incredibly dear!' That is the news that goes up and down the caravan parks of Australia and it is causing great pain for the community.

Until 2002 the government used to run the generators in Coober Pedy, and then they basically held a gun at the local council's head and said, 'You'll have to run them.' So they handed them over a bunch of what were, it must be said, very well used generators. Eventually the council had to replace the generators—and that was expensive enough—and then of course the government pulled the subsidy. But the percentage of the subsidy they still receive comes with the caveat that householders will not pay more than 10 per cent above the grid price for the rest of the state. Consequently, the council has no choice but to pass on the ever-increasing cost to the business community. That is why we are left with the 124 per cent.

I said in this place last year that providing a higher cost environment will cost business and it will cost jobs. Like a carbon tax, a higher electricity price must cascade through the whole economy. If a worker cannot
afford to live in communities like Marree, Oodnadatta or Coober Pedy, why would they stay when the rest of Australia beckons? So these prices are passed on through the local businesses, through the local IGA, but the workers who are sent there in government jobs—teachers and policeman—are expected to get by on the normal wage. In fact, much of Coober Pedy's population are remote Indigenous people who live on welfare payments. The electricity prices, while they are only paying 10 per cent above the state average, are actually feeding down through all these other goods in the community.

This comes on the back of the state government and now also the federal government continuing to take from regional Australia but not being prepared to put back. The latest take from regional Australia is of course the mining tax. They are very happy to receive the receipts but they are not always so happy to support those communities that are actually providing the outcomes.

Wills Electorate: United Bonded Fabrics

Mr KELVIN THOMSON (Wills) (16:35): I rise to speak in support of a local manufacturer in my electorate, United Bonded Fabrics, and its managing director, Mr Jim Liaskos. I would like to congratulate UBF on being inducted in May into the Victorian Manufacturing Hall of Fame, which celebrates elite manufacturing organisations that have demonstrated a long-term commitment to manufacturing excellence and continual innovation. UBF has been making a significant contribution to local employment and our local economy in and around Coburg for many years. Some parts of the business date back to the 1870s. UBF's head office has been located at its factory in Coburg since 1930, where there has been continuous textile manufacturing.

UBF's work and products in the manufacturing sector have always been of the highest standard.

One of the issues that Mr Liaskos and I have discussed is the Australian government working to provide greater opportunities for local manufacturers to secure work with our mining, resources, infrastructure and defence sectors. Mr Liaskos would like to see strengthened ties between Australian manufacturers like UBF and projects associated with the mining sector. This will help secure the long-term future of Australian manufacturing and support Melbourne's north.

Manufacturing is a critical industry sector for Melbourne's northern region. Manufacturing's share of gross regional product in Melbourne's north has fallen from 26.5 per cent in 1998 to 16.3 per cent in 2011. However, manufacturing is still the largest regional employer, employing over 53,000 workers across the region. Latest census statistics show over 6,000 people who live in Wills are employed in manufacturing, which accounts for 10 per cent of local total employment.

The Australian government has recognised that manufacturing is undergoing challenging times, which in large part is being fuelled by the mining boom in Western Australia and Queensland and the resultant high dollar. I support the range of measures established by the Australian government to help the manufacturing sector, including the establishment of the Prime Minister's task force on manufacturing. I welcome the Australian government's $2.5 million over four years to apply the Australian Industry Participation National Framework to its own procurement and infrastructure projects. Each of these projects will now require an Australian Industry Participation Plan, setting out how those in charge will give
Australian industry full, fair and reasonable opportunity to supply goods and services.

But more work needs to be done. I refer the House to the groundbreaking research report *Manufacturing in Melbourne's north: Now and into the future*, by NorthLink, which confirms the importance of manufacturing in the region. Some of its key recommendations include: expand Enterprise Connect so that manufacturers with a turnover of less than $2 million can participate in the program; increase regulation of cheap and inferior imports that do not meet the same quality and other regulatory requirements of local products; increase the percentage of locally made products for major infrastructure projects; provide partner funding to establish at least one new small business incubator in northern Melbourne; provide funding to expand the Greenhouse Challenge Program in northern Melbourne; and providing funding for regional co-ordination and support for manufacturing. NorthLink is an established and highly regarded business industry network for the north that can coordinate and deliver new strategies to manufacturers on behalf of government.

The second issue which United Bonded Fabrics raised with me referred to operational health and safety concerns with formaldehyde and fibreglass, and the current lack of labelling on the packaging of manufactured glass fibre thermal, acoustic insulation and filtration products in Australia—both of which are listed as carcinogenic. Mr Liaskos advised me that legislation in the USA and Canada requires that such products carry a warning on the packaging of this hazard yet in Australia there is no such warning. During the Home Insulation Program products imported from the USA had packaging modified to remove this warning. Mr Liaskos advised me that the Material Safety Data Sheet, MSDS, from fibreglass manufacturers seeks to mask the use of formaldehyde by removing the name of this material and only noting the chemical number. The standard declaration in an MSDS applicable in other countries is significantly more stringent compared with that used in Australia.

Mr Liaskos states that some overseas manufacturers have acted to move away from using formaldehyde based resins as a binding agent as a direct result of the concerns about its use. It makes sense to me that UBF's concerns in this regard should be seriously considered by the Australian government and that labelling legislation ought to be considered similar to that which applies in the USA and Canada. I look forward to working with relevant stakeholders to continue securing the future of local manufacturing. *(Time expired)*

**Carbon Pricing**

Mr HARTSUYKER (Cowper) (16:40): The 1st of July is the day upon which the Prime Minister's elaborate deception of the Australian people comes to fruition. The 1st of July is the day upon which every power point in the country becomes a tax collection agency for the Labor government. The 1st of July is the day upon which the fraud perpetrated by the Prime Minister, the member for Lyne and the member for New England will really start to hit home.

The DEPUTY SPEAKER (Ms AE Burke): The member for Cowper knows that he cannot use that word.

Mr HARTSUYKER: I withdraw.

Mr Randall: Deception?

Mr HARTSUYKER: Deception? Yes, that is all right. On 1 July the people of the North Coast are going to see a power increase—not five per cent, not 10 per cent, but 19.8 per cent—on their power bill. How much of this is due to the carbon tax?
Around half. The Treasurer and Deputy Prime Minister would have us believe that half is a tiny fraction. I assure the Deputy Prime Minister that half is not a tiny fraction and that a 10 per cent increase in power bills is going to greatly disadvantage the people of the North Coast.

When you look at the government modelling, you see that it is quite informative. The government said that power costs will rise by around 10 per cent, according to their modelling. But there is a key point that they are omitting. They said that power costs would rise by 10 per cent over five years. What we have got is almost a 10 per cent increase on the first day. And what are we going to see as the carbon tax increases—as the government predicts it will—all the way to $350 a tonne from $23 a tonne—a figure already out of kilter with taxes around the world. At $350 a tonne, what will the price of electricity be then? What will the Prime Minister say to the people of Australia then? What will the member for Lyne be saying to his constituents? 'Oh, it's good for you. Trust me; it's good for you.' How ridiculous!

We have a situation where small business on the North Coast is struggling under increased costs and we have a government, supported by the Independents, making a bad situation worse. Many businesses are struggling and reducing their energy consumption anyway they can, but they have already been doing that for quite some time and they have very few alternatives but to pay the increased costs or go out of business. I would like to refer to the power bill of Mr Russell Greenwood of Russell's Meats. He said to the media last year:

I think that the backbone of this country is small business and if this carbon tax goes through, well it's going to crucify and close a lot of stores, which are already closing. People are finding it very hard out there in this economy and I think it's just going to get worse and worse if this carbon tax goes ahead.

Mr Greenwood's electricity bill is in excess of $22,000 a year—and this carbon tax is going to drive it up even higher. On 1 July that $22,000 bill is going up by almost 20 per cent.

And it is not just butchers like Mr Greenwood that are going to be affected. Supermarkets having to keep food cool and pubs and hospitality establishments are going to be affected. Any business that uses electricity is going to be hit hard by this tax. But the government just does not seem to care. There has been no compensation for small business under the carbon tax legislation. Small business, the major driver of employment on the North Coast, has been ignored by the Prime Minister and abandoned by the Independents. Small business cannot stand another 20 per cent increase in electricity prices. This government should repeal this crazy tax. The Independents should see the folly of the decision they made to support this government and should support this tax. Small business needs a helping hand at this time. They are struggling with increased costs and static or falling turnovers, and it cannot go on. If we are going to maintain reasonable levels of employment in coastal communities we need to remove from small business every pressure that we can. A carbon tax moves in exactly the opposite direction. It is a tax on small business, a tax on employment and a tax on competitiveness. It is a tax that makes no logical sense. Why export Australian jobs overseas and destroy local jobs? There is only one reason: this Prime Minister is beholden to the Greens and to a couple of Independents who forgot why they came to Canberra— *(Time expired)*
Mr LYONS (Bass) (16:45): I rise in the House this afternoon to speak on the upcoming Olympic Games and, in particular, the outstanding achievement of the Tasmanian competitors who will represent this proud nation in London for the 30th Olympiad. The London Olympic Games will bring together over 10,000 athletes from more than 200 countries to compete in over 30 different sports. This is in stark contrast to its humble beginnings. In the first modern Olympics, held in Athens in 1896, around 300 male athletes from 15 countries competed in nine sports. This demonstrates how the games have evolved, grown and developed over time into a worldwide celebration of sporting success. The Olympic movement has a great history.

Pierre de Coubertin, the man credited as being the founder of the modern Olympics, summed it up well. He was of the belief that participation in sport helped form the character of young people, and I could not agree more. I have seen firsthand the positive effect that sport has on people, both young and old, through my involvement with football, tennis, netball and surf-lifesaving. Participation in sport develops great qualities that all Australians can benefit from. The Olympians selected for London exemplify these qualities, such as commitment, dedication, sacrifice, determination, resilience and the will to win. Regardless of the sport, all Olympians can stare adversity in the eye and take it head-on, 100 per cent. The exceptional men and women selected for the games will uphold the hopes and dreams of their nation and will do so with diligence, sportsmanship and pride.

I make the House aware that it is an exciting time in Tasmania at the moment. My island state is on track for having a record number of athletes competing in the Olympic Games. This outstanding achievement is another example of Tasmania, including my electorate of Bass, punching well above its weight in the sporting arena, with the likes of Ricky Ponting, David Boon and Daniel Geale having represented their state and country with distinction. I congratulate the 11 Tasmanian athletes that have so far been selected for the games from a diverse range of sports, including rowing, boxing, cycling, hockey and athletics. With a number of teams still to be announced, I am confident that the state will produce over 15 Olympians.

I particularly mention the selected athletes from my electorate of Bass. Hockey player Tim Deavin has been selected for his first Olympics, and Richie Porte and Matt Goss are likely to gain selection in cycling. In addition to this, Tasmania will be represented by three inspiring athletes in the Paralympics in the sports of sailing, athletics and cycling.

As the members of the House would be aware, the Gillard government is committed to supporting our elite athletes as well as investing in grassroots programs around the country. An example of this can be seen with the Prime Minister's Olympic Challenge and Prime Minister's Paralympic Challenge. These two projects encourage participation in sport. In addition to this, the Gillard government has invested heavily in the Active After-school Communities program. This is a proven a success, with 190,000 children participating in this excellent program. I was fortunate enough to attend an Active After-school Communities session at Trevallyn Primary School in my electorate. It was a very satisfying experience seeing the kids engage and work on the skills and qualities of future Olympians. These programs are just a snapshot of the opportunities that this government is
providing to young Australians to develop their skills in sport.

The London 2012 Olympic and Paralympic Games provide a special opportunity to inspire Australians, particularly young Australians, to be more active and play sport. As members of parliament we should encourage our communities to be active, to promote good health and wellbeing. Surf-lifesaving, netball, football, hockey, swimming, tennis, yoga—the opportunities are immense. I congratulate the athletes selected to represent this proud nation and wish them every success in Olympic glory.

Economy

Mr ROBB (Goldstein) (16:50): Retail is already struggling. We have had a year where a crisis of confidence, an anxiety, about the lack of direction and certainty has been building within households all over the country. Australia's seven million households have been saving, on average, 12 per cent of their discretionary income. This is extraordinary and has gone on for over 12 months. It translates into something close to $90 billion. That is money which would normally have been spent in shops and on other activities. Instead, it has been paying off mortgages, paying off plastic and being deposited in banks. That has meant that $90 billion has not been spent.

No wonder retailers are on their knees in so many places. They are already struggling because of the economic circumstances that have been created by this government over the last three or four years. In the Victorian regional centre of Shepparton, 140 shops have closed. That is 140 former business owners, and families, who no longer have a living. It is a disgrace. It is an example of what I think we have all witnessed in our own electorates—shopping centres which have an inordinate number of empty shops.

Traders in my electorate are suffering the same anxiety and loss of trade and are extremely anxious about the carbon tax. Nick, who runs the cafe opposite my electorate office, told me how his business is already down 30 per cent year on year because of the collapse of confidence among typical consumers in my electorate. People who used to buy two coffees a day are down to one. If you put that across all his customer base he has a serious loss of trade. Electricity is one of the biggest inputs into what he does—his coffee machines, fridges, ovens, lighting, heating and air-conditioning. Then there will be cost rises, with the new carbon tax, on the things that he buys in—the milk, which goes through various processes before it reaches his store, and the bread he buys from the baker, whose power bills are also going to dramatically rise. You name it.

Here is Nick's dilemma: if he passes on the increased costs to his customers, his business might be down not 30 per cent but 50 per cent. It is his significant venture. He has put a lot of his life's earnings into this business. He works long hours, as nearly everyone does in hospitality, and yet he is being punished and penalised again, despite his business and millions of other businesses being under enormous financial pressure. They are now going to be subject to a carbon tax and told to get used to it: 'This is a transitional change we have to have.'

No-one else in the world is doing it. No other country, no other part of the world, has this change forced down its throats. Yet Australia is doing it at an enormous cost—not only the financial cost but also in the impact on morale, on people's incentives, people's will, to chase some blue sky and try to make a better life for themselves and their families. And there is not one cent of compensation for any one of those 2.4 million small businesses. That is a story that is reflected right across this country. It is a
total disregard for those millions of people and families who worked so hard and so long to try to make a go of a small business venture. There is not one cent of compensation. Every one of them is affected by it and some of them in a most grievous way.

Let us look at the disadvantaged for a second. We have seniors who are forced to go to shopping centres, community centres, libraries and the like now because they cannot afford heaters and air-conditioners. Those numbers will only increase with the carbon tax and a massive increase in their cost of living. This is a bad tax which must be got rid of. *(Time expired)*

**Deakin Electorate: Dorset Primary School**

**Mr SYMON** (Deakin) (16:55): As many in this place would know, I always like to finish off the parliamentary week with a good news story at the last adjournment spot, and I bring yet another one today. Today I talk about one of my local schools. Just for once, it is not about another BER project that has gone so fantastically well in the electorate. This one is about a Stephanie Alexander kitchen garden. Some schools have had these for quite a while. In Victoria it has been a state program, and it is now a federal program as well. That is a great thing.

Dorset Primary School, in Croydon, in the electorate of Deakin, received $60,000 to put in a Stephanie Alexander kitchen garden. Dorset is a school that I have had a lot to do with over the years. It has grown in size every year, with more and more students. Since it has had its new works done under the BER program it is looking a whole lot better, but the garden looks better now too. Dorset has always had an ad hoc sort of a garden program. It is one of those schools where, when I go in the front gate, I usually find a chook walking around the place, and I occasionally trip over them—they are pretty friendly. It is that type of school. Now that it has the Stephanie Alexander Kitchen Garden Program, I am sure it will become even more that type of school.

We were fortunate on the day to have the lady herself, Stephanie Alexander, come out with the Minister for Health, the Hon. Tanya Plibersek, to announce that there is another three years of funding for this program from the Gillard government. I think that is a great thing, because many schools that get kitchen gardens installed ask me: 'What do we do when the funding for our program ceases? How do we keep the kitchen side of it going?'

I got to look at the new garden that had been installed, and we had a big school assembly there. Principal John Jacobs, who I often see, was there, and we also had the CEO of the Stephanie Alexander Kitchen Garden Foundation, Ange Barry, there. It was a great result and good to see. The kitchen was still being finished when I was there. That was back on 16 May, and it was almost ready.

Some children at primary schools do not get the opportunity to see where food actually comes from. Although it might seem very simple to some of us, seeing how food is produced and prepared and where it comes from to get to your plate is a great thing. Other schools in my electorate have had Stephanie Alexander kitchen gardens installed over the years. Nunawading Primary School had one, I remember, as far back as 2007, and Burwood Heights Primary School also had one.

On the day, it was a great announcement at a great school. The other thing we had happening at the school on the day was a program run by the Commonwealth Parliamentary Education Office. That is also
a very good program. It is fairly rare; the PEO do not travel that much, but they do get out and they bring parliament to our schools. Locally I have done that program twice now, over the years. So, on the same day that we had the opening of the kitchen garden, we also had a mock parliament, just like we do in this place upstairs for the school groups. The PEO does this on occasions for schools whose students do not get the opportunity to come and see what we do in Canberra. I got to address the students there and to see them practice their craft. I think there are a few candidates for a position up here in years to come. They did rather well. There were probably not as many arguments as we get in this place sometimes—they were fairly well behaved and fairly well on the point. If I remember rightly, they debated a bill about banning school homework. Believe it or not, I seem to remember that they voted it down. So they wanted to learn more, and that is a great thing.

It was not only Dorset that had a 'Parliament Alive' presentation that day. We also had the PEO come out to Livingstone Primary School and Weeden Heights Primary School in the electorate, and we went through a similar sort of script there. It is a great way of getting the message about what our parliament does and how it operates across to children who do not get the opportunity to come and see it themselves. Here in parliament every day we have many, many schools visiting—we just had one up in part of the gallery there—and it is a great experience. I certainly appreciate the PEO being able to provide that program in the electorate of Deakin.

House adjourned at 17:00
The DEPUTY SPEAKER (Ms M Vamvakinou) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Devine, Reverend David

Mr TUDGE (Aston) (09:30): I would like to pay tribute to a man whom we are losing from the Knox community, the Reverend David Devine. For the last 15 years, Reverend Devine has been the pastor at the Rowville Baptist Church. Last Sunday, however, he announced that he would be stepping down from this role and taking up a position with the Baptist Union of Victoria as head of church health and capacity building. This is a great gain for the Baptist Church generally but a loss for our community. Reverend Devine has made a remarkable contribution to our local community in Knox. He has touched the lives of hundreds if not thousands of individuals over the years and provided spiritual guidance, love and pastoral support. I have had the opportunity to attend a church service of his and witness his talents in preaching. In the great Baptist tradition, he is able to take single verses of the scriptures, delve into them and explain very clearly their significance and enduring relevance for us today. But what I have found additionally impressive about Reverend Devine is his willingness to engage in the broader public discussions in our community and get involved in community activities at large in a very practical way. I think the best church leaders are able to do this, to transcend their individual parish and provide broader community leadership. Reverend Devine has done this as well as any church leader that I know.

He has been involved in community discussions relating to foreign aid, Indigenous affairs, the need for better public transport, the requirement for church based schools to employ teachers of their own religion, mental health issues and poverty more generally. He has also been active in bringing other churches and community organisations together towards single causes, most notably the Knox Christmas Appeal, which supports those less fortunate in our community. He is a member of the Outer Eastern Prayer Breakfast Committee, which brings the broader Christian and business communities together in our local area. He has been on council committees and all sorts of other committees and activities—and I could go on. As one local resident put it to me, he is simply everywhere. I have got to know Reverend Devine particularly well over the last few years since becoming the member for Aston. I have valued his friendship enormously and his quiet advice, guidance and encouragement. He is a humble, decent man. I will miss him personally. I know his parish will miss him very deeply, and our community will miss a great man who has been a tremendous leader in the very best Christian tradition. We thank Reverend Devine for his service to God and to our community, and I know that that service will continue in his new role.

Charlton Electorate: Glendale Transport Interchange

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (09:33): I am pleased to report that Labor has delivered $7 million to get work underway on a major infrastructure project in my electorate of Charlton, the Glendale transport interchange. It is part of a total of around $17 million that this
The government has now provided to Lake Macquarie City Council, which covers a large part of my electorate for local infrastructure projects. That amount of money, $17 million, is on top of the tens of millions of dollars of funding that has been provided for priority road projects and black spots.

The Glendale transport interchange is the most important infrastructure priority in the electorate at the moment. So that $7 million in funding is very important. It will be used by the council to complete major roadworks in preparation for the construction of the Pennant Street bridge and rail overpass. That is just the first step to resolving traffic issues in and around Glendale and Cardiff which will unlock the potential for jobs and growth in the Cardiff industrial estate, where currently about 10,000 people work and there is only one main road in and one main road out creating significant congestion.

The funding has been delivered through the Regional Development Australia Fund, which is a key element of the government's support for regional Australia. When complete, it will mean greater access to the major retail, residential and industrial precincts as well as sporting and leisure areas. Importantly for commuters and people shopping in the major areas, it will also reduce traffic congestion and encourage a more effective public transport system. It is a big project and as such the overall development will be completed in stages. The first stage is the major roadworks that I described a moment ago. Further stages will include the construction of a bridge at Pennant Street and a new railway station and interchange to link all modes of transport.

I have supported the council in its efforts to secure funding for the Glendale interchange for a very long time and I am certainly proud to be part of the Labor government that has delivered the funding to get it going in this and what is the fastest growing demographic area in the lower Hunter region, where there is a great need for increased infrastructure funding. It is certainly very good news for the area that the transport interchange will soon be coming to life.

Macquarie Electorate: Mental Health Services

Mrs MARKUS (Macquarie) (09:36): I rise today to speak about a very important issue across this nation but particularly in the electorate of Macquarie: access to mental health services. Almost half of all Australians will experience a mental health disorder at some point in their life. Many more will be impacted as families and friends grapple with how best to support someone close to them struggling with a mental health disorder. On this point I would like to particularly recognise National Carers Week this week and acknowledge the challenging and often unrecognised carers across the Australian community.

This month I was contacted by a member of my community, Mr Michael Farrell-Whelan with regard to his concern about the federal Labor government's plan to cap the Mental Health Nurse Incentive Program. Mr Farrell-Whelan has worked within the New South Wales health department for more than 30 years and his wife, Wendy, is also a mental health occupational therapist. They both operate out of Katoomba in the Blue Mountains. As the parliament may be aware, the people of the Blue Mountains have a range of barriers to accessing health services—challenges such as transport and financial burdens to name a few.

As a part of this budget the Labor government has declared that services under the Mental Health Nurse Incentive Program will be maintained at 2011-12 service levels while they
conduct an evaluation of the program. But the Labor government had already reduced the better access rebate that encompasses this program for the previous financial year, so practitioners and patients were already doing it tough. The fact that all organisations that are currently part of a program must maintain client services at existing levels and that no new organisations can join the program means that there is greater pressure on these vital organisations as more people are diagnosed with mental health illness every year. This directly impacts families as they continue to struggle to get access to the services they and their loved ones need.

During the community services Senate estimates committee hearing in May, this government failed to present a clear picture of who will be affected by the freeze, when that may occur or how its impact will be monitored. Even a couple of days ago the Minister Assisting the Prime Minister on Mental Health Reform, the member for Port Adelaide, was asked about the program. He had to take the question on notice and could not provide sufficient answer. This creates further uncertainty amongst people who currently benefit from this program, as they continue to battle with how they can best serve their community.

This government continue to add pressure to the families of the Blue Mountains. Just last sitting period I rose to speak about another cut to funding for One80TC located at Yarramundi. The minister needs to give account particularly to the residence of Macquarie who have inquired about this Labor government’s cut to further vital health services in the local community—they deserve an explanation. I ask the minister to reply; I invite the minister to contact my office to organise a meeting in respect to both these matters.

**Calwell Electorate: Hume Global Learning Centre**

Ms VAMVAKINOU (Calwell) (09:39): Last Sunday, 17 June, I had the great pleasure of attending the official opening—in fact, officiating at the opening—of the Hume Global Learning Centre in my electorate of Calwell in the very fast-growing suburb of Craigieburn. This particular day was very special for the community and indeed for me as well, as the federal member. The Craigieburn learning centre is modelled largely on the Hume Global Learning Centre in Broadmeadows. It is a global learning village that has acquired in the 10 years that it has been in existence in Broadmeadows an international reputation for excellence in lifelong learning. I am very pleased that another global learning village has been established in Craigieburn in my electorate. The building of this magnificent state-of-the-art library would not have been possible without the contribution from the federal government. The federal government, through its Regional and Local Community Infrastructure Program gave our community $9.47 million—that contribution was one of the biggest contributions to a local community—in order to make the building of this very significant institution possible. Can I also acknowledge and thank the Hume council’s contribution of $7 million to the overall $16 million or so project which is going to benefit the very fast-growing suburb of Craigieburn.

It was very timely to open officially the global learning village in Craigieburn, in the year that the Australian government has proclaimed the National Year of Reading. As we all know, libraries are places where you go and borrow a book for the purpose of reading it, and that is certainly a practice that we want to encourage amongst young people. Also, it is a practice that we want to make available to older generations of Australians who are now going to libraries for the purpose of not only borrowing books but also gaining access to IT and use of
computers. Of course, the Craigieburn learning centre will have all of these facilities. It will have PCs, it will have internet connection, it will have e-books available and it will have e-audio books. There will be youth and children's areas and there will be opportunities for playtime reading. There will be opportunities also for older Australians to come together in what is an exquisite new cafe, which is part of our global learning centre. Congratulations to the community of Craigieburn, and much appreciation to the Australian government and to the Hume City Council for making such an excellent learning centre available.

Petition: Health Services

Mr CHRISTENSEN (Dawson) (09:42): I would like to table a petition from my constituents to the House of Representatives which has been submitted to the petitions committee and deemed to be in order.

The petition read as follows—

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

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

- the severe shortage of general practitioners of medicine in Proserpine and the Whitsundays;
- the unsustainable situation of the limited number of general practitioners in Proserpine and the Whitsundays being overworked, in some instances regularly attending to patients for up to 12 hours a day or more;
- the resultant pressure being placed on the taxpayer-funded public health system; a the fact that another general practitioner has left the district in early 2012 which further exacerbates the problem; and
- the fact that many medical centres in Proserpine and the Whitsundays have advertised extensively and repeatedly for Australian general practitioners without any applicants responding to those job offers.

We therefore ask the House to take every possible action to address the shortage of doctors in Proserpine and the Whitsundays, and in particular allow a greater allocation of Medicare Provider Numbers to foreign-trained general practitioners in the district and offer greater incentives for Australian general practitioners to relocate and work in rural areas such as Proserpine and the Whitsundays.

from 1,100 citizens

Petition received.

The 1,100 signatories on this petition have very real concerns for the future of health services in the Whitsundays. Petitioners draw attention to the severe shortage of GPs in Proserpine and the Whitsundays, the unsustainable situation of the limited number of GPs being overworked and in some cases attending to patients for up to 12 hours a day or more—I know that happens sometimes six days a week; the resultant pressure being placed on the taxpayer funded health system; and the fact that another GP left the district in early 2012. Since this petition was brought to me, another GP has left the region. Many medical centres in Proserpine and the Whitsundays have advertised extensively and repeatedly for Australian GPs without any success. That last point is strange because the Whitsundays is a tourist destination, but Airlie Beach does not have the facilities that are available in capital cities which makes it difficult to find long-term residents. I had one place that advertised for 18 months and they could not find one home-grown doctor. What they can find are foreign-
trained doctors who are willing to work in the Whitsundays. But to make this a viable option, it is essential these doctors be allocated a Medicare number and therein lies the problem. A number of practices in the Whitsundays have been applying for more foreign-trained doctors but the Whitsundays does not qualify for more Medicare provider numbers because there are other more remote regions which are deemed to be in greater need. By the time it becomes desperate enough, it is actually going to be too late.

I have a message from Doctor Michael McFall, who owns and operates the Cannonvale Medical Centre. He says:

We currently have two doctors working and one of them is leaving. She is a British doctor and an IMG. We cannot even get the Department of Health and Ageing to provide us a replacement doctor for this doctor leaving. This would leave this centre at the end of August with one doctor left, myself. If we are left with just one doctor we will be forced to close this ... practice. This practice services 5,000 people in the Whitsundays, with another 2,000 wanting to get on the books.

I could point to Dr El-Baky, of the 121 Medical Centre, also in Cannonvale, who says that it is no longer humanly possible to continue working at the rate that he and his colleagues have been for the past number of years. He needs another doctor as well to alleviate the pressure. He says that the answer to the shortage lies with the federal government’s refusal to relax certain laws that allow overseas practitioners to get Medicare provider numbers.

I agree with this and I really do urge the government, on behalf of my constituents, to consider the implications of the failure to act on these issues. I ask the government, on behalf of these petitioners, to allow greater allocation of Medicare provider numbers to foreign trained doctors in this region and provide greater incentives for Australian doctors to relocate to areas like this.

**Media**

Dr LEIGH (Fraser) (09:45): I rise to speak about the policy and personal implications of changes in the media. Back in 1970 there were more daily newspapers sold than televisions in Australia; now for every daily newspaper sold there are four televisions. We used to say of the political coverage in Australia that the media cycle had become a cyclone, but that cyclone now seems to be sweeping across the journalists themselves. My heart goes out to the 1,900 Fairfax journalists whose jobs have been lost in the recent restructure, and I am particularly aware of this, representing the north side of the ACT—the ACT being the jurisdiction probably more affected by media losses than anywhere else.

For many other people in this place, they probably only see journalists in the press gallery when they are working, but, as a local member of parliament, I can assure the House that journalists are very much part of the Canberra community. Without naming any names, I am thinking of the Age journalist who lives around the corner from me and whose kids we often play with at the local park, of the News Ltd Sundays journalist who often approaches me to discuss issues about local schools, of the Canberra Times journalist who is working to raise money for maternal health overseas, and of a Sky journalist who recently joined me on a fundraising run to raise money for local charities. Put another way, journalists are people too. The decline of the Canberra press gallery, from 283 working journalists in 1990 to around 190 now, has significant implications on a personal level and on a policy level.
I commend the minister for communications for commissioning the Finkelstein media inquiry and convergence review, which grapple with some of the issues in a changing media landscape, and I commend the member for Wentworth and the minister for communications on joining together to call on Gina Rinehart to sign the Fairfax Media Charter of Editorial Independence.

The concerns about Mrs Rinehart's involvement with Fairfax stem mainly from the concern that she may not be solely concerned with maximising the revenue of the brand. Magnates have of course owned media before but, unlike other media magnates, most of Mrs Rinehart's ownership is not in media, and that raises questions in particular about how mining issues would be managed were Mrs Rinehart to take control of Fairfax. I call on Mrs Rinehart to sign the Fairfax media charter of editorial independence, which says, in part: 'full editorial control of the newspapers, within agreed budgets, shall be vested in the editors. They alone shall determine editorial content and appoint, dismiss, deploy and direct editorial staff.' Labor's concern with Mrs Rinehart's involvement in the media is that it may threaten our democracy itself and the vibrancy of views that are so essential to an open society.

Connected Inc.

Mrs PRENTICE (Ryan) (09:48): Times are tough, and many people need help for many different reasons. However, not everyone requires long-term dependency. Some just need short-term support to get them back on their feet—a quick hand up, not a long-term handout. Too often, agencies are more interested in classifying people and filling in forms than actually assessing their real needs.

One volunteer organisation which is helping people who find themselves in hardship is Connected Inc. Connected was established by Craig Michaels one week after the January 2011 floods which devastated parts of the Ryan electorate and many areas of Queensland. Craig set up a disaster relief centre at the RNA Showgrounds at Bowen Hills, where essential items like toiletries, towels, clothes and sheets were provided at no cost for flood affected people. The centre was open for five weeks and supplies were constantly donated. Indeed there were truckloads, but then the showgrounds themselves were flooded and half of their stock was lost. So Connected found a new home, an industrial shed at Banyo—generously provided by the Dennis family. Connected has now extended its services to assist those affected by domestic violence, the homeless, single parents, youth at risk and anyone who finds themselves in genuine hardship.

Last week I had the opportunity to visit Connected at their Banyo warehouse with the LNP member for Nudgee, Jason Woodford, and local Councillor Kim Flesser. Despite the dilapidated surroundings, Connected has set up a layout better than many new age megastores and their impressive facility is packed with a wide variety of quality household items, furniture, clothes and food for people in need.

During our tour Craig introduced us to a family who had left New Zealand following the Christchurch earthquake. The family had lost everything. Thankfully, they found Connected in time and now that they are back on their feet once again the family are returning the favour by volunteering at Connected in their spare time.

Connected Inc are also part of the Australian Catholic University to establish a training program for the long-term unemployed. It is anticipated the program will match clients with
education students at ACU for 10 days to learn skills to ensure they can access a job through Job Network Australia. As an added incentive, every client who stays in work for at least 14 weeks will be given a computer which has been donated to Connected.

However, in a sad turn of events, Connected may find themselves homeless in the coming months. Their current site will soon be redeveloped, leaving Craig and his team with the unenviable task of finding a new warehouse by September. Despite having identified a potential new site, Connected simply do not have the necessary funds to acquire the space. They have asked for support from the various levels of government but have so far been unsuccessful in obtaining any assistance.

Craig's plan is to make Connected Inc a nationally recognised charity to distribute free items and use other providers to distribute help. I certainly hope Connected will receive the assistance they require to continue their outstanding work in our community. I also continue to work closely with my state and local colleagues on this issue to provide my ongoing support to Connected's cause.

**Melbourne Ports Electorate: Rippon Lea**

**Mr DANBY** (Melbourne Ports) (09:51): The stately home of Rippon Lea in my electorate was originally the home of Sir Frederick Sargood, the Victorian Minister for the Army prior to Federation. After its sale to Sir Thomas Bent, the then premier of Victoria, it has had an illustrious history through the last hundred years. Fortunately, the people of Victoria resisted the activities of the imperialists at the ABC to try and seize the land of that stately home and it was one of the first successful fights of the public to support Australian heritage.

Again, the Australian government in the current round of funding in the Your Community Heritage Program has seen that the Rippon Lea estate will receive $353,100 from the government. This investment will make sure that this premier stately home in any urban centre in Australia is kept up to the standard you would expect of a successful country like Australia. The funding will allow the Victorian National Trust Fund to take Rippon Lea's roof restoration and to reduce its carbon footprint.

The project will focus on restoration of the roof; the repair of the roof structure to enhance the significance of the site and take it back to its original state; and preserve the house's interior from water damage that inevitably takes place over more than one hundred years. The project will enhance the site by preserving the building's interior and restoring the exterior to the standard the trust expects of buildings of this standard, and to make it more sustainable. The project recognises the great pride we have in Melbourne Ports in Rippon Lea and follows the $250,000 project from the federal government's stimulus package heritage projects, which restored the famous grotto that exists next to the lake and waterfall at the Rippon Lea stately home.

Rippon Lea is a great heritage part of Australia. It is the largest stately home inside an urban area in Australia. People in my electorate, including successive generations of children, have enjoyed this wonderful heritage site. The new restorations will be inviting a new generation of children to reacquaint themselves with the grounds of Rippon Lea with its famous tree house, its now restored grotto, its lakes, the stately home, the gardens and the old orchards that existed right in the middle of the city. Rippon Lea is an adornment to Australia's heritage.
Grey Electorate: Sundrop Farms

Mr RAMSEY (Grey) (09:54): Last week I had the great pleasure of visiting a good news story 20 kilometres south of Port Augusta, the establishment by Sundrop Farms of some world-first technology in harvesting seawater and using it to grow horticultural products—tomatoes and capsicums, whatever—inside a greenhouse. I was met by David Pratt, the manager—a young Canadian and a horticulturalist—and Reinier Wolterbeek, a Dutch desalination technician, and they showed me through their project. The desalination process is powered by parabolic trough solar concentrators. The solar troughs concentrate the sun onto an oil pipe and the oil is heated up to some hundreds of degrees. It is then fed to a heat exchanger and it heats water to a temperate of around 170 degrees—water to steam. In turn the hot water heats a condenser. Seawater is sprayed onto the condenser and the seawater evaporates into steam, the steam is harvested and they have distilled water. The distilled water is fed into a 2,000 square metre greenhouse, where the troughs that contain the plants are suspended above the floor of the greenhouse. The plants have their roots in coconut husks—which are imported—and they grow beautiful tomatoes and capsicums, whatever.

Two thousand square metres is not a huge greenhouse. But, interestingly enough, this greenhouse—2,000 square metres or 0.2 hectares—uses just 10,000 litres of water a day. I have a garden at home and believe me this is highly efficient use of water. The excess water drains into troughs and it is recollected. They add high-nutrient fertilisers and have very good growth outcomes. There are plans to expand this facility to 80,000 square metres—eight hectares. That would be an astonishingly large greenhouse. Of course, this is expensive, but the investors are very confident that they have a good outcome. David told me that he well beat the Australian national average for production per hectare last year. He is very confident in his ability to keep growing new crops and being innovative in that space. In a world where we are concerned about food security, Australians are concerned about food security, and land in a place like the south of Port Augusta is flat, available and cheap. There are loads of seawater and we have sun in abundance. This is a novel and great use of solar energy. It is not requiring government assistance. It is a case of the technology actually delivering on time for a purpose project, and I commend them on their effort.

Tasmania: Public Health System

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (09:57): In Hobart last week I joined Minister Tanya Plibersek in announcing some significant support from the federal Labor government for Tasmania's health system. We all know that Tasmania does face significant ongoing budget pressures. The minister and I announced a $325 million rescue package for Tasmania's health system. This package is the culmination of work by Minister Plibersek in the local community with the federal members in each of our electorates, talking to health professionals and allied health services about the urgent need for more investment in Tasmania's health system. I was particularly pleased that the Minister for Health accepted my invitation to visit the health professionals at my local GP superclinic at Rosny. This GP superclinic is going extraordinarily well at the moment. We have a lot of allied health professionals and GPs in the superclinic and in the integrated care centre that is co-located there.
Minister Plibersek's decision to support Tasmania's health system really acknowledges that not only do we have budgetary constraints in the health system in Tasmania but we have some unique issues within the system. Tasmania has the oldest population and its proportion of older people is growing more quickly than in any other state or territory. My state has the highest prevalence of hypertensive diseases—heart, stroke and vascular diseases—of all the states and territories. It also has the highest levels of risk factors in Australia, including high levels of smoking, alcohol consumption, physical inactivity and low levels of healthy eating. It has a small, geographically dispersed population. Of course all of this makes the delivery of health services a lot more expensive.

The Commonwealth have provided this additional funding, but we have to also understand that the Tasmanian state government has withdrawn money from the state budget. The Commonwealth have said that no more cuts to the health system in Tasmania by the state government will be tolerated. We want to work together on the best health outcomes for all Tasmanians. This health package is very broad, but we do need ongoing health reform in Tasmania to have better services into the future.

The particular package will deliver $31 million for elective surgery—in southern Tasmania that is about 990 actual elective surgery services; around $22 million for walk-in clinics—one in Hobart and one in Launceston; $48 million for better care in the community to prevent and manage chronic disease; $74 million to provide better care for patients when they are discharged to hospital to stop readmissions and better palliative care in the community; $53 million to train more medical specialists; $15 million to address the gaps in mental health services, particularly community mental health services; and $36 million to rollout personally controlled electronic health records in Tasmania's hospitals. There is much to be done in our health system.

The DEPUTY SPEAKER (Hon. BC Scott): Order. In accordance with standing order 193, the time for members constituency statements has concluded.

BILLS

Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr ROBERT (Fadden) (10:01): I am pleased to rise in the House to support this piece of legislation that is a direct result of the private member's bill put forward by the Leader of the Opposition some time ago. I understand that there will be some amendments being raised at a later juncture concerning the bill.

The intent of the bill is designed to support Australia victims of overseas terrorist acts. These are people who suffer because they have been deliberately targeted by terrorist groups by virtue of being Australians or indeed for simply being Westerners. Over 300 Australians have lost their lives in the past decades to a range of acts of violence, which includes terrorism in New York and Washington; Bali; London; Jakarta; and Mumbai.
Whilst there is no universally agreed definition of terrorism, most definitions ascribe a terrorist act as an attack that causes harm when the attack is made with the intent of advancing a political, religious or ideological cause. By way of background, the word terror comes from the Latin word ‘terror’ meaning to frighten. This was exactly what happened when the perpetrators of the 2002 and 2005 Bali bombings had in mind when they killed 202 in the first Bali bombing, including 88 Australians. It was the deadliest act of terrorism in the history of Indonesia. A further 240 people were injured in subsequent attacks.

It is a tragic reality that Australians are sometimes specifically targeted in overseas terrorist attacks. With news that substantial kinetic activity has occurred against the likes of the No. 2 in al-Qaeda and the No. 1, Osama bin Laden. While that can bring some small comfort—and indeed upon the death of Osama bin Laden, Paul Anicich, who is a survivor of the 2005 Bali attacks said, ‘I don't feel joyous about it but I am pleased it has eventuated’. There is hope that news of this does bring a sense of justice to families of the victims of the atrocities carried out by terrorist organisations across the world.

A decade on from the terrible tragedy of 9/11 with the end of bin Laden and some of the terrorist ilk like him, we need to seize unique opportunities not just to continue to destroy terrorism where we find it but to wipe out its hateful ideology and all that causes that ideology to grow. We also need to address the fact that many people live with the consequences of the actions of terrorist strikes.

This bill is a direct result of the important work done by the Leader of Opposition, Hon Tony Abbott and his private member's bill assisting the victims of overseas terrorism. The Opposition Leader's private member's bill was aimed to provide additional financial support of up to $75,000 to Australians affected by terrorism while they were overseas.

The government's bill adopts the same approach and will institute a mechanism through the social security system called the Australian Victim of Terrorism Overseas Payment. The payment will provide up to $75,000 for individuals who are injured or to a close family member of a person killed as a result of a terrorist act committed overseas. The payments are similar to those available under the state victim of crime compensation legislation. As noted in the explanatory memorandum, in particular the bill will enable Australians who are victims of declared overseas terrorist instances to claim financial support of up to $75,000. It will enable the Prime Minister to declare that a relevant overseas terrorist incident is one to which the scheme applies. It will establish eligibility criteria. It will ensure that victims are not required to repay or deduct Medicare or other benefits and payments and enable the enactment of legislative instruments to provide further guidance on the amount of assistance to subsequent victims or close family members.

While these measures will never ease the pain of losing a loved one or erase the memory of terror for victims, they will go some way to providing real and tangible support. We can agree that this bill is one that is based on great human compassion for those victims and those families who have suffered the most hateful of crimes—a crime that is directed to seek to kill them simply because of their nationality or the colour of their skin. This is about providing support to fellow Australians who, through no fault of their own, have suffered at the hand of merciless individuals and organisations who are so filled with either religious ideology, hate, anti-imperialism or anti-Western sentiments that they simply desire to seek out and destroy.
Terrorism is a crime that is devastating, not only to victims directly attacked but also to families. It is devastating to nations that have to bear the brunt of those assaults. The coalition supports the right of Australians to travel abroad freely, free of the risk of violence and attack. We as a parliament are determined that terrorism will not affect how we go about our lives. Terrorists seek to change policy through violence. We will never give in to terrorist attacks, terrorist assaults or terrorist threats.

I again acknowledge and thank the Leader of the Opposition, the Hon. Tony Abbott, for his foresight, his compassion and his work in relation to this important matter and his work with the government to achieve the realisation of the bill. I commend the bill to the House.

Debate adjourned.

Proceedings suspended from 10:08 to 10:16

National Water Commission Amendment Bill 2012

Second Reading

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (10:16): I present the explanatory memorandum to this bill and I move:

That this bill be now read a second time.

This bill provides for the continuation of the National Water Commission on an ongoing basis beyond the current expiry date of the National Water Commission Act 2004 on 30 June 2012. It provides for the robust and transparent oversight of all governments' national water reform commitments, and in particular the National Water Initiative (NWI).

This bill makes changes to the functions and operation of the commission. These changes focus the National Water Commission on its primary purpose of providing independent assurance of governments' progress on water reform. The changes continue the commission as an independent statutory body with the functions of monitoring, audit and assessment. These functions have been drafted generally so as to grant the commission discretion to focus on the issues most pertinent to the successful implementation of the National Water Initiative.

The initiative continues to be regarded by governments as a sound policy platform for addressing water reform. However, implementation of the initiative is occurring within a highly complex and evolving policy environment. For example, since the initiative was agreed in 2004 there have been significant new reforms in the Murray-Darling Basin. The most appropriate institution to conduct oversight of national water reform continues to be the National Water Commission. This was the view of the independent review commissioned by the Australian government on behalf of the Council of Australian Governments (COAG).

The review observed that the role of the commission will become more important into the future as increasingly difficult water reform issues are addressed. The commission has a crucial community transparency role as the auditor of outcomes in the Murray-Darling Basin.

I note that this bill has the support of all governments. At its meeting on 13 April 2012, the COAG agreed to retain the commission, focusing it on the functions of audit, monitoring and assessment of water reform.

As proposed under the National Water Initiative, the commission will continue to assess the progress of implementation of the initiative. The function is critical to ensuring strong evidence based transparent reporting and guidance on progress and challenges in
implementing national water reform. The bill specifically provides for the commission to continue to undertake every three years major assessments of the progress of parties to the National Water Initiative in implementing their commitments. This bill also provides for the commission to undertake additional assessment activities on a discretionary basis.

The commission will continue to audit progress of all governments against agreed national water reform commitments. In particular, it will audit the effectiveness of the implementation of the Murray-Darling Basin plan as required under the Commonwealth Water Act 2007.

Under this bill, the commission will continue to conduct monitoring of trends and actions by all stakeholders in implementing the initiative. Through monitoring the commission will continue to ensure a flow of information and comprehensive knowledge of the state of reform implementation to both governments and stakeholders. The responsiveness of the commission will be given greater emphasis through engagement with all jurisdictions. It is envisaged that the commission will formally engage closely with state and territory governments through the COAG water subcommittees such as the Standing Council on Environment and Water, including reporting on its work plan on at least an annual basis. A closer understanding of the activities of the jurisdictions and the circumstances in which their priorities are decided will assist in increasing its effectiveness in supporting the implementation of NWI reforms.

Commission reports and significant information will remain publicly available.

Given the refined functions for the commission this bill reduces the number of commissioners to five, including the chair.

With the scheduled closure of all programs funded from the Australian Water Fund, the bill closes the Australian Water Fund Account but will enable the NWC to administer Australian government funding programs that may be allocated to it in the future.

These amendments to the functions and operation of the National Water Commission will ensure high-quality advice to COAG as water reforms continue to be even more complex. The commission's transparent oversight of national water reforms is crucial to Australia's work towards effective and efficient water management and use. The importance of water in securing Australia's economic and environmental future demands no less.

Mr IAN MACFARLANE (Groom) (10:21): The coalition will not oppose the National Water Commission Amendment Bill 2012, as we have been a long-term supporter of water reform. In fact, the coalition kick-started the water reform process with the establishment of the National Water Initiative Agreement in 2004. This bill will continue the National Water Commission as an independent statutory body beyond the sunset date of 30 June 2012. The coalition sees that as a good thing. The NWC was established by the previous coalition government as part of the National Water Initiative Agreement in 2004. There are a number of outstanding reforms under the NWI, including urban water, access of mining to water, water quality, and environment and river health. The review of the NWC by Dr David Rosalky recommended that the NWC continue in its role so that it can carry out these functions, because water reform is occurring within a highly complex and evolving environment and requires an independent and specialist institution. The coalition would certainly agree with that, and water reform will continue. The government has accepted the review's recommendations.

Under this bill, the NWC will have the responsibility of assessing progress against the NWI every three years. In addition, under the Water Act 2007 the NWC may review the Murray-
Darling Basin Plan every five years. The NWC also advises on whether plantations can apply for carbon farming credits, which they can only do if the state or territory government manages water interceptions in a way which is consistent with the National Water Initiative. Since its inception, the main work of the NWC has been to review state and federal government progress against the NWI.

The bill makes other less substantial changes. As the minister just mentioned, it closes the Australian Water Fund and reduces the number of commissioners from seven to five, including the chair, due to the NWC's reduced functions. Other tasks have included administering the Australian Water Fund, which has three main components: Water Smart Australia, Raising National Water Standards and the Community Water Grants program. As well as that, it will be involved in promoting national water standards across the industry and developing a national water sector training strategy, and general research into water policy issues such as the trading of water rights, groundwater and coal seam gas issues. The NWC will have a staff of 44 next financial year, which is a reduction from 63 in 2011-12.

Whilst we support this amendment, the coalition have some concerns about the fact the NWC has been stripped of responsibilities by this government to such an extent that it questions whether there is value in maintaining an ongoing body with the overhead costs that this entails. The National Water Commission has been left with just two legislative roles as a result of this government's actions—the assessment of progress under the NWI every three years and the review of the Water Act every five years. Notwithstanding its excellent record, these are reviews that could be performed by the COAG Reform Council or the Productivity Commission.

The government has also missed opportunities to give the NWC more responsibilities recently. For example, it has recently agreed to allocate $150 million to improving groundwater research as it relates to the mining sector, in particular the coal seam sector. That is a job that could have been done by the National Water Commission, but instead was given to the Department of Sustainability, Environment, Water, Population and Communities. That is one alternative; of course that job could have been done by the Department of Resources, Energy and Tourism, who have exceptional expertise in that area, particularly in geoscience and know more about what goes on under Australia than anyone else. Either way, the coalition still support the initiative by the government to set up the expert panel to monitor development in the coal seam gas and the coal industry. I think you, Mr Deputy Speaker Scott, would agree that the confidence that that is adding to the process between stakeholders in the coal seam industry in particular has been valuable, and we look forward to the continuation of that process. That said, the National Water Commission has done some excellent work on water reform, but if it is to continue it needs to have a job that is justification of its funding. The coalition will continue to monitor and ensure that the money that is appropriated to the NWC helps to encourage water reform.

In conclusion, having started this process the coalition are supportive of the issue of water reform. There are a huge number of issues out there to be fully explored and managed. There are difficulties. Communities are having difficulty in accepting some of the changes that are being put in place. We know, of course, of the controversy over the buy-back schemes and the new allocations. We have seen this government pay an extraordinary amount of money in a number of instances for water, only to see the sellers of that water then buy back allocations at

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a much cheaper price. I think there have been some flaws in the way that this government has administered this process, but that said, we commend the amendment to the House.

**Ms RISHWORTH (Kingston)** (10:28): I am very pleased today to support the National Water Commission Amendment Bill 2012 that seeks to provide the continuation of the National Water Commission beyond its expiry date of the current National Water Commission Act 2004. It is interesting to hear the member for Groom talk about the ongoing functions. The coalition government had planned to close this commission down. It has taken this Labor government—

*Mr Ian Macfarlane interjecting—*

**Ms RISHWORTH:** Well, there was a sunset clause in the previous legislation that had the Water Commission closing down. This government have taken water reform incredibly seriously. That is why we are pushing ahead to get a good Basin Plan. It is interesting that the member for Groom said that he is in favour of water reform. I think he needs to go and speak to the Leader of the Opposition because he has not been so forthcoming—when he is in Griffith he tells the constituents there that he would not like to see any water reform, that no-one should take their water. Of course when he is in Adelaide it is a completely different message. This government are very committed to water reform and continuing that process. We think having a transparent oversight of all the Australian government's national water reform commitments is particularly important—especially looking at the National Water Initiative, its core functions of audit and assessment, and monitoring of water reforms, including the Murray-Darling Basin. That is what the National Water Commission will continue to do.

The National Water Commission was created by the Commonwealth following COAG agreement under the National Water Commission Act 2004 to provide advice on national water issues and in particular to assist the effective implementation of the National Water Initiative. For too long—for almost a century now—states have assumed that water stopped at the borders, whether it be groundwater, whether it be the Murray-Darling system. But of course water does not stop at state borders. It does not respect state borders. It is incredibly important that we do take a national approach to these issues. Under the National Water Initiative, COAG did agree that the Commonwealth would establish the National Water Commission as an independent statutory body. Its role was to advise the minister, COAG and the Commonwealth on matters relating to water, to assist with the implementation of that National Water Initiative for the purposes of assessing progress in implementing the National Water Initiative and to advise on actions required to better realise the objectives of the National Water Initiative. The role of the National Water Commission also included monitoring and advising on the transition from the existing policy framework, shaping water reform—namely, the 1994 COAG Water Reform Framework.

Underpinning the establishment of the National Water Commission in the National Water Commission Act was a sunset clause, whereby the organisation would cease to continue from 30 June 2012. Before the cessation of the National Water Commission an independent review was prescribed to be conducted at the end of 2011 into the ongoing role and functions of the National Water Commission in the management and regulations of Australia's water resources. In accordance with those requirements on behalf of COAG, on 11 July 2011 the
federal government commissioned an independent review with the terms of reference agreed to by COAG, and the final report was presented to the government on 6 December 2011.

The review did recommend that the National Water Commission continue for the life of the National Water Initiative. It was deemed that while significant achievements had been made through this initiative further complementary work was still needed to be carried out as part of the National Water Initiative and extend beyond this prescriptive time frame. The report deemed that the completion of some of the initiative’s key objectives had been delayed due to the complexity, both technically and politically, of some of the reforms. Due to some of intrinsic elements yet to be implemented, the report deemed that a specialist independent body like the National Water Commission is likely to be even more important in the future, especially as we go down the path of implementing a Basin Plan. The independent review identified a number of core functions which it considered necessary for progressing future water reform. It has considered that the National Water Commission provide key services into the future such as monitoring and audit of reform activity, assessment of reform activity and acknowledge leadership. It acknowledges the valuable role that the National Water Commission plays as a credible specialist and independent agency supporting national water reforms.

We have seen a lot of tick-tacking between the states on the issues of water. It is a highly emotive issue and states do like to stake out their territory when it comes to water. As a South Australian, I think we have been duded a little in the past. So that is why we are looking at an independent Murray-Darling Basin Authority and that is why independent agencies supporting national reforms are really, really important. Following the release of the independent review in March 2012, the Gillard government announced its intention to accept the recommendations of the review and to continue with the National Water Commission to oversee the COAG national water reform agenda in keeping with the recommendations provided by the review. The bill was then referred to the Senate Environment and Communications Legislation Committee. The committee released its report in May 2012. The committee recommended unanimously that the bill be passed before 30 June 2012. In making this recommendation, the committee took note of the seven submissions received from a number of different agencies. There was a fixed time frame but, in accordance with the review, it is important that we extend the National Water Commission, and I am very pleased that we are doing that today.

The legislation before the House removes the sunset clause allowing for the National Water Commission to continue on an ongoing basis for the life of the National Water Initiative, with future five-yearly reviews and the evaluation of its role. The legislation enables the National Water Commission to carry out its core functions of auditing, assessing and monitoring water reforms into the future. It will continue to undertake assessments of the progress of jurisdictions in implementing the National Water Initiative but on a triennial basis rather than a biennial basis.

The legislation also reduces the number of commissioners from seven to five due to the National Water Commission's refocused functions and operations. In undertaking its functions, the National Water Commission will discuss its work plan annually with the relevant Commonwealth, state and territory ministers and agencies through the Standing
Council on Environment and Water and relevant official bodies. Reporting and consulting will be handled through the normal COAG processes.

This is one of the important planks in water reform. It is one of the many important things that we need to ensure that water reform continues to move forward. For many years now we have continued to ignore these important areas of water reform. There has been a sense that water will always come. Coming from South Australia, I know that that is not the case. Water does not just appear. It is a very precious resource that we need to make sure we use in the most efficient and effective way.

I have regularly said that I believe we need a strong Murray-Darling Basin Plan. I hope that it will be supported, because, as I said previously, while the states can argue about this, rivers and water do not stop at borders. We need to have a national plan that ensures that our river systems and water systems do actually exist in years to come and that we are not leaving a dead river system and water system to our children.

In this debate there is often discussion about farmers versus the environment. Well, if you come down to South Australia you will see that farmers have lost their livelihood due to a dead river system. That salinity will only continue up the Murray-Darling system and ensure that farmers are not able to operate. As that destruction starts at the bottom and moves up the system, the death of the Murray-Darling system will be a death not just for the environment but also for the farmers. They will not be able to pass their farms on to future generations if there is a dead river system.

I feel very strongly that we need to push ahead with water reform. I believe the National Water Commission is an important step in that. I am pleased to hear that the coalition will be supporting this bill, although they seem to be umming and ahing about whether there is a role for it. I believe there is a role for it—a very important role—along with the many other changes we are putting in place to ensure that our water is considered to be a precious resource and is used effectively and efficiently throughout this country.

I commend the parliamentary secretary for getting the bill through the Senate. We in the House of Representatives now have a duty to pass it. I commend the bill to the House.

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (10:39): Listening to the previous speaker, one of the things I would like to say to her before she leaves the Federation Chamber is that I think we have got to look at the Murray-Darling system as two totally different ecological systems. The Murray system is quite a different system from the Darling system. I have nearly all the Darling system water that comes into the Darling in Queensland in my constituency. It has tropical rainfall—an irregular rainfall pattern—as opposed to the southern states, where there is a Mediterranean-type system, and much of the water in the Murray system comes from melting snow on a regular basis. So I think we have two totally different ecological systems and we should deal with them separately rather than confuse two systems and consider them as one. That has been a mistake. For many years we have talked about the Murray-Darling Basin and people in the urban environment have said, 'We understand the Murray-Darling Basin; we have heard about it; we know about it.' Many would not have been there. We know something should happen, but I still say—and that was my submission to the National Water Commission—that we should separate the two systems when we start to address reform and how we deal with that.
The coalition will not be opposing this bill, because the coalition that has been a long-term supporter of water reform. In fact, it was set in motion by the coalition under the prime ministership of John Howard and the deputy prime ministership of John Anderson, who I want to acknowledge brought great knowledge and practical experience to the start of the reform of water in the Murray and the Darling system. We kick-started this water reform process with the National Water Initiative back in 2004. I hear members on the other side of the House say we are not committed. The coalition was the committed party that kick-started this.

One of the issues I am concerned about is the slow pace of the government and the approach they have taken to the national water reform of the Murray and the Darling system. The original draft plan was condemned by almost everyone out there who live in the Murray-Darling Basin and make their livelihood out of it, which is proof positive that the way the government have handled the reform of the water entitlements has been wrong, and we are now starting to see that next phase of that.

Wherever I travel and I talk to irrigators, landholders and communities, they say: 'This has got to be a partnership, not one or the other. We all live here and want to continue to live here.' The money that is spent into the future should be spent not just on buying water and saying that it is 2,800 gigalitres of water and that has fixed the whole issue. We can deal with this in terms of water efficiency and we have got to look at how water is used more efficiently in the system. That will give a dividend in water saved which could be part of the environmental flows into the future. How it is dealt with is terribly important.

The coalition has concerns that the National Water Commission has been stripped of responsibilities by the government to such an extent that we question whether there is value in maintaining an ongoing body. What will be their oversight role in the future? What the National Water Commission will be left with is two legislative roles. One is an assessment of progress under the National Water Initiative every three years and review of the Water Act every five years. Notwithstanding its excellent record, these are reviews that could be performed by the COAG reform process or could be performed by the Productivity Commission.

The government missed an opportunity to give the National Water Commission more responsibilities. I have great interest in this because of the development of coal seam methane gas and the mining operations that are occurring in my electorate of Maranoa. For example, the government has recently agreed to allocate some $150 million for improving groundwater research as it relates to the mining sector and in particular the coal seam methane gas sector. That job could well have been done by the National Water Commission, but instead it has been given to another department that will probably bring expertise into it or establish expertise that does exist in the National Water Commission. The government has given it to the Department of Sustainability, Environment, Water, Population and Communities. The National Water Commission has done some excellent work on water reform, but if it is to continue it needs to have a job to be able to justify the funding. The coalition will continue to monitor and ensure that the money that is appropriated to the National Water Commission really helps to encourage ongoing water reform. I will just mention the mining sector and the coal seam methane gas sector; the explanatory memorandum to the bill refers to those. In Queensland we have a massive expansion of the coal seam methane gas industry, nearly all of
it in the electorate of Maranoa. It has caused enormous angst, because it has hit us like a tsunami across the community in terms of population growth, the additional trucks on roads, the additional pressure on local government resources and also pressure on water that local authorities provide to their now expanding community. Some in my constituency believe that the water being extracted from the coal seam via the coal seam methane gas process should be considered water available within the Murray-Darling Basin. There is a debate about that. I put it on the table here as a debate that is still out there. With a change of government in Queensland, I guess it will be looked at as this industry expands and grows across Queensland.

Last week I was up in Longreach—in the Galilee Basin, quite outside the Surat Basin—where a number of very significant mining exploration permits have been issued. For instance, AGL is one company now operating quite significant bores up there, drilling into the formations to identify whether there are sufficient reserves to establish a coal seam methane gas industry up in that part of my electorate. Once again, if this occurs, water will be extracted in the western Queensland plains area, where the only water for the towns themselves is from the deep aquifers within the Great Artesian Basin—and, of course, not only the towns but also the landholders and livestock producers up there.

It is ironic that one of the wells being tested at the moment is very close to a free-flowing bore that flowed for more than 100 years. More than a million dollars is being spent under the GABSI program, which is about capping free-flowing bores and using the water by piping it out for livestock, homestead and other purposes on a pastoral property, whereas in the past probably 98 per cent of the water that came up from that aquifer was lost and only two per cent was used. It is quite ironic that the gas industry is now looking at how they are going to extract water. What they do with that water will be critically important, because under the Queensland laws—through pressure on the previous government and, as I know that this government understands, under the leadership of the Deputy Premier in Queensland—these resource companies have to make good with that water. But when this industry commenced, 15 years ago in the Surat Basin, they just ran the water down the creeks. Some of them just evaporated the water into the air.

So there is a significant water resource issue still to be addressed—it is in the Murray-Darling Basin footprint and, in my case, the Darling footprint—that we ought to consider. Water is a valuable resource, wherever it is and wherever in western Queensland it comes from—whether from overland flows and rivers or from the Artesian Basin aquifers, depending on which formation people are drawing their water from. It is the lifeblood of our communities.

I mentioned that some people have said that this water should be considered as water available within the MDB—the Murray-Darling Basin. For instance, as the CSG mining operations continue to expand, the mining companies will need water for their operations. The coal seam methane gas water that they extract they are converting for good use. For instance, near Chinchilla they are providing additional water to the local authority there for the community as it expands. That community would continue to draw water from the Darling River system, which is the Condamine in that part of Queensland, if they did not utilise the water coming up from a formation in the Great Artesian Basin. These local authorities will continue to need more water if they are to provide water on a sustainable basis for their
estimated population growth that they will witness in the next 20 to 30 years. So we should start to consider how this water is used and whether it forms part of the water available in the Murray-Darling Basin and, in my case—as I keep saying—the Darling River system. The expansion of the population in the Darling river system within my electorate over the next 30 years is considered to be something like 95,000 people. Ninety-five thousand people will move into the Surat Basin. They will all require water for their homes and gardens, and the local authorities are going to have to find where that water can come from. Traditionally, it has come from overland flows—dams—for Toowoomba, and water extracted out of the Condamine River for the towns of Dalby and Chinchilla and others downstream. But with this water coming available, it can supplement the water that local authorities have traditionally sourced from the river systems, and that is why I think it could also take pressure off overland flow water within this Darling river system, the MDB.

I just want to place on the record some numbers for the water that is in the Great Artesian Basin. We talk a lot about this. Commentators in the media talk about the Great Artesian Basin—with little knowledge, I sometimes think, of the formations. There is not one great basin of water down there; there are formations dating right back to the Jurassic age. In the Jurassic age they formed and contained water, but they are separated by very hard rock from aquifers further up. The Great Artesian Basin, it is estimated, has a recharge of about 880 gigalitres—that was last year. The estimated total use of water in the Great Artesian Basin now is some 650 gigalitres a year. So recharge is 880 gigalitres a year, and use—for towns, stock, domestic needs, irrigation, feedlots and so on—is 650 gigalitres a year.

Let us put this in perspective in relation to coal seam methane gas. The total industry water production in 2011 from the coal seam methane gas industry was just 16 gigalitres a year. And the vast bulk of that water was given to a rural community to use, which I have been talking about. Also, in the case of Chinchilla and around there, the water is managed by SunWater; it supplements the town water supply of Chinchilla and also some irrigation water for melon growers. There are some 600 wells that are currently being monitored by companies in the Surat Basin, just to see what is happening to pressures underground.

But let us put that 16 gigalitres in perspective. Cotton Australia have said on their website that 16 gigalitres of water is about what is required to irrigate about 3,000 hectares of cotton per year. So let us run through those figures: 880 gigalitres a year was the recharge, last year—in a very good year with heavy rainfalls. And it does not immediately becomes available; it might be a thousand years before that water actually becomes available, because it just re-pressurises these great formations. The estimated total use, other than for the mining sector, was 650 gigalitres a year. And the coal seam methane gas industry extracted 16 gigalitres. That is the equivalent, according to Cotton Australia, of the amount of water that is used to irrigate some 3,000 hectares of cotton.

So it is important to start to get some intellect into the debate about all this. I have been part of the protest concerned with ensuring that these companies are regulated to the point that they are not going to put at risk any of these aquifers, and concerned about contamination issues possibly associated with the operations around coal seam methane gas. I wanted to put that on the public record because I think it is important. We have got to get it right. I think the new GasFields Commission in Queensland, under the leadership of the Deputy Premier, Jeff
Mr ZAPPIA (Makin) (10:54): I speak in support of this National Water Commission Amendment Bill 2012 and I do so because I believe it is good legislation, and it is appropriate legislation for the time. The National Water Commission was established under the National Water Act 2004 in the midst of the decade of drought that ended a couple of years ago. All of us in this room can well remember the drought and the effects of it. In fact I will come back to that in moment because, as a result of the establishment of the Water Commission, I had some personal dealings with the commission at the time. When the National Water Commission was established there was a sunset clause whereby the term of the commission would end at 30 June. The effect of this legislation is to extend the term of the commission. I think that that is quite appropriate given the work of the commission as it was seen at the time has simply not ended.

The focus of the commission will be on four key areas: audit, monitoring, assessment, knowledge and leadership. I also note that the bill closes the Australian Water Fund Account, thereby ending the National Water Commission's specific ability to administer Australian water funds but permits it to administer Australian government funding programs that may be allocated to it in the future. Effectively, it changes its role from managing a fund that was established by the government at the time to one of overseeing water reform throughout the country. I also note that the number of commissioners will be reduced from seven to five, which in turn reflects the changing nature of the role of the commission. These changes arise from an independent review commissioned by the Australian government on behalf of COAG and carried out by Dr David Rosalky, though I note that the change relating to the number of commissioners was not one of his recommendations.

The recommendations from Dr Rosalky's review have largely been adopted by this legislation. As part of his review, I also understand that he consulted very, very widely effectively with all of the stakeholders in Australia's water supplies around the company, including governments, non-government organisations, industry groups and the like. My understanding is that there was pretty much unanimous support for the changes that are now being implemented through this legislation. I also understand that because of the timing—that is the timing that puts the 30 June deadline on the current role of the commission—this matter has to be dealt with fairly quickly. In fact, my understanding is that the states have not signed off on this legislation, but I would expect that they will. My understanding also is, if they do not, or if they have some minor amendments that they wish to make, that that could be managed or taken care of at a later time. I well understand the need for us deal with this legislation given the 30 June deadline.

The objectives of the National Water Initiative are to achieve a nationally compatible market regulatory and planning based system of managing surface and groundwater resource for rural and urban use that optimises economic, social and environmental outcomes. I make that point just to demonstrate the broad nature of the role of the commission and its responsibility. The National Water Commission, whilst primarily established by COAG to assess and advise on progress in the implementation of the National Water Initiative, the 1994 COAG Water Reform Framework and the National Competition Policy has since that time broadened its role and its purpose. In particular, given that since the establishment of the
commission we have also seen the establishment of the Murray-Darling Basin Authority in 2007, the Commonwealth Environmental Water Holder and the COAG Reform Council, which in turn has committed to other responsibilities, I can now see that the role of the commission not only needs to be ongoing but has in fact somewhat changed to what its original functions were. I particularly note that one of the roles of the commission includes auditing and monitoring the Murray-Darling Basin Plan and the associated water resource plans. The National Water Commission's oversight of the Murray-Darling plan will be particularly important given the sensitivities associated with the plan coming from so many different sectors. I have watched with interest all of the submissions that have been made to the authority in the course of the public consultation over the last couple of years. Whilst I might have missed some of the submissions made, I am broadly aware of the types of submissions coming from so many different quarters. and it is clear to me that almost everybody has a different perspective on what should or should not be done. It is interesting to note that when the authority finally put together its draft plan that there is almost universal disagreement about what is in the plan. In fact, I cannot ever recall any other public consultation process where so much disagreement exists. We have seen that disagreement coming from the states, environmental groups, irrigators and from urban communities right throughout the basin. Even with the states, whilst there is disagreement to the plan, the disagreement is not for the same reasons—they are all disagreeing for their own particular reasons. Having the National Water Commission overseeing the rollout of the plan should provide a degree of comfort to all parties concerned, knowing that the commission to date not only has established a fair degree of credibility but would be seen as a relatively independent group— independent of any political influences and independent of the influence of any of the states—and can comment on how the plan is being rolled out. I think that that is going to be an incredibly important function of the commission in the future.

One of the things that I also noted was that the South Australian government referred to its concerns about the Commonwealth Environmental Water Holder and how that water was going to be used. Given that one of the strategies to return water to the system has been to purchase water from willing sellers that water then remains in the hands of the Commonwealth Environmental Water Holder; therefore, how that water is then used is understandably a matter that would be of concern particularly to South Australia being at the end of the system. It is a matter that was raised by some of the people making representations in the course of this inquiry as well, because ultimately the Commonwealth Environmental Water Holder will be holding substantial amounts of water, and whoever holds that water obviously will have a responsibility to ensure that that water is also used responsibly. Whilst I understand the concerns being raised by the South Australian government with respect to the specifics of how that water is going to be managed and who is going to oversee how it is managed, I can also understand that this is a role for the National Water Commission in making its comments about how that water is used.

We have also seen in recent times concerns being raised, and the member for Maranoa raised them just a moment ago, with respect to the use of underground water throughout the country. Those are emerging concerns and I know that they are concerns not only on the east coast but on the west coast in Western Australia as well. They are genuine concerns arising from water becoming a very precious resource in whatever part of Australia that you live. Again, the role that the commission has in managing all of Australia's water resources or in
overseeing how those water resources are used with respect to carrying out roles that COAG in turn would have the commission carry out is going to continue to be even more important.

The third aspect I want to talk about are the recent comments about turning the northern parts of Australia into a major agricultural area. Again, we will see, as we have seen in the Murray-Darling Basin, if that was ever to arise that the issue of water will become a very sensitive one and there will be a role for an authority on some sort to oversee how that water is used as well. I want to respond to something the member for Maranoa said in his remarks. He made the point—and I believe he is quite right—that the Darling and Murray systems are somewhat separate, and I think there is some truth in that. However, for South Australians the Darling and Murray systems converge at Wentworth and form one system. As far as South Australians are concerned, we are at the end of one system. South Australians for decades have relied on water from the Murray not only for drinking water but also for irrigators in the Riverland area and towards the Lower Lakes and Coorong area.

We have seen the impacts of reduced water flow into South Australia, particularly in the last decade. For us in South Australia, whether they are separate systems in New South Wales and Victoria makes little difference, because it is one system when it reaches the South Australians border. I point out that Menindee Lakes in New South Wales are vital to the security of water in South Australia, although they are in New South Wales. These lakes are reliant on the Darling River system. Only a few weeks ago I was visiting the Lower Lakes in South Australia with the House Standing Committee on Climate Change, Environment and the Arts. We had a look the Coorong and Lower Lakes areas and found that after two years of what would be called abundant water flows through the system, salinity levels in parts of those lakes are still too high. I raise that because if after two years of flood waters salinity levels are still not down to the levels they should be, imagine what the lakes would be like if there had been normal flows. I went to the Lower Lakes at the height of the drought and recall what they looked like then. I can draw a comparison having visited them then and again just a few weeks ago.

Our water resources, particularly the Murray-Darling system, have to be very well managed if we are going to ensure that we never again go through what we went through during the last decade of drought. At the height of that drought the Lower Lakes were in crisis. Only recently we heard from people who had been monitoring the situation throughout the drought that we almost reached a tipping point. It is all right for members to say nature looks after itself when they look at the Lower Lakes and see everything looking well, but we almost reached a tipping point. Had we reached that tipping point, the Lower Lakes would not today be looking good. It is important to have that overview and have a process in place to ensure our water resources are properly managed and used.

As I said at the outset, I support this legislation for good reason. I believe that not only will the commission continue to do the good work it has done to date but its role will be just as important in the future as in the past. I have had some personal experience with the commission. In 2005 in the midst of the drought, the commission came to the northern parts of Adelaide to assess a project that we had submitted to the federal government for funding to try to extend the water-harvesting work being done in the region. We met with the commissioners of the day and they ultimately endorsed and supported our application. It is projects like that that gave me the faith in the commissioners because they looked carefully at
what we were doing and ultimately endorsed the project for funding. I commend the legislation to the House.

Mr BUCHHOLZ (Wright) (11:09): I rise to speak on the National Water Commission Amendment Bill 2012. This amendment seeks to continue the National Water Commission as an independent body which by legislation was to sunset on 30 June 2012. The National Water Commission was established by the Australian government under the National Water Commission Act 2004, known as the national water act. The National Water Commission Act came into force on 17 December 2004 and provides the statutory basis for the National Water Commission to carry out a range of functions to assist with the implementation of the national water initiative. The independent review of the National Water Council was commissioned by the Commonwealth government on behalf of the Council of Australian Governments, in accordance with the National Water Review and section 38 of the National Water Commission Act. The review concluded that the National Water Commission should continue without sunset for the duration of the National Water Initiative. I am not too sure what the coalition's position is on that, but I do not support that. I do not necessarily agree that an organisation that was necessarily set up with a sunset clause should then have a perpetual ongoingness without that sunset clause.

The review found that the implementation of the National Water Initiative is occurring within highly complex and evolving environments. These complex environments require an independent and specialist institution to credibly engage with and report on the progress of water reform. Water reform is such an important thing to the nation at the moment. I cannot stress how intense some of those negotiations may be as we move into the future. It has the capacity to divide communities and in some cases has the capacity to create rifts within families, especially if one family is on one side of a river and one is on the other in the agricultural sector. The bill will amend the functions of the National Water Commission by refocusing its operations to deliver three core ongoing functions: monitoring, auditing and assessments. The National Water Commission will also assist with the implementation of the National Water Initiative by providing advice, information and guidance on these three core functions, as well as performing activities to promote the objectives and outcomes of the National Water Initiative.

These functions are designed to enable the National Water Commission to meet its principal purpose: to assist and pursue through strategic guidance and information implementation of water reforms by all jurisdictions, leading to the effective and timely achievement of the National Water Initiative objective. That is a mouthful. With that being said, the coalition does have some concerns about the National Water Commission, which has been stripped of its responsibilities by the government and as such, the question is whether that there is now value in maintaining to ongoing body. Within the overhead costs that we have seen in the forward estimates, we are looking at about $34.3 million. The National Water Commission plans to have 44 staff over the next financial year, admittedly a reduction from 63 from 2011-12. The National Water Commission's budget allocation is again $34.3 million over the forward estimates.

The National Water Commission is left with just two legislative roles: the assessment of progress under the National Water Initiative every three years and a review of the Water Act...
every five years. However, these reviews perhaps could have directed to the Productivity Commission on the premise of cost savings, if that was ever a thought by the government.

The government has also missed the opportunity to give the National Water Commission more responsibility recently. The government recently agreed to allocate $150 million to improving underground water research related to the mining sector, in particular the coal seam gas sector. This is a responsibility that could have gone to the National Water Commission, giving perceived levels of independent assessment to all stakeholders. I do support the extra $150 million that has gone towards underground research. It is a responsibility at a state level that has been predominantly the responsibility of the mining companies as part of their charter and assessment. I think shifting that to an independent body gives some type of certainty.

The other important thing with underground water research is that it gives the farmers or the graziers a bit of an idea of what is under the ground before the mining companies get there. They will go through and, hopefully, do some modelling. Of course, there are concerns that, because we have had additional rainfalls over and above normal or short-term averages in recent times, the water tables will be at an upper end of their catchment and then as we go back into El Nino cycles, those water levels will recede, with mining activity happening at the same time. It is imperative that we do have research that monitors that so we are not unjustly accusing one party or another of having an impact on those water tables.

Before I move on, I also want to make a point with reference to the $150 million for underground water. In Queensland there are some ads on television in which gas companies are saying how unintrusive their work is in the agricultural sector. To a degree that is true. There are very unintrusive relationships that have existed between Australian well-founded companies and the agricultural sector for over 20 years. But there are two types of extraction. There is the extraction that you see on television where it takes up less than half of a netball court with a couple of panels around the head of the well. There is the other process to do with fracking and discharge water with high salinity. Even though that water might not have any agricultural reference or value as to it, the effect of pulling that water out of the aquifers might have an imbalance somewhere that does affect better quality water. So I would encourage anyone researching that underground water component to be diligent in their findings.

Instead the task was given to the Department of Sustainability, Environment, Water, Population and Communities. One of the issues that I believe they should look at is streamlining the process for the allocation of water licences. Currently farmers and agriculturalists apply to departments different from ones for mining leases in seeking water licences. I believe the water resource should be an asset for use under the same conditions.

The National Water Commission has support from most of the water industry to continue and is generally viewed as a body that has produced excellent research in its charter. The Australian Water Association has pointedly indicated that the National Water Commission helped balance the barometer as to federal and state governments to maintain a commitment to water reforms under the National Water Initiative, and I dare say that those challenges will still lie with the commission as they continue the deliberations in regional parts of Australia. The Water Services Association of Australia believes that funding for water research should continue, otherwise more of the costs of producing it will be imposed on the water industry.
The CSIRO also believes that the National Water Commission should continue because an important body such as this can provide leadership and research to the water sector. The coalition will not oppose this bill as the coalition has been a long-term supporter of water reform. The coalition kicked off the water reform process with the establishment of the National Water Initiative back in 2004.

I would like to take this opportunity to reflect now on how successful the National Water Initiative was and how it remains a model for water reform today. Under the National Water Initiative it was implicitly recognised that there is a trade-off between economic, social and environmental factors. Some recent deliberations have omitted the social impact on those communities and have had a stronger focus on the environmental impacts of water flows and courses. I encourage those communities to make sure that the utmost consideration is given to those social impacts, because, as we all know, in regional Australia water is such a valuable commodity and without water there is no life. We can never achieve all of these goals at the same time. We must weigh up one against the other and come to a balanced outcome. This bill goes forward as a non-controversial bill, but I think it only right that the coalition watch the work of the National Water Commission closely with their expectations that absolute diligence will be shown in the expenditure of the Australian taxpayers' money in the pursuit of water reforms.

In conclusion I will finish where I started. I personally will be monitoring the progress of this body. I would have thought that the Productivity Commission could have more diligently handled the process for the next couple of years but at a much reduced rate at a time where money is scarce and waste is a challenge for the government. However, in saying that, I understand that the good work that is being done by the body. I understand that they have pared back some staff. I understand that there is a position of goodwill from partners that trade with the commission or have contact with it. On this occasion, the coalition's position is to support it; I would not like to see it back in this House again. Thank you.

Mr McCormack (Riverina) (11:20): Of all the important debates which take place in this parliament, none will have a more profound impact on the future of our nation than those involving water. Water is life. Life is water. The American forester and founding member of the Wilderness Society, Bernard Frank, said:

You could write the story of man's growth in terms of his epic concerns with water

He was right. American author, Samuel Langhorne Clemens—better known as Mark Twain—is credited with saying:

Whisky is for drinking; water is for fighting over.

He is right too. Irish-born pastoralist, New South Wales politician, and pioneering Riverina irrigator Sir Samuel McCaughey was also correct when he said, in 1909: 'Water was more precious than gold.' Water and health are the biggest issues in the Riverina. In the western end of the electorate, it could be said that the two go hand in hand.

Addressing the Murray-Darling Basin Authority public meeting in Yoogali on the 15th December last year, Elizabeth Watson, now Stott, and the wife of Dallas, a third-generation irrigation farmer, whose family farm is near Whitton, had this to say:

We have to account for every drop of water used, and need to continually justify why we need it. The Commonwealth Government is about to become the largest irrigator in Australia and spend billions in
tax payers' dollars in the process. Until the MDBA can obtain some more scientific certainty and until there is an environmental watering plan which outlines why the water is needed, how much is required and what the ecological outcome will be, I don't see any accountability nor any justification for the water reductions proposed in the draft basin plan.

Of course, she is right as well.

As a parliament, we have to get anything related to water right. We must address the needs of feeding the nation and other countries, whilst maintaining a healthy, sustainable river system into the future—Mr Deputy Speaker Georganas, as a South Australian, I am sure you would appreciate that. It is called, having a triple bottom line—taking into consideration all of the necessary economic, social and environmental implications.

The National Water Commission Amendment Bill 2012 will continue the National Water Commissioner as an independent statutory body beyond its current wind-up date of 30 June this year. Prior to forming the National Water Commission in 2005, in 2004 there was an intergovernmental agreement on a national water initiative. This represented a unified position on water reform issues with the objectives of the agreement seeking to achieve 'a nationally compatible market, regulatory and planning based system of managing surface and groundwater for rural and urban use that optimises economic, social and environmental outcomes'.

The National Water Commission was established by the Howard-Anderson government in 2005 under the National Water Commission Act to assess progress in implementing the National Water Initiative. At this time eastern Australia was at the height of the drought and the National Water Commission was established in recognition of the need for substantial reforms to all aspects of water policy in both rural and urban areas with a particular focus on reform of the 1994 Council of Australian Government's water reform framework, and the national competition policy.

Schedule C of the National Water Initiative established the composition of the National Water Commission to have seven members with four, including the chair, to be appointed by the Commonwealth and three by the state and territory governments.

The commission has brought through significant institutional reforms which have in turn been approved by COAG and the federal government, including, in 2007, the establishment of the MDBA and the Commonwealth Environmental Water Holder as new statutory bodies; and in 2008 the establishment of the COAG Reform Council and the delegation by the council of certain water assessment functions to the National Water Commission.

As one of its functions, the commission analyses, monitors and reports on the performance by agencies of the Commonwealth, states and territories. At times, this has involved criticism of these agencies which has not been welcomed. An example of this was the slowness of the development of interstate trade in water entitlements in the southern Murray-Darling Basin which led the commission to recommend the Commonwealth to withhold national competition payments to Victoria, New South Wales and South Australia. This soon had the desired effect of focusing minds, and the reform required took place, allowing in turn the national competition payments to be released. However, some resentment from state water officials towards the commission lingered.

In its early work, the commission was able to recommend the spending of infrastructure funded under the Water Smart Australia program, but to apply conditions that would force
progress in implementing the National Water Initiative. This was a valuable form of leverage for the commission. But when the Labor government came to power in 2007, the responsibility for the program was transferred to the department. This was a disappointing decision. The other main spending program the commission had responsibility for was the Raising National Water Standards program, which was small in moneys and involved a more specified allocation of funds. It meant open requests for proposals and the commission itself identifying projects which were then tendered. Careful thought was put into determining priorities and as a result of this research it often came in the form of Waterlines publications accompanying the commission's position or policy statement, which highlighted the findings relative to the National Water Initiative. This program will conclude on 30 June with all funds having been allocated.

When the commission began, it had a relatively small staff. It had systems and processes which were recognised in reviews by the Australian National Audit Office. The commission forged relations with state agencies and ministers, as well as industry and environmental stakeholders. The commission with Ken Matthews in charge rotated its meetings between head office and on the ground, with on-the-ground meetings facilitating interaction with relevant staff and enabling the commission to observe what was occurring and what needed to be done. The commission tried to be as open and communicative as possible. These themes continued under the second commission, 2008 to date, and current chief executive officer James Cameron. Unfortunately, the relationship between the commission and the department has often been strained. The other unfortunate change in recent times has been the drawn-out battle over water at both Commonwealth and state levels since the drought broke and water catchments replenished. Despite the fact that the government's chief climate commissioner, Professor Tim Flannery, declared in 2007 that our climate had changed irreversibly and that rain would not fall, rivers would not run and dams would not fill, Labor, beholden to the Greens, based much of its pollution pricing claptrap and other measures on what Professor Flannery spouted. These policies will make Australian business and farmers, that f-word the Acting Prime Minister refuses to use, less competitive.

The National Water Commission has done some excellent work on water reform, but if it is to continue it needs to have a job and to justify its funding. The coalition will continue to monitor and ensure that the money appropriated to the National Water Commission helps to encourage water reform—good water reform. The National Water Commission was set up to oversee implementation of national water initiatives, objectives of which were equal consideration of social, economic and environmental outcomes. I see the Minister for Sustainability, Environment, Water, Population and Communities opposite, and I am sure he would agree with that too.

The 2 May 2011 report Of droughts and flooding rains: inquiry into the impact of the Guide to the Murray-Darling Basin Plan by the House of Representatives Standing Committee on Regional Australia had as its 21st and final recommendation:

...Commonwealth Government charge the National Water Commission with responsibility for auditing and reporting on:

- the management and use of environmental water by the Commonwealth Environmental Water Holder and the manager of the proposed national water fund on an annual basis, including:

- the volume of water recovered for the environment;
use of the proposed national water fund, including investment in irrigation efficiency and environmental works and measures;

- the use of environmental water including volume, location, timing and outcomes achieved; and

- entitlements and allocations strategically purchased or sold, including location, timing, products (security and reliability), average long term volume and average value per megalitre.

There are other things as well contained in this recommendation, yet, essentially, whilst a worthwhile proposal, as were the other 20 recommendations, it is difficult to equate this with the fact that the last federal budget—delivered little more than six weeks ago—resulted in money for buyback staying in and funding for valuable water savings measures through works and measures, nearly $1 billion worth, being deferred until 2015-16. Those who often comment about water issues should accept that when water was not available, allocation to irrigators were not processed and so areas planted to annual crops, particularly cotton and rice, were scaled back or no farming occurred at all by many of the fibre and food producers of the Coleambally, Murrumbidgee and Murray regions. I see that the member for Murray has joined me in the chamber—in her area as well. The controversy of the Murray-Darling Basin Authority's guide and then draft also reflects the failure to grasp the difference between entitlement levels and allocations given the amount of water actually available. Prior to the end of 2011, under section 38 of the National Water Commission Act, a review was required to be conducted of the ongoing role and functions of the National Water Commission in management and regulation of Australia's water resources.

On 11 July 2011 the federal government, on behalf of the Council of Australian Governments, commissioned an independent review by Dr David Rosalky. Dr Rosalky presented his final report to the government on 6 December 2011 and it was tabled in parliament on 14 March this year. Dr Rosalky's report was balanced. It was insightful and recommended the commission's continuation. The review identified a number of core functions it considered necessary to progress in future water reform and for which it believed the National Water Commission has provided key services, including monitoring and audit of reform activity, assessments of reform activity and knowledge leadership. The review went on to conclude that the National Water Commission should continue without sunset for the duration of the National Water Initiative agenda and within essentially the same governance arrangement that it has now with its legislation strengthening its independence as a COAG body. It was recommended there should be a comprehensive external review every five years of the commission.

I agree that the commission should be continued. It has mandated legislative roles which could not adequately be performed by other Commonwealth agencies, such as the Productivity Commission, the Australian Competition and Consumer Commission, the Australian National Audit Office or the department. The independence the commission has is vital to the continuity of water expertise and the ability to criticise without fear or favour against the objectives of the National Water Initiative. It is also worth noting that it would be difficult for a Commonwealth agency to meet the state focused component of the commission's mandate.

The commission plans to have 44 staff next financial year, down from 63 in 2011-12. The NWC's budget allocation is $34.3 million over the forward estimates. Its budget of $10.252 million for the 2012-13 financial year—a relatively small budget in the scheme of things—
reflects its evolving role and the conclusion of the Raising National Water Standards Program.

This bill will continue the National Water Commission as an independent body beyond its current sunset date of 30 June. It also refocuses the commission's role to oversee and assess national water reforms, primarily the National Water Initiative and Murray-Darling Basin reforms. The bill will amend the functions of the commission to the three core ongoing functions of monitoring, auditing and assessment. These functions capture the formal commitment in the National Water Initiative and other agreements. The commission will also assist with the implementation of the National Water Initiative by providing advice, information and guidance on these three core functions as well as promoting the objectives and outcomes of the initiative.

As all programs funded from the Australian Water Fund have ended, the bill will also close the Australian Water Fund account and the commission's specific ability to administer any of these funds but will enable the commission to administer Australian government funding programs that may be allocated to it in the future. Furthermore, the bill will reduce the number of national water commissioners, including the chair, from seven to five due to the refocus functions. It also adopts the independent review recommendation of a statutory review to be undertaken every five years.

The coalition is happy to support this bill to ensure that the work being undertaken by the National Water Commission continues, to ensure that they are able to continue their principal purpose of assisting and pursuing, through strategic guidance and information, implementation of water reforms by all jurisdictions, leading to the effective and timely achievement of the National Water Initiative objectives.

Finally, the commission ought to continue, but it must play its role. To paraphrase shadow water minister Senator Barnaby Joyce in his speech on his Senate initiated bill on Monday, we have had discussions on the National Water Commission and we will concur on their role continuing, but they must be on their game, because every dollar we spend on the commission is a dollar we cannot spend on health, pensioners, dental care, children or AIDS research or in so many other places. We cannot spend the money twice. I hope those within the National Water Commission understand the tenuous nature of the financial predicament that this nation has been put in and how we have to do everything within our power to try to make every dollar count.

Next Wednesday 27 June—and I am glad the minister is here—there is an important meeting taking place in Banna Avenue in Griffith, which will once again come to a standstill from 11.30 am, when the community will again rally. The state water minister from New South Wales, Katrina Hodgkinson, will be there to discuss the ongoing dilemma and concern about the Murray-Darling Basin Plan. I know the minister has stated this week that he is intending, if the states do not agree, to bulldoze the plan through anyway. It will be interesting to see the numbers of people attending this meeting. In the past we have had thousands of people rallying at Griffith. The minister has been there; he has seen the fear and the uncertainty in those people's eyes. He knows all too well that a bad basin plan will absolutely destroy—not decimate but destroy—the Murrumbidgee irrigation area, which is one of the great food bowls of this nation, if not the greatest. I hope he takes that onboard when he does decide his basin plan, and I hope he gets onboard with what the states say. We are not always
going to get agreement on everything but certainly on water we need good policy. *(Time expired)*

**Mr GEORGANAS** (Hindmarsh) (11:35): I thank the members who are here in the chamber for allowing me to say a few words on the National Water Commission Amendment Bill 2012, even though I was not on the list. It is an extremely important bill. The National Water Commission has oversight of our river system, and it plays a very important role. We see very different state variants around the country when we discuss water and our river systems. We know that the National Water Commission plays a role in bringing everyone together and ensuring that we progress water reform here in this country. For South Australia this is a very important issue. It is extremely important as we are at the bottom of the river system and the basins. During the drought a few years ago we saw the enormous pressure that our river system was put under. We heard the member for Makin talk about that tipping point. So this is important stuff that we are talking about here, especially for South Australia.

We recently saw the Murray Darling draft report that was released by the minister. I must congratulate him for overseeing that particular report. It is a very important report and something that needs to be moved forward to ensure that we come up with a system that looks after the future of the river and ensures the longevity of the river for many years. I cannot stress too much how important it is. We do not want to go through what we saw a few years ago ever again. For many years, for whatever reason, we have not looked after our river systems and we need to put a plan in place that will be the stepping stone towards the future of environmentally sustainable flows throughout our river system. This will be a once-off opportunity to ensure that we get this right, and that we put in place the procedures that are required. As I said, it is a once-in-a-lifetime opportunity to get it right.

We know that there has been great emphasis on the National Water Commission in bringing all the parties together, ensuring that we get that water reform right. We have already seen work that it has done over the years. This bill is very important because it will ensure that we continue with that good work. As we saw, the bill will provide for the continuation of the National Water Commission on an ongoing basis beyond the current expiry date. The bill will make changes to the functions and operations of the commission, and these changes will refocus the National Water Commission on its primary purpose of providing independent assurance of governance and progress of water reform, which is so important to my home state of South Australia.

**Dr STONE** (Murray) (11:38): You would not be surprised, given that I am the member for Murray in northern Victoria, that I would be most concerned about the future of water planning, assessment of programs, monitoring and auditing. With the coalition, I strongly support the continuation of this body, the National Water Commission, with, of course, the expectation that it will be properly resourced and funded, and that it will be given the tasks that it should be given. We have had recent examples where funds allocated by this government, for example, to look into mining and water related issues, particularly coal seam gas, were not given to the commission but to the federal department. That is a concern. So we support this bill but we will also, when we are in government, make sure that it is a very soundly functioning commission. The commission was initiated in 2004 under the Howard government regime. The coalition, under John Howard, understood that water is a critical concern in this nation. We do not have problems and conflicts with other countries sharing
borders and river systems, where catchments and valleys are shared one nation with another. Australia is a nation with a highly variable rainfall of bust, boom, drought and flooding rains in cycles. Recently we had one of the worst droughts on record in eastern Australia, but we are told the Federation drought was fairly similar, of some eight to 10 years duration. In between those very extraordinary dry years we have had floods. Eighteen months ago in my electorate, floods destroyed agribusinesses in the western half of the electorate. Then this year, some four months ago, floods destroyed agribusinesses and a number of small towns in the eastern half of the electorate. In Australia we face droughts and flooding rains. It is complicated not by international neighbours who share water resources but by different states and the ACT which have since before Federation had their own water law, in particular their own responses to who owns the water and whether or not it is vested in the Crown. We are still battling the problem of jurisdictions wishing to hold on to their independence when it comes to water catchment, distribution, water pricing and indeed water law.

It is a complex business in Australia; hence the coalition created the National Water Commission in 2004. We gave it a sunset clause and that sunset has just arrived. This bill removes that sunset clause to give a future to the commission, and we support that. The commission has into the future a role in the assessment of progress under the National Water Initiative. Every three years it is to examine progress. It will also review the Murray-Darling Basin Plan every five years. It will also be expected to look at specific programs, as it has in the past. In the past it has looked at the Water Smart Australia Program, Raising the National Water Standards program and the Community Water Grants program. It has promoted national water standards across industries, it has developed a National Water Sector Training Strategy and undertaken general research into water policy issues such as trading of water rights, coal seam gas and groundwater. It has performed an important function in its first life cycle. We expect it to be even more rigorous and well-resourced into the future, albeit not perhaps in the near future because of the financial problems of this government. It will have a smaller staff, we are told. The review of Dr David Rosalky was comprehensive. He recommended the continuation of the commission, and we respect his recommendations. We note that the government has obviously taken those on board; hence we have this bill before us today, which will continue the life of the commission.

As I said before, we do have a real challenge in Australia bringing together a national response to water allocation and who owns the water. We have a great deal of research still to do to properly assess our groundwater assets and what is an appropriate groundwater extraction regime. That is not necessarily known right across Australia at this point, yet we have been extracting water from, for example, the Great Artesian Basin at a rate which we now realise is not sustainable.

Under the Howard government we had a major capping program where a number of those Great Artesian Basin bores flowed free. We now have many capped. So we have some hope in some parts of the Great Artesian Basin by allowing time for the watertable to replenish. We know it is essential that all of those free-flowing bores are capped as soon as possible and where bore water is used that it is properly metered and monitored and that a proper price is attached to the consumption of that water because, where you do have proper pricing of water, you can hope to have it managed effectively and used in the way that delivers highest productivity.
Australia is very well known internationally as being the world's best in terms of arid zone cereal production. It is less well known—but it is a fact—that we are also the world's most productive rice growers. In the case of arid zone cereal growing, clearly we do not tend to store water and use it on those crops, but with rice growing it depends on water being available through storage of that water and then allocation through irrigation systems. Often those storages are on farm. We in Victoria have had publicly owned irrigation systems since 1886. In fact, irrigation in my electorate began with my ancestors very close to where they had selected; they had already been there since the 1860s and they enjoyed the first irrigation boom times 20 years after they had settled in the 1880s.

The tragedy for us in Victoria is that, because of that work of the pioneers and the 100-plus years of irrigation system development, we are now being targeted for water to be taken because it is high-security water to be put into the Environmental Water Holder's bucket. This is part of the Murray-Darling Basin Authority's latest plan proposal. Everybody knows—except, it seems, the minister and the Greens—that the best way to manage a sustainable environment for the Murray-Darling Basin is to have a viable agribusiness sector. If you have a beggared, bankrupted irrigation community, they cannot invest on their properties or manage their water as effectively as they know they must, because they simply do not have the financial resources to, for example, do more laser grading or invest in more innovative water technologies like subsurface irrigation. We have already lost over 600 gigalitres of water from the northern irrigation system. We are now teetering on the brink of having a non-viable system because of the loss of numbers of irrigators and the price impost that is left to those who continue to irrigate. The prices for our irrigation water are now just at the point where many cannot pay and, if you are a dairy farmer or fruit grower, you have to work out if the cost of the water to you in fact can produce sufficiently to make it a worthwhile business.

We have the $1 billion granted by the federal government to the so-called Food Bowl Modernisation Project stage 2. Unfortunately that stage 2 entails halving the footprint of the irrigation system in northern Victoria. By halving that irrigation footprint, you then have to ask if the 23 food factories have a future. You have a halving of the irrigation footprint so that the state-owned irrigation authority, Goulburn-Murray Water, can reduce its costs. This is, unfortunately, totally different to the objectives of the irrigators. If you combine Goulburn-Murray Water's objectives with the objectives of the federal government which is buying back water from those irrigators under a so-called 'willing seller' regime, you have a perfect storm. You have farmers who are debt stressed as a consequence of the drought and who are still under the pressure of the banks to sell their water so that they can retire debt. When they receive a successful outcome with one of the federal parliament water tenders and the funds flow to them, the funds for the water do not go to adjustment on their properties, to buy another tractor or to put more fertiliser on their property; the funds go straight to the banks. Any number of accountants will recite that situation to the minister, and I am sure he has heard it very many times.

The recommendation of the Standing Committee on Rural and Regional Affairs, chaired by Tony Windsor, was that no more water be purchased through the federal government initiatives related to the Murray-Darling Basin environmental water. We stressed that some strategic buyback might be possible when it had no other impacts on the Basin. Unfortunately, we have seen from the government another tender rolled out with $40 million brought
forward into this financial year specifically to buy more water out of the high-security southern part of the basin. I am most concerned that just yesterday it was announced where that water was to be taken from: it is all from northern Victoria and the northern Riverina part of Victoria. It is to go from productive use, particularly in what has been the almond-growing sector. None of us has a problem with buying or selling water in Victoria or the rest of the Murray-Darling Basin. In fact, when I worked for the Rural Water Corporation in the 1980s in Victoria, my task was to bring about transferrable water entitlement legislation and to sell it to the community. I have been instrumental in establishing water markets in Australia and I am proud about that. The problem is when the water is sold out of productive use to the environment, where it disappears for all time—although we are now told that maybe we will have a trading regime in the future, but that trading has a great capacity simply to distort the farmers’ markets.

We have to see that there is an alternative to the way this government is progressing and to the way the Murray-Darling plan proposal is currently heading. There is a win-win-win scenario. You do not need to take any more water out of production from the basin. You invest in works, environmental works and measures and you better account for the water already in the system for the environment. We have the Barmah Forest, that has had an environmental flow going right back to the 1970s. We know that that flow has not been properly managed at all times. We know that the environmental water goes into the Barmah Forest and then on to Gunbower and out the other end, and so on down to Koondrook. This water is not at the current time properly accounted for as water that is reused and reused for environmental purposes down river.

We also have a problem with the Murray-Darling Basin Plan proposal right now, where even if we do have states or the Commonwealth invest in savings through improved environmental works and measures—for example, Lindsay Island is often cited—that saving is not then seen as part of the contribution to the sustainable delivery limits bucket of water held by the environmental water holder.

We have an extraordinary problem in Australia. We started out in 2004 to make it better. We have not got to a situation yet in Australia where all of the states are singing from the same hymn sheet about how their water law relates to both groundwater and surface water extractions. There are still differences in Queensland compared to, say, the southern Murray-Darling Basin in terms of who owns the water, where the water is vested—whether it is with the Crown—and that has to be sorted out. We still have problems of water in the markets, where the loss of water—literally the transfer costs of the water—is not accounted for in the market place. If you buy the water 10 kilometres from Eildon dam, that megalitre of water is what you take delivery of down in Adelaide and the losses along the way on the river are not taken into account. We do not have the Commonwealth paying the costs of storage for the environmental water that is sitting in dams like Eildon and taking the place of irrigators’ water, to the point where there is a real worry now about whose water is going to be able to be stored into the future.

There is a range of issues that need to be addressed if we are going to meet both the national and international food demands of the future. We already import some 37 per cent of all our manufactured food to Australia. People are blitzed by the statistics that we have this massive export of food out of Australia, but most of that food is unprocessed wheat and dairy
powder. In fact, we are already a net importer of a lot of our manufactured foods, particularly fruit and vegetable frozen product and concentrated product. We cannot smile our way out of this and say, 'All will be well'. We are a nation that has to be clever about our water law and about how we monitor, audit and assess our water consumption, about who is managing the water across state and territory borders. There is a role for—obviously—the National Water Commission into the future. It has to be better than it has been. We acknowledge that, but simply to have allowed it to have died or faded into the sunset was not a good option. As a coalition we support this bill, but as the member for Murray let me say that water policy is the issue which is at the moment causing suicides in my electorate and making us wonder if we have any future at all. Thank you.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (11:53): I want to thank all the contributors to the debate on the National Water Commission Amendment Bill 2012. The bill continues the National Water Commission as an independent statutory body for the life of the National Water Initiative. It will provide transparent assurance on the progress of all governments in meeting their commitments under the National Water Initiative and other important water reforms.

I note that on 13 April this year the Council of Australian Governments agreed to retain the commission, focusing it on the functions of audit, monitoring and assessment of water reform. I remind the House that the National Water Commission and the National Water Initiative are the commitments of all governments and an example of the benefits we can achieve by working together. I have found it odd in some of the contributions to the debate where people in one breath have supported the National Water Initiative and then have opposed almost all of the elements of it. It is an important part of the National Water Initiative that water entitlements became tradeable entitlements and yet we have had a number of contributions where people support having a tradeable entitlement on condition that it can traded but it cannot be sold. I am not sure how the logic of a tradeable entitlement that you are not allowed to sell is meant to work, but such were some of the comments that we have had during the course of that debate. When enacted, the bill will have positioned the commission to focus on the most valuable elements of its role, give it continuity, and meet all commitments for reporting on water reform progress.

The Australia government remains firmly committed to national water reform, including the delivery and implementation of the Murray-Darling Basin Plan. The government also remains firmly committed to the full and effective implementation of the National Water Initiative. I welcome the National Water Commission continuing as an expert and independent agency which brings a body of knowledge and experience to bear on addressing key challenges in the ongoing implementation of the COAG water reform agenda.

I again thank the members for their contribution and appreciate the bipartisan nature of the view of the legislation and commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.
Migration (Visa Evidence) Charge Bill 2012

Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr MORRISON (Cook) (11:56): I am pleased to rise to speak on the Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 and to indicate the coalition will not be opposing these bills.

The bills were referred to the Joint Standing Committee on Migration because the coalition had some concerns about the modelling that had been used and the lack of detail provided to explain this modelling. We were also concerned about whether there would be any unintended consequences in relation to access to education and Medicare entitlements to visa holders. The committee has now completed its advisory report, which largely addressed the issues that the coalition had raised, and I thank the committee for their work. In particular, we are satisfied with the department's reassurances that the impact on visa holders access to services will not be compromised. We are also pleased to note that humanitarian entrants and some others will be exempt from the fee completely. We also note there will be a differentiated fee structure in place to allow for upward adjustments of the introductory flat fee of $70. The committee made two recommendations which we also support: first, that DIAC provide greater detail in the explanatory memoranda to more clearly explain the policy rationale and costing methodology; and, second, that the bills be passed without amendment. The stated reason for the bills is to introduce a charge for requests for evidence of a visa and is intended to discourage reliance on visa labels by immigration clients and foreign officials and to promote the use of online visa validation under the Visa Entitlement Verification Online or VEVO.

The coalition are very supportive of a shift in favour of electronic visa handling and had a record of this in government. We are pleased that the government have indicated that this is the direction in which they are also heading. We are also pleased to see that the government are working with other countries to clarify Australia's visa requirements. The moves are important if the purpose of these bills is to be realised and the coalition support these plans. We are also pleased the government have signalled that the Department of Immigration and Citizenship will be moving closer toward a user-pays model with respect to these matters and on the face of it that seems to be a sensible approach. The bill feeds into some very important discussions that I would like to address today surrounding the economic nexus between immigration, customs, and quarantine operations, as our principal border agencies. There are three elements that warrant particular consideration in this place in the context of this bill: future trends and visa management; the revenue raising of border agencies and our ability to support our border agencies; and fiscal responsibility, more broadly, in relation to the immigration portfolio, which in part, has demanded the need for the measures that are before us today. This bill will impose a $250 charge limit for request for visa labels to be inserted into a visa holder's passport. As noted earlier, the introductory flat-rate fee will be $70 and some visa classes will be exempt from...
the fee. Importantly, the bill will allow for future increases in that fee if a stronger price disincentive is required to further discourage requests for visa labels. The intent here is to discourage reliance on visa labels and the increased use of electronic systems to validate a non-citizen's right to enter Australia. This bill signposts an important shift in thinking within the immigration portfolio from hardcopy, paper based applications to more sophisticated, more efficient and more effective online management. According to the government's figures a total of 1.365 million visa labels were issues over calendar year 2011. By any measure, this represents an incredibly high volume of service undertaken at immigration counters in Australia and our missions overseas. The government has apparently made previous attempts to reduce the demand for hardcopy visa labels in the past with little success. In the absence of any requirement for individuals to have a hardcopy visa the proposed fee represents a strong price signal to discourage unnecessary service.

Based on the estimated revenue of $90 million over three years, I note that the government is estimating that the number of evidences would decline by more than 90 per cent to 120,000 per year. I think this is a very ambitious estimate, and if not realised would deliver a significant revenue windfall. Like every other estimate this government tends to make in terms of its budget, it would be foolish to bank on it until we actually see the revenue generated. With ever-improving technology and amassing intelligence databases, the ability to use electronic matrices to process, scrutinise and manage visas across the board should be used to as great an extent as possible, and this reflect coalition policy. We should be exploring opportunities to advance and build upon our current systems with the goal of making them more robust and with greater integrity. I encourage the government to pursue these measures enthusiastically.

The electronic lodgement of visa applications in particular correlates very strongly with achieving border management objectives by streamlining entry processes, significantly reducing the cost of border management while at the same time, I believe, providing the tools to better manage our borders from a nation security perspective. In Australia at present, excluding the Electronic Travel Authority, around 30 per cent of visa applications are submitted electronically from offshore. The rest are done in the old-fashioned way: by paper and snail mail. That is not a figure that the government should be proud of or this parliament should be proud of. For many visa categories there is no option to apply electronically; applications must be done by hardcopy. I understand why on specific occasions that is necessary, particularly in terms of verification. However, maximising the use of electronic lodgements, backed up by effective risk profiling, is the way forward for border security, efficiency, and fiscal responsibility. This approach will yield significant benefits not only for DIAC but for other agencies as well. While this bill on its own may be small, if this is an indication of a much bigger shift in thinking towards electronic processing and immigration then I consider this to be a positive sign and the coalition support this attitude.

The management of Australia's borders is highly complex and involved. Our agencies seek to coordinate the movement of both people and goods in and out of our country, and to ensure lawful regulation and governance of each person, and each parcel for that matter. As an island, we face cross-border threats from not only crime, terrorism, drugs and immigration fraud but also pests, diseases and people smuggling. The success of our border protection operations has wide-reaching ramifications. It is critical to our national security, while the
seamless flow of people and cargo is vital to our continued success as an open-trading economy. Naturally, it involves cooperation and coordination to the highest degree and under a broad range of circumstances between the three key, primary border agencies who work in this critical space and, in many cases, share joint responsibilities. Collectively the Department of Immigration and Citizenship, the Australian Customs and Border Protection Service and the Australian Quarantine and Inspection Service employ 17,428 staff, and cost almost $4.4 billion per year to run in this current budget year. If we exclude non-border services such as the Cultural Diversity and Settlement Services program managed by the Department of Immigration and Citizenship then we are looking at a cost across these three agencies of around $3.9 billion in 2011-12 and a staff of around 16,000 over these three agencies. These agencies are tasked to control the flow of people, goods, flora and fauna and any other biological matter across our borders. Failure to resource these national functions has serious consequences for our national security, our economy and our environment. It pays us to get this right, so the move towards these fee services is a way of ensuring that we can do just that. There are opportunities to raise revenue within each of these portfolio agencies. Naturally, there are also costs that must be met — much greater for some outcomes and outputs of these agencies, within their output classes, than for others.

There are serious issues that have consequences for national security, and obviously there are elements of expenditure that cannot be compromised. Inputs and outputs need to be carefully managed. Australia's border agencies operate as key revenue generators and collectors for the Commonwealth across the spectrum, collectively raising billions of dollars from administered and own-source revenue, excise and customs duty, visa application charges, passenger movement charges and an array of import processing charges. Had the government's proposal, which was considered by the House yesterday, to increase the passenger movement charge actually been about genuinely funding border control functions, and directly into those functions, rather than being a naked tax grab, perhaps it would have had more merit.

It follows that where there are opportunities within these areas to raise revenue and find more efficient ways of doing more with less, and doing it more effectively with less, we should be making the most of those opportunities. We should also be ensuring that these resources go into funding our border control operations, not the government's largesse. The net border cost to taxpayers, notionally, for our three border agencies in 2011-12 — taking into account other service related incomes, currently represented and administered in own source income within the budget, and for things such as the visa application charges and the charges and fees that are the subject of this bill — was estimated at $2.2 billion. So we are a long way shy of self-funded border agencies in this country.

Over the forward estimates, immigration and citizenship represents the dominant component of our border related expenditure. We should be charging market value and we should be competitive but, at the same time, we must be conscious that there are costs that must be met. In his second reading speech, the minister—who is here with us—admitted that the Migration (Visa Evidence) Charge Bill is unashamedly designed to generate revenue, and I hold nothing against him for that goal; that is its purpose, as well as the purposes we have talked about here today. That is a fair enough goal when this revenue is going directly into the government's agency to perform these tasks.
It is estimated and expected the measures proposed in this bill will generate $90 million in revenue of three years. But, as I indicated before, I suspect that this is a very modest figure and has been significantly underestimated. The minister claims that the modelling undertaken by the department confirms that the charge will have minimal impact on the education, tourism and employment sectors and that immigration clients will eliminate the current financial burden that visa labels impose on the Australian taxpayer. On that basis, that the impact is as is claimed, the coalition does not oppose these bills. However, we do look to the committee report continually in terms of how these matters can be managed in practice.

While the coalition supports these measures and whilst the moving towards a user-pays model is undoubtedly important, it is a terrible shame that the revenue raised will be simply overwhelmed by the department's rising costs, courtesy of the government's border protection failures. More than 2,000 people have arrived now since the government handed down its budget just six weeks ago. That is more than three times the rate of arrivals that were estimated in the government's budget.

We also have a new front opening up in terms of border protection issues in the Cocos and Keeling Islands. The establishment and setting up of a facility in the quarantine station, the deployment of additional resources, maritime assets for customs and border protection and the other costs of charter services and matters related to that will only add further to the costs the department is going to face. It is a shame that the $90 million raised from this measure in the three years will be spent in just 90 days to pay for the already budgeted blow-outs for the 2012-13 year. That will be $1.1 million to be paid out each and every day in the next financial year on the government's current budget before they will inevitably have to revise it, compared to the figures that were put before this parliament a year ago. The figures for next year are up $424 million for 2012-13 in terms of what was handed down in the 2011-12 budget. That is $1.1 million each and every day that taxpayers will be paying. So the revenue raised in this measure before us today will be swallowed up in less than 90 days, even though that revenue will be raised over three years, because of the failures of the government's border policies.

More than 19,000 people have arrived since the Labor government decided that it was a good idea to get rid of the solutions imposed by the Howard government that had worked and were working. It is estimated that those 19,000 people have provided around $190 million—that is gross revenue based on the $10,000 per person fee, charge, price or ticket paid for by these individuals which has been confirmed via entry interviews and in evidence before Senate estimates—into the pockets of people smugglers like Captain Emad, and now Captain Ewaz and how ever many more captains are out there in this battalion of people smugglers that are moving onshore. This is the revenue that they are raising courtesy of this government's border policies.

We have seen blow-outs occur in the past and I have no doubt that we will continue to see blow-outs occur, given the rate of arrivals since the budget is three times what was estimated by the government. The existing blow-out of $4.7 billion to date from the last three years will only be added to as the government once again faces up, as they do with every MYEFO, to tell us that it is all going to cost a lot more. In the past year at the portfolio additional estimates there was a blow-out of $866 million. Since those portfolio additional estimates there has been a further blow-out of $840 million, as presented in the budget just six weeks
ago. There was a blow-out in those figures also of over $220 million between November when they first considered the papers and the publication and review of those at the additional hearings in the Senate. When it comes to border protection failures, the costs only go in one direction under this government, and that is up. The revenue is taken and put in the pockets of people smugglers like Captain Emad and Captain Emaz under this government. Some of these alleged people smugglers are sail-in fly-out—they are our new SIFO, like Captain Emad. It is estimated they have put in their pockets something in the order of up to $190 million over the last few years.

They will keep arriving and they will keep coming as long as this government is in office and as long as they remain the government that they are. It is not just Labor's failed policies that are a problem on our borders anymore; it is the Labor party themselves that is the pull factor. This Labor government have become their own pull factor for boat arrivals. Their soft-touch reputation has gone global and it has gone viral around the world. That is why we continue to see the arrivals that we see. If the government are serious about saving taxpayers' money and generating efficiencies in the immigration budget then it should adopt good policy not pursue failed policy and untested policy. The coalition's policy has been set out now for over a decade on these matters, but sadly, I fear that any policy this government might seek to introduce on the matter of our borders will fail, because it will be overwhelmed by the enormous pull factor presented by their own presence in office.

Mr ZAPPIA (Makin) (12:14): I speak in support of both the Migration (Visa Evidence) Charge Bill 2012 and the Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012. This legislation was in fact referred to the Joint Standing Committee on Migration. The chair of that committee and the deputy chair in presenting our response to the referral to the committee spoke on these bills on Monday. Effectively, the committee recommended passage of the legislation. It did so after a brief inquiry in which information was sought from the department. In fact, some 13 questions that go into the very detail of the contents of this legislation were raised with the department, and the department kindly responded to those questions and enabled the committee to prepare its response. Having listened to the members opposite and in light of the recommendations of the committee, I have no doubt whatsoever that this legislation ought to be supported.

The legislation deals with a couple of critical matters. The visa charge bills amend the Migration Act 1958 to introduce a charge for requests for evidence of a visa issued as validation of noncitizens' immigration status and entitlements in Australia. The Migration (Visa Evidence) Charge Bill 2012 introduces a charge with the maximum limit of $250 for requests for visa evidence and a method for indexation of that charge. The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 provides for regulations to implement and calculate charges for different forms of visa evidence and visa classes. The new charge is intended to encourage visa holders to use the department's online visa entitlement verifications system, otherwise known as VEVO, for visa validation. The measure will also support immigration processing during the transition to labels-free travel based on electronic verification. Currently visa evidence is provided without a fee which imposes an administrative and cost burden on the Department of Immigration and Citizenship.

In his first reading speech, the minister made the point that during 2011 some 1,365,000 requests were made for onshore and offshore visas. That was made up of 455,000 onshore and
910,000 offshore visa requests. That is a lot of applications. Further, the processing of these visa evidence requests is the highest volume service conducted at immigration counters both in Australia and overseas. Their requests may be made at the time of the visa being issued or later, and the visa evidence is issued without cost to the visa holder. It is effectively to address those issues that this legislation is being brought in because once the legislation is brought in I have no doubt that it will discourage the reliance on visa labels, which are being sought right now by people who apply for visas. Whilst I can understand why those visa labels are being sought because in some cases they need to be used as additional proof of people's status, the reality is they do not need them anymore, particularly if they go to the online visa verification system that is being proposed. That is the way of the future, so it makes absolute sense to start saying: 'You have an alternative. If you want to continue to apply for visa labels then because of the cost burdens that are being imposed on the department, it is only fair and reasonable to seek to recoup the costs that are being incurred by government for the provision of that service.' My understanding is that the changes proposed will be implemented over the next 18 months and it is not the case that in all cases fees will rise. I understand that in some cases—perhaps relating to students and other cases that I am aware of—the fees in fact might be either waived or reduced.

I wanted to address one of the matters that was touched in the response to the committee's inquiry by the deputy chair in her remarks to the chamber which related to the cost of the visas. The department's advice to the committee revealed that the $250 limit and the highly differentiated fee structure are in place as a framework for the upward adjustment of the $70 charge. I want to specifically quote a section of the committee's report in respect of this. Section 3.35 says:

It is proposed that the Migration Regulations will be amended to initially set the VEC at $70 for the provision of evidence in the form of labels. The Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012 provides that the Migration Regulations will be able to set different charges for different circumstances and classes of visa, and for a method of calculation to be developed to allow this. This has been included to give flexibility to increase the $70 in some circumstances if it does not succeed in reducing reliance on visa labels. These provisions also enable the charge to be set at a higher rate, if required, to process a label quickly outside of normal processing times.

That is a direct response from the department to a question that was raised by the committee. Section 3.39 of the committee's report says:

The current Visa Application Charge cap is around four times the price of the average migration fee, and this was used as a guide when setting the limit for the VEC, with $250 being just over four times the then proposed VEC of $60. It was not proposed to the Government that the VEC cap be charged – it is a cap on price to prevent arbitrary taxation, not a price itself.

I use those quotes to try and explain how the fees were arrived at, given the comments that were made in the committee's discussions. There was also some questioning of how the $90 million amount was arrived at. My understanding is that the amount is actually $600 million, and perhaps the minister, being here, might like to comment on that. That would in turn explain the difference in the drop that is expected as a result of these new processes coming into effect.

In closing, there is every likelihood that in the future we will see more and more people apply for visas to this country for a whole range of reasons, not least of which is that international travel is becoming easier and easier as the years go by. For those reasons, it
makes good sense to have in place a system that is more efficient and recoups the cost that the
government will undoubtedly incur as a result of that increased travel. I commend the
legislation to the House.

Ms GAMBARO (Brisbane) (12:21): I also rise to make a brief contribution to the
Migration (Visa Evidence) Charge Bill 2012 and Migration (Visa Evidence) Charge
(Consequential Amendment) Bill 2012. As indicated by my colleague the shadow minister for
immigration and citizenship, the coalition do not oppose the bills. As explained by the
explanatory memorandum, the intent of the bill is to amend the Migration Act 1958 to
introduce a charge for request for evidence of a visa issued has validation of a non-citizen's
immigration status and entitlement in Australia. The Migration (Visa Evidence) Charge Bill
2012 introduces a charge with a maximum limit of $250 for a request for visa evidence and a
method for indexation of that charge, and the Migration (Visa Evidence) Charge
(Consequential Amendment) Bill 2012 also provides for regulations to implement and
calculate charges for different forms of visa evidence and visa classes. The reasoning behind
these changes is to encourage visa holders to use the Department of Immigration and
Citizenship’s Visa Entitlement Verification Online, VEVO.

The current situation is that visa evidence is provided without a fee, which imposes a huge
administrative and cost burden on the Department of Immigration and Citizenship. The idea is
that if a visa holder has to pay a fee to get a hardcopy of the visa evidence, they will be far
more likely to use VEVO than request the hardcopy evidence. In the second reading speech
for the Migration (Visa Evidence) Charge Bill 2012, the Minister for Immigration and
Citizenship, the Hon. Chris Bowen MP, advised that one-third of visa holders request
hardcopy evidence of their visa and during 2011 this amounted to a staggering 1.365 million
requests, broken down into 455,000 onshore and 910,000 offshore. The coalition are
supportive of the concept of ensuring greater efficiency within the department through the
promotion of an online mechanism. The Joint Standing Committee on Migration conducted a
brief inquiry into the particular bill. One of the aspects the committee sought advice on was
the consultation undertaken by the department to assess all the negative impacts on particular
sectors. It was particularly interested in the transition to a visa label free travel. As the
committee report states:
In addition to the request made at the time of issuing a visa, visa labels may also be requested at a later
time. Resident non-citizens may make these requests for a range of reasons such as the perceived need
for evidence for work entitlement, Medicare Centrelink benefits, for proof to third parties or foreign
embassies of the right to return to Australia, or simply as a souvenir.
Additionally, offshore visa applicants may require hardcopy visa evidence to comply with local laws to
exit or transit to another country. In these circumstances a migration officer may make the request on
their behalf or if there are special requirements, such as for processing humanitarian visas.
The Department noted that while the number of visa requests seems high, requests for hard copy
evidence accounts for only one third of the total visa caseload. The remaining two thirds of the visa
caseload are processed without a hardcopy visa label electronically.
So essentially the rationale is that if two-thirds of the visa holders can use the VEVO then
surely a large percentage of the other third can also be encouraged to by introducing a charge.
The department also advised that the pricing model introduced under visa pricing
transformation is consistent with international benchmarks for visa and associated services. I
did have concerns about how these charges might affect adversely or disproportionately
certain categories of visa holders or those from different countries where they have to have a hard-copy visa. But, as the committee report said, in evidence the department gave reassurances that a growing number of countries are now allowing nationals to exit or transit their country without a visa label. DIAC is also actively promoting the message that Australia does not require a person to have a visa label in their passport to travel to, enter or remain in Australia. I am really pleased to see, however, that it is proposed that the charge be waived for humanitarian entrants, among other specified groups.

The other aspect of the bill that I have a concern with was the modelling, particularly the modelling the department used to predict the revenue that would be generated and the subsequent decrease in the use of hard-copy visa evidence. The department told the committee that the initial decline of 40 per cent was modelled, increasing to a 55 per cent drop over four years. I was really pleased that the department was able to come back to us with those figures. The committee and the coalition accept the department's explanation, and I commend the bill to the House.

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (12:27): I thank honourable members who have contributed to this debate, particularly the honourable member for Makin for his learned and considered approach in his work on the committee on this. He has clearly given these matters a lot of thought. I also thank the member for Brisbane for a likewise thoughtful approach. I note the contribution of the member for Cook, which was heavier on rhetoric than substance, but I do note his contribution. I thank the honourable members for their comments.

As honourable members have said, this bill presents a package that will enable the government to impose a charge for the production of visa evidence. This is the first of a series of new related charges to be implemented under the Visa Pricing Transformation Program, which I previously announced as a major reform to the way we price our visas to bring Australia into line with international best practice, ensure our competitiveness and also ensure that taxpayers are receiving an appropriate return for the work that goes into visa processing.

As honourable members have said, visa labels are not required in the vast majority of circumstances, yet a very large number of people still request visa labels for the reasons that the member for Makin and the member for Brisbane referred to—often as simple as requiring a souvenir in their passport of their trip to Australia. While I understand that and respect that, it is not necessarily the job of the Australian taxpayer to subsidise that, so it is appropriate that a charge be in place to say to people, 'If you want that souvenir there is a cost to it, and this is the cost.' The cost has been announced in the budget at $70 per visa label. We believe that is an appropriate cost. This would encourage clients and stakeholders to use electronic confirmation of a person's visa as the primary driving force behind the introduction of the visa evidence charge. The money raised is substantial. That is appropriate, and we make no apologies for that. It is substantial based on the fact that these are not labels that are required in the majority of circumstances. Our substantial consultation shows no or limited impact on those key markets to the Australian economy: tourism, students et cetera because they are not requirements under any of those visas for travel to Australia. Therefore this is a sensible bill. I welcome the support of the opposition. I thank honourable members for their contribution and commend the bill to the House.

Question agreed to.
Bill read a second time.
Ordered that this bill be reported to the House without amendment.

**Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012**

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that this bill be reported to the House without amendment.

**ADJOURNMENT**

The DEPUTY SPEAKER (Ms AE Burke) (12:31): Order! It being 12:30 pm, I propose the question:

That the Federation Chamber do now adjourn.

**Broadband**

Mr VASTA (Bonner) (12:31): You will remember that a couple of weeks ago I spoke in this chamber about one of the biggest issues that adversely affects my electorate—that is, the lack of fast, reliable and affordable broadband. Specifically, I drew to the attention of this House the inequity of Labor's current NBN rollout schedule, which would see Bonner receive an insulting 10 per cent of the electorate scheduled to commence work within the next three years, with the remaining 90 per cent having no schedule at all. I remind the House that this inequity is drastically highlighted by the fact that the neighbouring Labor electorates of Griffith, Moreton and Rankin have from 75 per cent to 90 per cent of their work scheduled to commence within three years. Needless to say, the residents of Bonner are furious. They justifiably feel let down by this Labor government yet again. As part of my continued fight for broadband services for my constituents, I spoke to my colleague Malcolm Turnbull, shadow minister for broadband and communications, about my concerns. He kindly offered to come and speak to the people of Bonner about the situation and to answer any questions that they may have.

Last week, over 200 local residents attended the Bonner broadband and communication forum at the Carindale PCYC. Countless questions were put to Mr Turnbull about the NBN and the coalition's future communications plan. It soon became obvious that part of the problem with the NBN's three-year rollout program is that it does not outline when people will actually receive services. People have no idea where they stand and when and if they will receive any benefit from the program at all. The reason for this is that the NBN has continually shifted the goalposts in the statistics they report, from telling when they will have an active service to telling people when the construction will begin in their area. The shadow minister highlighted the two main problems with the rollout schedule: firstly, that Labor failed to prioritise those areas with poor broadband, such as suburbs like Wakerley, Manly West, Gumdale, Ransome and Mansfield, to name just a few; and, secondly, that Labor have chosen the most expensive and time-consuming means of delivering upgrades.
Most present felt that it was not good enough and many were just plain fed up. They want to know where they stand. I once again call on the Labor government to provide the Bonner constituents with up-to-date and accurate information regarding when and if they will receive the NBN to their suburb. I want to thank Mr Turnbull for caring for the people of Bonner. They deserve to have the broadband services that they require. I also want to thank Sergeant David Beard, who kindly assisted us with the outstanding community facility at the Carindale PCYC. This month Bonner was also fortunate to have a visit from the shadow minister for seniors, the Hon. Bronwyn Bishop. In that role, Bronwyn Bishop has travelled the country and in the last 12 months she has visited 33 electorates, spoken at 54 forums and reached over 8,500 senior Australians. She reached more than 200 seniors when she conducted a forum at the Belmont Services Club. There was no doubt that people came to see Bronwyn Bishop in person not to just hear what she had to say but because they wanted to meet her face to face. It became obvious that there is such a high interest in the electorate because senior citizens have been let down by what the Gillard government has been doing through their mismanagement of the economy, including the introduction of a carbon tax which will reach into each and every nook and cranny of their lives and, most recently, the introduction of means testing for the private health insurance rebate. Story after story showed that this government is hurting senior Australians most as they cannot afford these continuing downward pressures on their fixed incomes. It is best to conclude with a statement about Mrs Bishop made to me at the forum by one of my constituents. He said, 'Isn't she wonderful'. I think both sides of this House will agree with the statement.

Refugee Week

Mr HAYES (Fowler) (12:36): This week across Australia we celebrate Refugee Week. It is a time to acknowledge and celebrate the contribution that refugees have made over the years in building our great nation. It also gives us an opportunity to acknowledge and praise the hard work of a number of community organisations assisting refugees with the often challenging process of settlement. A Refugee Week event that I will be attending tomorrow is at the Fairfield Migrant Resource Centre and it is entitled Restoring Hope. The title is very fitting considering settlement in Australia often gives refugees a sense of hope and a second chance at a peaceful life for them and their families.

I often mention in this place that I proudly represent the most culturally diverse electorate in the country, with 50 per cent of my electorate born overseas. Many of them fled horrendous environments of oppression and persecution, often facing immediate threats to their lives prior to coming to this country. This year marks the 37th anniversary of the fall of Saigon and therefore of the settlement of the Vietnamese people in Australia. Vietnamese people were often referred to as our original boat people. Back in the late-seventies and through the eighties Australia played a very strong part in looking after a large number of displaced Vietnamese refugees. We opened our arms and our shores to the innocent families who fled the communist regime.

Since the first settlement of Vietnamese people in Australia they have worked hard and made a great and positive contribution to their adopted homeland. Their highly entrepreneurial skills have made the Indo-Chinese some of the most successful small business owners in Australia. The Vietnamese have certainly developed a very positive sense of community. I would like to take the opportunity to acknowledge the role of Vietnamese
Community in Australia in providing representation and a voice for the Vietnamese people in our society. I would also like to congratulate a very good friend of mine, Tri Vo, on being elected as the VCA's national president last week.

Shortly after the Vietnamese refugees, we had those fleeing the murderous atrocities of the Pol Pot regime in Cambodia. During the eighties the Cambodian refugees journeyed to Australia, following a similar path to the Vietnamese. It was certainly a very fraught path, with many dying at sea on their way here. The Cambodians too have made a very noteworthy contribution to our society. I acknowledge Lina Tjoeng, the President of the Khmer Community of New South Wales, and Mrs Thida Yang, from the Salvation and Cambodian Cultural Association of New South Wales who have worked very hard to ensure the Cambodian community is adequately supported and represented throughout my community.

We recently opened our arms to a large number of refugees from the Middle East fleeing the atrocities of the war in Iraq. Many Mandaeans and other Christian minorities who fled refugee camps in neighbouring Syria, Jordan and Egypt eventually found their way to Australia. Many of those have been settled in the Fairfield and Liverpool areas of my electorate. Because of the large concentration of refugees settling in Liverpool and Fairfield, it is essential that we have adequate avenues of support for newly arrived refugees.

I want to praise the valuable work of migrant resources centres, including the Liverpool and Fairfield MRCs in my electorate, and acknowledge the work that they do for our community to ensure that people are properly settled and able to become productive in the general fabric of the Australian way of life. The Fairfield MRC president, Julio Gruttulini, and coordinator, Ricci Bartels, and the Liverpool MRC chairperson, Dr Amad Mtashar, and manager, Kamalle Dabboussy, have worked very hard to assist individuals who have often gone through very harsh and challenging conditions before making their new life here in Australia.

The assistance of the MRCs goes well beyond helping just with language difficulties. They provide vital information to assist families in finding schools and employment opportunities, and even to the point of identifying social and recreational opportunities for themselves, and particularly for their children, so that they can be part of our normal way of life in Australia. Ensuring the smooth and successful settlement of all our migrants, especially our refugees, is essential in order to enable them to become productive citizens of this great nation.

**Carbon Pricing**

Mr WYATT (Hasluck) (12:41): I rise to talk about the semantics of a carbon price or a carbon tax. I speak on the issue of carbon prices touted by government ministers and members to justify their argument on what is really a carbon tax. The Australian public within my electorate is not fooled by the current terminology. They see it as a tax. If we consider the Oxford dictionary definition of the two terms 'price' and 'tax', for 'price' as a noun it says:

The amount of money expected, required or given in payment for something: land could be sold for a high price; house prices have fallen [mass noun]: large cars are dropping in price.

It is also a term to use in the odds in betting. It also has archaic value:

worth: the parable of the pearl of great price.

It is also:
an unwelcome experience or action undergone or done as a condition of achieving an objective: the price of their success was an entire day spent in discussion.

But, if we look at the verb, it says:

decide the amount required as payment for (something offered for sale): the watches are priced at £55.

Or it is a price label or it is a price determined for sale. Yet in the carbon tax debate or the carbon pricing debate, I hear not the opportunity of what you sell carbon for in that traditional sense of the definition but certainly as an economy-wide imposition of a 'price' as a way of increasing government revenue. Whereas the word 'tax' as a noun conveys the following:
a compulsory contribution to state—
or government—
revenue, levied by the government on workers' income and business profits, or added to the cost of some goods, services, and transactions: higher taxes will dampen consumer spending, a tax on fuel [mass noun]: they will have to pay tax on interest earned by savings [as modifier]: a tax bill [as modifier]: tax cuts.

When we talk about pricing in terms of carbon this definition fits more comfortably in the context of the legislation that is being presented to the parliament, more as a tax as opposed to a pricing. In the singular:
a strain or heavy demand: a heavy tax on the reader's attention.

And it has many other meanings in terms of its application. But the carbon tax will commence on 1 July and will be charged at $23 a tonne of carbon emitted. It will go up each year and, by 2020, Australians will have to pay $37 a tonne, and by 2050 we will be expected to pay $350 a tonne. It is not within the scope of price—that is, somebody selling that carbon or selling that imposition. It is really a whole-of-government approach to an economic process and to the economy that has an impact on all transactions at various points within our economy, within our social life and within our daily living. I talk to businesses within my own electorate, including local government, and all of them anticipate that this 'price' will be taxed and they will have to find funding to pay for the imposition of the carbon pricing, which will then in turn flow to their consumers. It will also make heavy demands in terms of the way in which business transactions are done. The Oxford dictionary also provides the following definition:

Origin:

Middle English (also in the sense 'estimate or determine the amount of a penalty or damages', surviving in tax (sense 4 of the verb)): from Old French taxer, from Latin taxare 'to censure, charge, compute', perhaps from Greek tassein 'fix'.

So the carbon price is fixed. It is universal across the economy. It is part of a way of life that we all have to accept. So the government are not really charging a price; they are raising a tax. Members when they talk of a 'price' should honestly talk about it being a tax.

It is interesting when you are sitting in question time and you listen and you interact. You hear the term 'pricing' but we never hear the term 'tax' come out of the mouths of our colleagues on the other side of the House. But if we take the definitions, in a sense, we have to admit that semantics of a word are problematic and what we need to look at is the fact that it is a tax and it will impact on every Australian to increase the cost of living.
Ms PARKE (Fremantle) (12:46): On Monday this week the parliament welcomed Mr Ross Robertson, Labor member for Manukau East in the New Zealand parliament, deputy speaker in that parliament and also the international president of the Parliamentarians for Global Action or PGA. Mr Robertson came to Canberra from New Zealand for the purpose of reinvigorating the Australian branch of the PGA, which was formerly led by the member for Lingiari, now Minister Warren Snowdon. I want to thank the many members and senators from all parties who came to hear Mr Robertson and Minister Snowdon speak and who have now joined the PGA. I was honoured to have been elected chair of the new Australian branch of the PGA; Senator Simon Birmingham was elected deputy chair, the member for Page was elected secretary; and the member for Moore was elected treasurer.

When founded in Washington DC in 1978 at the height of the Cold War, the PGA focused primarily on the critical need for the disarmament and non-proliferation of nuclear weapons; however, over its 30-year history and with an ever-changing geopolitical landscape, the organisational brief has evolved and expanded to remain current with issues of global concern. The activities of the PGA now focus on a broad range of initiatives aimed at fostering democracy, conflict prevention and management, international law and human rights, and population and environment issues—all of which fall into three broad project categories: Sustainable Development, Health and Population, Peace and Democracy, and International Law and Human Rights.

The PGA is now the largest transnational network of more than 1,300 individual parliamentarians from more than 100 parliaments in all regions of the world. It is a non-profit, non-partisan action-oriented body working on specific campaigns, including the universal ratification of the International Criminal Court Rome Statute and promotion of the new UN Arms Trade Treaty, among others. The PGA's program of work is under the political direction of an executive committee of 15 members, which allows the PGA to effectively push policies at the national, regional and international levels. I am pleased to report that a mandatory 60:40 gender ratio is in place for the membership of the executive committee.

The executive committee is elected by a 40-member international council representing the chapter heads from all regions around the world. In that sense, it is a truly democratic institution. The PGA works closely with the UN system through the advisory body of the UN Committee for PGA. The PGA's headquarters is in New York. Its secretary general is Ms Shazia Rafi and the director of projects and senior program officer is the very dynamic and capable Peter Barcroft. The senior director of PGA's International Law and Human Rights program based in the Hague—focusing on the International Criminal Court universal ratification campaign—is another amazing person, Dr David Donat Cattin.

Three years ago I had the privilege of participating in a PGA visit to Jakarta which was for the purposes of a working meeting on the International Criminal Court hosted by the chairs of Commission 3—Law and Human Rights Commission; Commission 1—Defence and Foreign Affairs; and the Legislative Council of the Indonesian parliament. During the course of this meeting, Indonesian parliamentarians from all major political parties called for the swift completion of the process of national accession to the Rome statute of the International Criminal Court. The working meeting, attended by more than 50 participants, was opened by the PGA Indonesia Chair, Dr Theo Sambuaga MP—Chair, Commission 1—and closed by the
PGA Indonesia Secretary, Ms Nurshyabani Katijsungkana MP—Deputy Chair, Commission 3. Both lawmakers stressed the importance of the ICC as a tool to fight impunity and prevent atrocities.

While in Jakarta, we also met with representatives of civil society, NGOs and the media. Unfortunately, Indonesia has yet to ratify the ICC's statute, but we believe it would be particularly significant and influential within the region if such a large power as Indonesia were to ratify this important human rights treaty and the PGA will continue its efforts in this regard. I note that just last week PGA called for the release of International Criminal Court Australian lawyer Melinda Taylor and her colleagues from detention in Libya. One hundred and twenty-one states have ratified or acceded to the Rome statute of the ICC. PGA members played an active role and directly contributed to the ratification by 75 of the states from all parts of the globe. No other parliamentary institution or organisation is involved in a campaign for the universality of the Rome statute.

Another campaign the PGA is conducting is the promotion of a new UN arms trade treaty. Currently at the United Nations, the 193 member states are negotiating this text, which if agreed upon will greatly improve transparency in the global arms trade. The final negotiating conference will take place in July this year at UN headquarters in New York, so it has been very important to try to have as many parliamentarians from around the world sign up to the global declaration. (Time expired)

**Bennelong Electorate: Cultural Ties and Sport**

Mr ALEXANDER (Bennelong) (12:51): Last night I was fortunate to attend a dinner with His Excellency Mr Taeyong Cho, the Ambassador of the Republic of Korea. At the dinner, Ambassador Cho talked about his desire for an increased cultural connectivity between Australian and Korean people and about how he had recently attended AFL, NRL and ARL matches to better understand an attribute of great cultural importance in Australian society: sport. I spoke of my firm belief that the engagement between our two communities on the sporting field is one of the ultimate expressions of closeness of our diplomatic and cultural relations. Just like close friends, nations that play together will grow together.

Last year, I was delighted to be able to organise the Korean men's and women's table tennis teams to come to Bennelong for the inaugural Bennelong Cup Test Match in celebration of 60 years of diplomatic relations, in which they comprehensively beat their Australian counterparts, as well as visiting schools and promoting the Bennelong schools table tennis program, which will put table tennis tables in every school in the electorate. The Korean men's team will return this year and be joined by the Chinese women's team in a further development of the Bennelong Cup Test Match competition.

There is estimated to be over 55,000 Korean speakers in Australia, many of whom make up an important and vibrant part of the multicultural electorate of Bennelong. Over the past two years, I have joined the local Korean community in many events from the regular chamber of commerce early morning street clean-ups on the eastern side of the Eastwood station, to flamboyant traditional dancing, drumming and Lunar New Year celebrations. Through all of those events, the local Korean community astounds with their ceaseless hospitality, friendliness and affection for their cultural traditions. The friendships I have made in the community are some of the most cherished achievements over the past two years and it goes without saying that I was thrilled last Saturday to join the local community and former...
Australian of the Year Ian Kiernan at a ceremony for World Environment Day: Clean Up Together for Global Harmony. The constant theme throughout this event was a celebration of the ways in which the Bennelong Korean community have actively engaged with wider society, noting that it is through events like Clean Up Australia that we interact, become deeply involved with each other and learn of new and different cultural activities and traditions.

Both in the Bennelong electorate and wider Australia, new migrants have helped to shape the face and the soul of our nation. It is within this context that I would also like to wish to extol the actions of another great Bennelong institution, Macquarie University. This week is Refugee Week, which provides me with an opportunity to congratulate Macquarie University on their refugee-mentoring program. The theme of Refugee Week 2012 is restoring hope. Macquarie University's refugee-mentoring program is doing just that. The mentoring program known as LEAP—Learning, Education, Aspiration and Participation—encourages and supports students from disadvantaged backgrounds to transition into higher education. The mentors from Macquarie University provide individual mentoring support for small groups of students. This innovative program deserves our recognition. I applaud Macquarie University.

On a final note, this being the last sitting day before the commencement of the 2012 all England lawn tennis championships in Wimbledon, I wish all our Australian competitors the best of luck. From our youngest competitor on the block, Ashleigh Barty, to the old warrior Lleyton Hewitt, our tennis players work as both sports people and diplomatic representatives, and they make us proud on the international stage. To paraphrase the inscription above the entry to centre court: regardless of meeting with triumph or disaster, treat those two imposters just the same.

Hunter Electorate: City of Maitland

Mr FITZGIBBON (Hunter—Chief Government Whip) (11:56): The city of Maitland is the fastest growing inland centre in New South Wales and possibly in eastern Australia. Its population is currently around 70,000. But the council has a strategic vision and plan which will take it to 130,000 by 2030. Most people attribute the region's good economic fortunes to the coal mining industry—and rightly so. But the mining industry cannot grow if the region cannot grow, and Maitland has been critical to the region's expansion. It is largely Maitland which is housing those who win the valley's coal, and Maitland is one of the towns which is home to the roads which carry the tens of thousands of vehicles travelling to the mines each day.

The region's economic wealth is intimately tied to Maitland's capacity to grow. This is acknowledged by the New South Wales government's Lower Hunter Regional Strategy. So Maitland needs more housing, more and better roads, additional utilities, and a renewed and vibrant city centre. The council, to its credit, has a vision and a plan. But, like all councils, it lacks the money to implement them in full.

We as a federal government have been doing our bit with a $1.45 billion investment in the Hunter Expressway, new schools and recreational facilities, the roll-out of the NBN—which in Maitland is imminent—and dozens of new affordable social housing projects.

But more needs to be done: more to alleviate current capacity constraints and congestion in the city; more to allow Maitland to grow further; and more to revitalise the CBD, thereby
allowing the region's economy to expand further. Those things will be achieved only with the three tiers of government working together in harmony. The New South Wales government has been a disappointment; it has not backed its rhetoric with new money and it is now threatening the area's share of the new mining tax by increasing coal royalties.

The Commonwealth needs to do more too. If I have my way we will do more—that is my commitment. But the New South Wales government must come with us if we are to meet with the success we strive for. These things are also true of towns such as Cessnock, Singleton, Muswellbrook and Scone. Great wealth is coming out of the Hunter, and more must come back in recognition not just of the wealth we produce but also of the link between our—that is, the towns around the coal mines—ability to grow and the coal industry's ability to grow. One cannot grow without the other.

I congratulate our councils for their efforts; they are doing their very best. But they need help—our help. I look forward to working with the New South Wales government to ensure that the increases in living standards we in the region have enjoyed over the last decade and that the 3.9 per cent unemployment rate we in the Hunter—and, indeed the 3.5 per cent unemployment rate, we in my electorate—enjoy are sustainable well and truly into the future.

We are most fortunate to be host to some of the country's richest black coal reserves. We must seize the opportunity to make the very best of them. With coal mining comes some negatives: urban air pollution; threats to our waterways; congestion on our roads; and price rises in housing and childcare and other things as the population grows and outgrows our capacity to provide these services. We need some help to deal with these things. We should get it.

In the short time available to me, I say that this job is tough: it denies you the right to be with your family at important times. This morning my family were saying farewell to my wife's first cousin, Grant Maughan, sadly only 46 years of age. Last Saturday he died of that insidious disease, cancer. I pay tribute to Grant Maughan—a wonderful bloke. There was a big funeral today because he was so popular. We affectionately knew him as a truckie. He loved his trucking, his family and his life. It is a great tragedy. Farewell to Grant. I wish I was at the Caledonia Hotel with them all now saying farewell.

Federation Chamber adjourned at 13:01
QUESTIONS IN WRITING

Renewable Energy Venture Capital Fund
(Question No. 704)

Mr Fletcher asked the Treasurer, in writing, on 1 November 2011:

(1) Why is the Renewable Energy Venture Capital Fund included as part of the underlying cash balance.

(2) Why is the Clean Energy Finance Corporation not included as part of the underlying cash balance.

Mr Swan: The answer to the honourable member's question is as follows:

(1) The Charter of Budget Honesty Act 1998 requires that the Australian Government Budget be based on external reporting standards. The budget treatment of the Renewable Energy Venture Capital Fund (REVCF) is consistent with these external accounting and budget rules.

The REVCF provides early-stage equity investments to encourage the development of Australian companies that are commercialising renewable energy technologies.

The underlying cash balance impact of the REVCF reflects the full write-down of these equity investments at the early proof of concept stage. Early-stage investments generally involve a higher degree of risk (and are, therefore, essentially treated as a grant for budget accounting purposes).

(2) The Charter of Budget Honesty Act 1998 requires that the budget be based on external reporting standards. The budget treatment of the Clean Energy Finance Corporation (CEFC) is consistent with these external accounting and budget rules.

The estimated underlying cash balance impact of the CEFC of $312 million across the forward estimates includes an allowance for unrecovered investments, interest and dividend receipts and departmental costs, excluding public debt interest costs.

The CEFC will provide commercial loans, concessional loans, loan guarantees and equity for the commercialisation and deployment of renewable energy and enabling technologies, energy efficiency and low emissions technologies. It will also invest in the transformation of existing manufacturing businesses.

The CEFC costing took into account the Government's policy that the CEFC invest in a mix of commercial projects earning a positive return and non-commercial, higher risk projects with a probability of not recovering the investment or achieving a positive return.

As the renewable energy stream is expected to invest in some higher risk projects, a 15 per cent allowance for unrecovered investments has been included in the costing for the CEFC. This represents a conservative approach to budgeting, rather than a forecast of expected activity.

To the extent that the transactions are commercial there will be a limited impact on the underlying cash balance because they are largely balance sheet transactions changing the composition of financial assets.

Treasury expects that taxpayers will, over time, get a positive return on the investment through interest and dividends.

Treasury: Training
(Question Nos 971 and 994)

Mr Fletcher asked the Treasurer, in writing, on 8 May 2012:

Since 1 January 2008, has the Minister’s department contracted Skills Training Australia Pty Ltd, 92 Copeland Street, Liverpool, NSW, to conduct training; if so, for each type of training, what (a) was the
purpose, (b) was the duration, (c) sum was charged per participant, and (d) oversights (if any) occurred on the specified outcome, duration and delivery.

Mr Swan: The answer to the honourable member's question is as follows:
Treasury has not contracted Skills Training Australia Pty Ltd to conduct training.

Prostheses List
(Question No. 1002)

Mr Alexander asked the Minister for Health, in writing, on 8 May 2012:
In respect of coronary pressure wires and the Commonwealth Prostheses List (CPL), (a) why are they not included on the CPL, and (b) will she consider adding them to the CPL; if so, can she provide a schedule for when they will be added, and if not, why not.

Ms Plibersek: The answer to the honourable member's question is as follows:
Coronary pressure wires are not included on the Prostheses List because they do not satisfy the criteria for listing. The criteria for listing medical devices on the Prostheses List are in the Prostheses List Guide, which is available at: