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**SITTING DAYS—2016**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

House of Representatives Office Holders
Speaker—Hon. Anthony David Hawthorn Smith
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker's Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Hon. John Kenneth Cobb MP, Mr Patrick Martin Conroy MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry MP, Ms Clare Ellen O'Neil MP,
Mrs Jane Prentice MP, Ms Melissa Lee Price MP,
Dr Andrew John Southcott MP, Mr Michael Sukkar MP,
Mr Ross Xavier Vasta MP and Mrs Lucy Elizabeth Wicks MP

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

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Malcolm Bligh Turnbull MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Ms Nola Bethwyn Marino MP
Government Whips—Mr Ewen Thomas Jones MP and Mr Brett David Whiteley MP

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

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

Printed by authority of the House of Representatives
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<td>Wicks, Mrs Lucy Elizabeth</td>
<td>Robertson, NSW</td>
<td>LP</td>
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<tr>
<td>Willie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
<td>IND</td>
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## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
<td>LP</td>
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<tr>
<td>Wilson, Mr Richard James</td>
<td>O’Connor, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
<td>LP</td>
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<tr>
<td>Wyatt, Mr Kenneth George, AM</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Zimmerman, Mr Trent</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
</tbody>
</table>

**PARTY ABBREVIATIONS**

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

## Heads of Parliamentary Departments

Clerk of the Senate—R Laing  
Clerk of the House of Representatives—D Elder  
Secretary, Department of Parliamentary Services—R Stefanic  
Parliamentary Budget Officer—P Bowen
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<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator the Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter-Terrorism</td>
<td>Senator the Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>The Hon Angus Taylor MP</td>
</tr>
<tr>
<td>Assistant Cabinet Secretary</td>
<td>The Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister for Agriculture and Water Resources</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>The Hon Keith Pitt MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Steve Ciobo MP</td>
</tr>
<tr>
<td>Minister for International Development and the Pacific</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td>Assistant Minister the Minister for Trade and Investment</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Justice</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Scott Morrison MP</td>
</tr>
<tr>
<td>Minister for Small Business</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Minister to the Treasurer</td>
<td>The Hon Alex Hawke MP</td>
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<tr>
<td>Minister for Finance</td>
<td>Senator the Hon Mathias Cormann</td>
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<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td>Special Minister of State</td>
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<td>The Hon Dr Peter Hendy MP</td>
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<tr>
<td>Minister for Regional Development</td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td>Minister for Infrastructure and Transport</td>
<td>The Hon Darren Chester MP</td>
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<td>(Deputy Leader of the House)</td>
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<td>Minister for Major Projects, Territories and Local Government</td>
<td>The Hon Paul Fletcher MP</td>
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<tr>
<td>Minister for Industry, Innovation and Science</td>
<td>The Hon Christopher Pyne MP</td>
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<td>(Leader of the House)</td>
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<tr>
<td>Minister for Resources, Energy and Northern Australia</td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td>Minister for Northern Australia</td>
<td>Senator the Hon Matt Canavan</td>
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<tr>
<td>Assistant Minister for Science</td>
<td>The Hon Karen Andrews MP</td>
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<td>Assistant Minister for Innovation</td>
<td>The Hon Wyatt Roy MP</td>
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<td>Minister for Immigration and Border Protection</td>
<td>The Hon Peter Dutton MP</td>
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<tr>
<td>Minister for the Environment</td>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td>Title</td>
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</tr>
<tr>
<td>Minister for Health</td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td>Minister for Aged Care</td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td>Minister for Sport</td>
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<tr>
<td>Minister for Rural Health</td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td>Assistant Minister for Health and Aged Care</td>
<td>The Hon Ken Wyatt AM MP</td>
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<tr>
<td>Minister for Defence</td>
<td>Senator the Hon Marise Payne</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>The Hon Dan Tehan MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>The Hon Dan Tehan MP</td>
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<tr>
<td>Minister for Defence Materiel</td>
<td>The Hon Dan Tehan MP</td>
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<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon Michael McCormack MP</td>
</tr>
<tr>
<td>Minister for Communications</td>
<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td>Minister for the Arts</td>
<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Regional Communications</td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td>Minister for Employment</td>
<td>Senator the Hon Michaelia Cash</td>
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<tr>
<td>Minister for Social Services</td>
<td>The Hon Christian Porter MP</td>
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<tr>
<td>Minister for Human Services</td>
<td>The Hon Alan Tudge MP</td>
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<tr>
<td>Assistant Minister for Disability Services</td>
<td>The Hon Jane Prentice MP</td>
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<td>Assistant Minister for Multicultural Affairs</td>
<td>The Hon Craig Laundy MP</td>
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<tr>
<td>Minister for Education and Training</td>
<td>Senator the Hon Simon Birmingham</td>
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<tr>
<td>Minister for Vocational Education and Skills</td>
<td>Senator the Hon Scott Ryan</td>
</tr>
<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
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Each box represents a portfolio. Cabinet Ministers are shown in bold type. As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases. Assistant Ministers in italics are designated as Parliamentary Secretaries under the Ministers of State Act 1952.
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<tr>
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<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>Hon. Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon. Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader on State and Territory Relations</td>
<td>Senator Katy Gallagher*</td>
</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Manager of Opposition Business (Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Senator the Hon. Jacinta Collins</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary Assisting with Digital Innovation</td>
<td>Hon. Ed Husic MP</td>
</tr>
<tr>
<td>and Startups</td>
<td></td>
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<tr>
<td>Deputy Manager of Opposition Business (Senate)</td>
<td>Terri Butler MP</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
<td>Deputy Leader of the Opposition</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td>Hon. Matt Thistlethwaite MP</td>
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<td>Shadow Minister for Defence</td>
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<td>Shadow Minister for Veterans’ Affairs</td>
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<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
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<td>Hon. Anthony Albanese MP</td>
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<tr>
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<tr>
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<td>Hon. Dr Andrew Leigh MP</td>
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<tr>
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<tr>
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<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Nick Champion MP</td>
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<td>Shadow Parliamentary Secretary for Early Childhood Education</td>
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<tr>
<td>Shadow Parliamentary Secretary for School Education and Youth</td>
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<td>Shadow Minister for Resources</td>
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<td>Shadow Minister for Health</td>
<td>Hon. Catherine King MP</td>
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<tr>
<td>Shadow Minister for Ageing</td>
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<td>Shadow Minister for Mental Health</td>
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<td>Shadow Minister for Sport</td>
<td>Dr Jim Chalmers MP</td>
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<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
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<td>Shadow Parliamentary Secretary for Health</td>
<td>Tony Zappia MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
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<tr>
<td>Shadow Minister for Families and Payments</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Shadow Minister for Disability Reform</td>
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<tr>
<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator Katy Gallagher*</td>
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<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon. Doug Cameron</td>
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<tr>
<td>Shadow Minister for Carers</td>
<td>Senator Claire Moore</td>
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<td>Shadow Minister for Communities</td>
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<tr>
<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
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<td>Shadow Parliamentary Secretary for Child Safety and Prevention of Family Violence</td>
<td>Terri Butler MP</td>
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<td>Michelle Rowland MP</td>
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<td>Hon. Matt Thistlethwaite MP</td>
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Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.

<table>
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<tr>
<th>Title</th>
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<tbody>
<tr>
<td>Shadow Minister for Indigenous Affairs</td>
<td>Hon. Shayne Neumann MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon. Brendan O’Connor MP</td>
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The SPEAKER (Hon. Tony Smith) took the chair at 12:00, made an acknowledgement of country and read prayers.

MOTIONS

Prime Minister

Mr BURKE (Watson—Manager of Opposition Business) (12:01): I seek leave to move the following motion:

The House:
(1) notes:
(a) that yesterday in Question Time, the Prime Minister said and I quote, “increasing capital gains tax is no part of our thinking whatsoever”;
(b) that just hours later, the Prime Minister’s own office confirmed to media that not only had the Government not ruled out changes to capital gains tax, it was still actively considering changes;
(c) that leaked Coalition talking points from the Prime Minister’s own office contradicted the Prime Minister’s statement in Question Time yesterday; and
(d) therefore, by the admission of his own office the Prime Minister has misled the Parliament and through it the Australian people; and
(2) calls on the Prime Minister to immediately attend the House to correct the record in accordance with Clause 5.1 of the Prime Minister’s own Statement of Ministerial Standards.

Leave not granted.

Mr BURKE: I move:

That so much of the standing orders be suspended as would prevent the Member for Watson from moving the following motion forthwith—

The House:
(1) notes:
(a) that yesterday in Question Time, the Prime Minister said and I quote, “increasing capital gains tax is no part of our thinking whatsoever”;  
(b) that just hours later, the Prime Minister’s own office confirmed to media that not only had the Government not ruled out changes to capital gains tax, it was still actively considering changes;
(c) that leaked Coalition talking points from the Prime Minister’s own office contradicted the Prime Minister’s statement in Question Time yesterday; and
(d) therefore, by the admission of his own office the Prime Minister has misled the Parliament and through it the Australian people; and
(2) calls on the Prime Minister to immediately attend the House to correct the record in accordance with Clause 5.1 of the Prime Minister’s own Statement of Ministerial Standards.

Yesterday, right at that dispatch box, the Prime Minister lied to this parliament. The Prime Minister stood up yesterday and deliberately misled, and now he has to come in here and correct the record.

Mr PITT (Hinkler—Assistant Minister to the Deputy Prime Minister) (12:03): I move:

That the Member be no longer heard.
The **SPEAKER**: The question is that the Manager of Opposition Business be no further heard.

The House divided. [12:08]

(The Speaker—Hon. Tony Smith)

Ayes ...................... 77
Noes ...................... 54
Majority ............... 23

**AYES**

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Entsch, WG
Gambaro, T
Goodenough, IR
Hartseyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Stone, SN
Taylor, AJ
Truss, WE
Whiteley, BD (teller)
Williams, MP
Wood, JP
Zimmerman, T

**NOES**

Albanese, AN
Bird, SL

**CHAMBER**
Question agreed to.

The SPEAKER (12:13): I call on the Manager of Opposition Business to withdraw an unparliamentary remark he made during the division.

Mr Burke: Withdrawn.

The SPEAKER: Is the motion seconded?

Mr BOWEN (McMahon) (12:13): Yes. We have a Treasurer on the witness protection program—

The SPEAKER: The member for McMahon needs to second the motion.

Mr BOWEN: and a Prime Minister who should be on the witness protection program!

The SPEAKER: The member for McMahon—

Mr BOWEN: We have an incompetent Treasurer and an untrustworthy Prime Minister.

The SPEAKER: The member for McMahon will resume his seat.

Mr PITT (Hinkler—Assistant Minister to the Deputy Prime Minister) (12:14): I move: That the Member be no longer heard.

The SPEAKER: The question is that the member for McMahon be no longer heard.

The House divided. [12:15]

(The Speaker—Hon. Tony Smith)

Ayes ...................... 78
Noes ...................... 54
1848

Majority.............24

AYES

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NOES

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Question agreed to.

The SPEAKER (12:17): The question is that the motion be agreed to. There being more than one voice calling for a division, in accordance with standing order 133(c) the division is deferred until the conclusion of the discussion of a matter of public importance.

Debate adjourned.

COMMITTEES

Electoral Matters Committee

Membership

The SPEAKER (12:17): I have received a message from the Senate informing the House that the Senate concurs with the resolution of the House relating to the participating membership of the Joint Standing Committee on Electoral Matters for the committee’s inquiry into the Commonwealth Electoral Amendment Bill 2016.

BILLS

Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Bill 2015

Explanatory Memorandum

Mr PITT (Hinkler—Assistant Minister to the Deputy Prime Minister) (12:18): I present an addendum to the explanatory memorandum to the Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Bill 2015.

Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2016

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
Mr IAN MACFARLANE (Groom) (12:19): I rise to talk about the Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2016. As we all know, the oil and gas industry in Australia is of crucial importance in terms of not only our economy and jobs but also as part of Australia being an energy superpower and providing not only energy but also energy security to many of our trading partners. The amendments in this bill are required to resolve an issue in relation to an administrative oversight that has led to petroleum titles which are prior usage rights being renewed and extended under the Offshore Petroleum and Greenhouse Gas Storage Act 2006, the OPGGS Act, without the consent of the Minister for the Environment—as required under the Environment Protection and Biodiversity Conservation Act 1999, also known as the EPBC Act.

The oil and gas industry has acted responsibly at all times and this is merely an administrative oversight which we need to rectify. The department has contacted all affected titleholders and outlined the issues to them, and the joint authority members, delegates and APPEA have also been engaged and the issues have been discussed. It is important that at all times we have a structured and correct legislative framework. The industry is responsible and does behave in a very responsible manner, but we need to ensure that they are seen to be doing so and that the community has confidence in them doing so. It is important that the community has that confidence and also that there is transparency into the way these acts operate, both the offshore petroleum act and the EPBC Act. The confidence that Australians have in their resource industry is part of the success story that we have around the oil and gas industry.

The Department of Industry, Innovation and Science is developing a process and amending relevant protocols to ensure consent is obtained from the Minister for the Environment for any future decisions relating to the prior usage rights titles, and it has also commenced a broader review of processes relating to titles approvals. Later this year, it will also seek to progress further amendments to the OPGGS Act that will clarify the policy intent of the interrelationship between that act and the EPBC Act. So we have a situation where two government departments are already working closely together and have been for some time and, in terms of that process, we have seen a significant reduction in red tape and green tape. We have seen the establishment of NOPSEMA, the National Offshore Petroleum Safety and Environmental Management Authority, and the oversight that it provides the industry. There is not only the oversight; it also provides advice to industry to make sure it is compliant in terms of safety but, just as importantly, if not more importantly, also in relation to the environment.

There is confidence in investing in Australia in the oil and gas industry, which we all know is currently going through a very, very tough time. Globally, oil and gas prices are down, but the investment we have seen here will see Australia become the largest exporter of LNG in the world. Next week, I am hoping to travel with the shadow minister for energy and resources to Gladstone for the third commissioning of LNG plants. In that case, the LNG has come from onshore gas but the issues are much the same—that is, we need to ensure that we have reliability of production and supply but that it is done in a safe and environmentally friendly way. We need to continue to maintain that confidence from overseas investors. We need to ensure that these acts are executed in a way that delivers the outcomes that the...
government and the community expects but also that the industry has the confidence in. And we will continue to do that.

The Minister for the Environment has already presented this bill. I note that he has made comments that certain petroleum titles that intersect with the Commonwealth marine reserves have had their operating terms renewed without the consent of the Minister for the Environment. This oversight goes back to 2008. The industry understands this issue and is keen to have it rectified. So the minister has already introduced the legislation which I am speaking to today and the amendments will correct the administrative oversight.

The industry will continue to work with government to ensure that the legislation that they work under is world's best practice, an incredibly important factor in the confidence that not only the community expects but also the overseas investment community expects.

For a company to undertake activities within the title area, the applicant must attain approval from the independent regulator, NOPSEMA. But to continue operations when these titles expire after six years, the title must be renewed and extended, which is where the oversight came in. When they were renewed, the Minister for the Environment was not consulted correctly. To rectify the incorrect processing of these renewal or extension decisions as a matter of priority, the government will implement, with retrospective effect, amendments to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to deem these decisions to have been properly administered and, therefore, to have full effect. As a result, legitimate activities within these title areas will not be affected.

No-one likes to see a mistake, or an oversight in this case, but we do need to fix it in a way that gives both the community and the investors in the oil and gas industry the confidence that we run a rigorous framework around the world and gas industry. Yes, we have had our incidents. But in terms of how the industry has operated as a whole over a very long period of time, I think our safety and environmental record is enviable. So the coalition is supporting this legislation. I understand the opposition will also be supporting this legislation. It is a case of ensuring that things are done absolutely correctly and I commend the legislation to the House.

Mr GRAY (Brand) (12:26): I acknowledge the former minister, the longest serving minister for resources our country has ever had, for the work that he has done to build this sector, for the work that he has done to make sure that Australia will be the world's leading LNG producer and for the work that he has done to make sure that our offshore and onshore hydrocarbons' production sector is not only a great place to work and environmentally safe but also a safe workplace.

This Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2016 comes about because of an administrative shortfall, not the kind of shortfall that can be described as being of no consequence. It is a shortfall that arises because of an administrative oversight by the government of which I was a minister, and I apologise for that. I apologise because this oversight, this shortfall, this lack of consistent dealing consistent with the act's fine requirements, was first exposed to the government in 2011 and we, and I, did nothing to attend to it then, placing an onerous obligation on the current government to act in a legislative way to retrospectively repair that flaw.
None of us like retrospective legislation. It was required in this context simply because of the timing of our knowledge and understanding, and the lack of previous action. That is also why the government, in consultation with the opposition, issued a press release on 10 February—issued after the close of markets—advising of the presence of this flaw and the remedy for dealing with it. That media release indicated that it was understood that the legislation would pass with the support of both sides of the House.

I have been assiduous in making sure that all my public comments are to understand that at no point were any environmental standards at risk and at no point was this lapse of public administration a title risk, a safety risk or an environmental risk; it was indeed an administrative shortcoming and an oversight that should not have happened.

As I say, the departmental records indicated that the Department of the Environment and the Department of Resources were aware of the issue as long ago as 2011 and they had intended to progress amendments to the EPBC Act through the parliament. The issue was not resolved as agreed prior to the proclamation of the marine reserve network in November 2012, and subsequent departmental staffing changes resulted in this issue not being adequately monitored and not being adequately remedied at the time.

Offshore petroleum operations in Australian waters are governed by the OPGGS Act and related acts and regulations. The joint authority is responsible for key petroleum title decisions in Commonwealth waters, including the grant and renewal of offshore petroleum titles, the suspension of title conditions and the extension of a title's term. All title-related decisions impacted by the EPBC Act issue are actually decisions made under the OPGGS Act. The joint authority for an offshore area of a state or the Northern Territory is constituted by the responsible state or Northern Territory minister and other responsible Commonwealth ministers.

Offshore petroleum exploration is only permitted under a petroleum exploration title. A petroleum exploration title is granted for an initial six-year period and may be renewed for two additional five-year periods. In addition, titleholders can also apply to the joint authority for a suspension of the title conditions and an associated extension to the term of the title in order to facilitate variations to the work program under the title. When we became aware of this flaw and the need to take urgent action, legal advice from the Australian Government Solicitor indicated that they were petroleum titles and that renewal and extension decisions had been made without the environment minister's written consent. This, of course, as I said, extended from a Labor government's failure—and I apologise for that. It is an issue that did not have an impact on the environmental regulation or the environmental requirements associated with titles or work programs consistent with those titles.

The Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2016, this bill, will amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to validate past joint authority decisions to grant renewals or extensions of petroleum titles which also have prior usage rights. Joint authorities generally comprise the responsible state and Commonwealth authorities. Subsection 359(3) of the EPBC Act requires that a title, permit, lease or licence that is a prior usage right must have the written consent of the Commonwealth environment minister or their delegate before the usage right can be renewed or have its term extended. That written consent was not provided.
A petroleum title is a prior usage right under the EPBC Act if the title was in force on the date of the proclamation of a Commonwealth marine reserve that overlaps that title area. Titles that are prior usage rights are exempt from having to comply with the provisions of the EPBC Act and regulations that relate to a Commonwealth reserve or of a management plan for that reserve. There have been three relevant Commonwealth marine reserve proclamations that have led to petroleum titles becoming prior usage rights. They are the proclamation of the south-east Commonwealth marine reserve in 2007; the proclamation of the Commonwealth marine reserves in the south-west, north-west, north, temperate, Coral Sea regions in November 2012; and the reproclamation of Commonwealth marine reserves in the south-west, north-west, north, temperate east and Coral Sea regions in December 2013.

The administrative oversight that led to the exposure of the prior usage rights issues is something that had been revealed to the government through its own internal audit processes, and it was later revealed to operators themselves through their own audit processes. What I would say to companies operating in this field—and I know that a number of companies had identified this shortcoming themselves—is that if you are carrying out exploration in our offshore you should have checked your titles, you should have checked the administrative details yourselves. You should have checked to make sure that the audit processes that you run yourselves are as good as those audit processes which the Commonwealth of Australia runs.

The fact that they were identified by a couple companies is in and of itself alarming to me, since all companies operating in the area should be constantly monitoring their leases, their titles and the legal basis for them to ensure that they are above challenge, because the challenge here can be a mischievous challenge. The challenge here can be a challenge to simply stop an exploration activity for political purposes. So all of our interests are served by good companies ensuring that their exposure is as slight as possible and that their compliance is complete.

I am really proud that the government’s own processes identified these shortcomings. I am embarrassed that I as a minister participated in these shortcomings, and I apologise for that. But I am really pleased that, having identified the shortcoming, we are able to be absolutely transparent, absolutely upfront and very clear with the Australian people, with our companies, with interested public stakeholders and our communities and to say: ‘We found a problem. We have identified it; we have done it upfront and, in the most transparent way, we are fixing it to preserve, firstly, the integrity of our regulation system and, secondly, the property rights of those people operating in these areas.’ I commend this bill to the House. It enjoys bipartisan support, as it should. I thank the government for bringing this to the attention of the parliament so that it can be dealt with in an orderly fashion that ensures the continuation of good public administration and good practices in the management of our offshore title system.

Mr PIT (Hinkler—Assistant Minister to the Deputy Prime Minister (12:36): I thank members for their very gracious contributions. The Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2016 will validate certain title extension and renewal decisions made by the Offshore Petroleum and Greenhouse Gas Storage Act 2006, the OPGGS Act.

In Australia, offshore petroleum exploration and development is regulated by a title system, authorising titleholders to carry out petroleum operations in Commonwealth waters. A petroleum title granted under the OPGGS Act is defined as a ‘prior usage right’ for the
purposes of the Environment Protection and Biodiversity Conservation Act 1999, the EPBC Act. If the title was in force immediately before the proclamation of a Commonwealth reserve that overlaps the title area, under the EPBC Act it is stipulated that such a usage right may only be extended or have its term renewed with the consent of the Minister for the Environment. A recently identified administrative oversight, extending back to 2008, led to certain petroleum titles being renewed or extended under the OPGGS Act without the Minister for the Environment's consent being sought, as is required under the EPBC Act. Without legislative amendment, there is a question as to the validity of the relevant extension and renewal decisions made under the OPGGS Act. The amendments proposed in the bill are, therefore, curative measures designed to validate the affected title decisions. Amendments to validate affected decisions are the only way to satisfactorily eliminate the risk of affected divisions posed for title holders.

Despite the aforementioned administrative oversight on affected title decisions, the government is confident that all petroleum titleholders have undertaken their activities in good faith. They have continued to be subject to and compliant with the stringent environmental management requirements set out under the OPGGS Act and environmental regulations. The government is committed to applying international leading practice in the regulation and management of environmental safety and integrity risks associated with offshore petroleum operations.

Question agreed to.
Bill read a second time.

Third Reading

Mr PITT (Hinkler—Assistant Minister to the Deputy Prime Minister) (12:39): by leave—
I move:
That this bill be now read a third time.

Bill read a third time.

Narcotic Drugs Amendment Bill 2016
Second Reading

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

Mr STEPHEN JONES (Throsby) (12:39): I am pleased to be speaking to the Narcotic Drugs Amendment Bill 2016, which will make a medicinal cannabis licensing scheme legal in Australia. The Labor opposition will be supporting the bill. We will asking that it be referred to a very short inquiry in the other place to ensure that the policy intent of the government and the Labor opposition has found its way into the bill and that there are no unintended consequences.

This bill is in line with Labor Party policy, which is to work with state and territory governments to ensure that there is a nationally consistent law which allows lawful access to medicinal cannabis for people who are needing it in this country; to ensure that the Commonwealth regulates the medicinal cannabis which is supplied to eligible patients and for scientific research purposes; and, finally, to ensure that we can work with state and federal
regulators to improve controlled access to medicinal grade cannabis for legitimate scientific and medical research.

We have been pushing for changes to this law for quite some time. Over the last 12 months we have been consulting widely among stakeholders and ensuring that our policy settings are consistent with the direction that we want to go in. In our national conference last year I moved an amendment to our platform which would make it clear that, in government, Labor would introduce a scheme which would make available cannabis for medicinal purposes for patients who need it. Indeed, towards the end of last year, I announced that, if elected, a Shorten Labor government would make medicinal cannabis legally available. Over the course of this year, the government and I have been working with all parties, particularly my Labor colleagues from states and territories around the country, to ensure that the bill the government presented two weeks ago meets the objectives.

There has been a lot of discussion in state parliaments and territory parliaments for over 2½ years now on the issue of medicinal cannabis. Being a member from New South Wales, I am mindful of the parliamentary inquiry that was conducted by the New South Wales parliament, initiated in 2012 and conducted in 2013, which recommended the introduction of a uniform national scheme and also said that there would be mechanisms for a state to introduce such a scheme if there was not sufficient political will at the national level to do so. Of course, we are also aware—and you would be aware, Mr Deputy Speaker Broadbent, being a member from Victoria—that the recently elected Andrews Labor government went to the last election with a firm commitment to introduce laws which would make available medicinal cannabis by 2017 and, in particular, make available medicinal cannabis for children with severe epilepsy. It was also elected on a platform to introduce and to invigorate the process of medical and scientific trials into other indications.

Around the country, we also saw the Labor Premier of Queensland announce last year that she was keen to ensure that trials and law reform through a national or state based scheme was introduced together with Labor oppositions in Victoria, Tasmania and other states, and here in the Australian Capital Territory. I believe that that has occurred because of the vigorous campaigning of community advocates. Who could not have been moved by the passionate pleas of Lucy Haslam? Dealing with the grief of the loss of her son Dan, she has been walking the halls of this place lobbying all sides of parliament to ensure that we could reform our laws to ensure that families in the situation that she was in with her son Dan would not face the same hardship. I am pleased to see that, as a result of strong community advocacy, pressure from the states and pressure from the Labor opposition, we have a bill before the House in this session.

I have spoken about the push from state governments. We were faced at the beginning of this parliamentary year with a situation where we could have a patchwork of state and territory laws in relation to this issue. There is a significant problem with that approach. I believe the government had its head in a bucket of sand for too long over this issue and was leaving it to the states to take the lead. I always argued that there was a problem with that approach because we have a complex series of state, territory and Commonwealth laws that touch upon this issue. In addition to that, we are party to international treaties, which place obligations on the Commonwealth government, in relation to cannabis and other prohibited substances.
Making medicinal cannabis legal is a lot more difficult than changing one particular law in one jurisdiction. The Commonwealth currently has laws to regulate the import, export, and manufacture of cannabinoids and cannabis raw materials used to make medicinal cannabis products. Cannabis is subject to the international treaty obligations of the Single Convention on Narcotic Drugs, 1961, which binds member parties so that the illicit use of narcotic drugs can be tightly regulated. The Poisons Act at state and federal levels also classifies or schedules drugs, providing different levels of access to the medicine and the poison. Rescheduling cannabis is another critical step in making medicinal cannabis available. Rescheduling this medicine is not dealt with in this bill but the Therapeutic Goods Administration is already considering the proposal.

It is clear that there needs to be a greater level of national leadership when it comes to medicinal cannabis. The patchwork of access arrangements cannot emerge across different states and territories. It would be intolerable if we had a situation where people could lawfully access and possess and use medicinal cannabis products whilst in Albury, but when they cross the border to Wodonga they could be finding themselves in breach of the law or vice versa. Pick any of the other border towns around a nation and you can come up with similar examples. We need a uniform system of laws, both medical as well as criminal, in relation to the access of this drug. We also need uniform clinical guidelines to be developed, guidance on what products are produced and national leadership to deal with problems as they arise.

Labor gives this commitment today. We will work with the government and all interested parties to ensure that the Commonwealth government can provide national leadership to get the job done and ensure that we can—as we aspire to do—make these products available in a safe and legal way. Labor's approach is driven by the science but it is also moved by compassion and I will have something to say about that in a moment. Australian Labor is committed to the approvals of the Therapeutic Goods Administration, which are based on the best available scientific evidence.

We also recognise the very human need of thousands of Australians for medicine. Right now, there are families accessing medicinal cannabis products on the black market—that is, illegally. They do this at the risk of being arrested or convicted as they are unable to determine the exact ingredients of the products they are purchasing or the quality of the medicines they are taking. There is no independent authority that has assessed or verified the claims made by the cultivators and the manufacturers of these products. Families find themselves caught between the risk of criminal action, on the one hand, and using an unreliable supply, on the other hand, and knowing that their loved ones will suffer if something does not change.

Good policy advances on the basis of sound evidence and reason, but it cannot divorce itself from emotion and compassion, and there is plenty of emotion and plenty of compassion on display on the subject of medicinal cannabis. Two weeks ago I had the pleasure of hosting, with my parliamentary colleague the member for Cunningham, an extraordinary young man from the Illawarra, Ben Oakley. He came to parliament with his mother, Caroline, and his father, Michael, to tell their story and to advocate for change. He is from the city of Wollongong. He is 20 years old. He suffers from a very rare disease known as stiff person's syndrome.
Three years ago he was competing in triathlons. Today he would find it very difficult to walk the distance from this chamber to the cafe across the hallway. He is struggling with this condition but shows enormous bravery. Just to give you an example of the condition and symptoms he suffers with, he has in excess of 90 or 100 spasms a day. Any one of these spasms could trigger a series of events that would bring his young life to an end. He has tried the whole range of available drugs recommended by medical practitioners. None of them bring the relief he needs to give him some semblance of living a normal life.

In an act of desperation his father, Michael, accessed medicinal cannabis resin, in the form of capsules, when everything else had failed. Ben describes the results of taking this as absolutely miraculous. He is able to complete his schooling. He is able to contemplate going to university and fulfilling his passion of getting a degree and having a career—something he thought would never be available to him because, quite realistically, he thought he might not live to see his 21st birthday. The medicinal cannabis has helped him get control of his spasms and has helped him get a handle on his life. But his father and mother are having to access an illegal supply chain to get their hands on the medicines that are making this lifesaving change on this young man's life. That is why this legislation is so important.

I would be surprised if there were not dozens of stories that had been brought to any of the 150 members so lucky to have a seat in this House by constituents in the same situation as young Ben Oakley.

So while I say good policy advances on the basis of the best evidence and clear reason, we cannot avoid being moved by the examples of young Ben Oakley and literally thousands of other people in similar situations—people who are suffering from nausea as a result of undergoing courses of chemotherapy and other cancer treatments, and people who are seeking relief from pain because of some trauma or accident they have suffered, who have tried all of the opiate-based therapies and for one reason or another find that medicinal cannabis provides not only a better quality of relief but a better quality of life. It is for these people that we are moving these changes in the House today.

This bill is a first critical step that will enable medicinal cannabis to be produced in this country. Primarily it amends the Narcotic Drugs Act to permit the licensing of growers of medicinal cannabis in Australia. It also provides a fit and proper person test to be applied to licensees by the Department of Health. If adopted, the bill will ensure that Australia remains compliant with its obligations under the single convention. We know that there is broad public support for making cannabis products available for medicinal purposes. Survey after survey, poll after poll has proved this point. But there is also broad public support for having a regulatory system which ensures that Australian medicines are safe. In ensuring that we alter our laws to make medicinal cannabis available, we do not want to be throwing the regulatory baby out with the reformist bathwater. The AMA have previously called for a coordinated approach to medicinal cannabis and raised concerns about previous bills that have been brought before the parliament. The AMA said:

The AMA believes the current system adequately provides for the regulation of therapeutic narcotics. Medicinal cannabis should be held to the same standards of evidence, safety, quality, and efficacy as other therapeutic narcotic products. This will ensure that medicinal cannabis can be standardised and regulated in its pharmaceutical preparations and administration, thereby reducing the harm to potential users.
There is much force in this argument. If you are a parent who has a child with drug-resistant epilepsy and you want to ensure that they are receiving the medicine that is going to provide them with relief, you want to ensure that the medicine that you are providing your child is manufactured in accordance with the best manufacturing processes. You want to ensure that it does what it says it can do on the label. You want to ensure that there is a consistency of quality and quantity in the dosages that are provided to your child. Whether we are talking about a child with drug-resistant epilepsy, somebody who is suffering the ravages of pain undergoing a course of chemotherapy or somebody who is seeking to alleviate the pain that they are suffering in the final stages of their life, all of them deserve to have access to a product which is safe, reliable and affordable, and to be able to access that product without having to put themselves at risk through accessing it through the black market.

Currently all therapeutic goods such as medicines and devices must be approved by the Therapeutic Goods Administration—the TGA—and be listed on the Australian Register of Therapeutic Goods—the ARTG. Once listed on the ARTG, a product may then be considered for listing on the Pharmaceutical Benefits Scheme—the PBS. Once listed on the PBS it attracts, according to the conditions of its listing, a government-funded subsidy. In providing a licensing arrangement for medicinal cannabis products, the TGA regulatory system is left in place. Unlike the cross-party bill that was moved in the other place, this bill does not provide for a new regulator of medicinal cannabis products. Instead, the three existing pathways are utilised to get medicinal cannabis to patients who need it: firstly, through the authorised prescribers scheme; secondly, through the special access scheme; and, thirdly, through clinical trials.

An authorised prescriber can prescribe to their patients an otherwise unapproved medical product for a specific medical indication. The authorised prescriber must have special training and they must monitor the outcome of the therapy. They must also report back to the TGA about their prescriptions of the product twice annually. This is one of the schemes that will continue to be available.

The special access scheme is the other key way in which people will be able to access this treatment. The SAS enables patients to get access to a medical treatment not otherwise approved for use in Australia. Again, the patient's doctor needs to apply to the TGA. This is done on a case-by-case basis, so if a patient suffers from a condition that may well be treatable by medicinal cannabis products and they perhaps live in a remote community not close to an authorised prescriber, their GP may apply to provide the product to their patient through the SAS scheme.

The third mechanism by which a person may gain access to medicinal cannabis products for clinical purposes is through clinical trials. These are also regulated, apart from through the ethics committees of hospitals and universities, through the Therapeutic Goods Administration.Clinical trials can also provide access to as yet unapproved medicines. Of course, there is a risk with this. The persons engaging in those clinical trials do so in full knowledge of the associated risks. Of course the benefit of clinical trials is that the data gathered in clinical trials provides part of the dossier that is then used to assess whether a therapeutic product is safe and effective for use. These kinds of trials are an important step in the process of having a medicine listed or approved for use in Australia.
These are the three bases which will continue to be available as a result of this bill. So the bill does not disrupt or dislodge these mechanisms, but it does deal with an issue that many of the stakeholders who I have consulted with have said needs to be addressed if we are to make this product available more freely and more affordably in Australia, and that is the issue of having an affordable means of supply. The bill provides for licensing of growers and manufacturers. There will be two types of licences created by this bill: an authorisation to cultivate medicinal cannabis for manufacture into a medicinal cannabis product and an authorisation to cultivate medicinal cannabis for scientific research purposes.

To gain a licence, you must meet the strict conditions that are set down in the bill. It is proposed within the legislation that it is proper that anyone given a licence to produce medicinal cannabis fits a strict 'fit and proper person' test. The bill provides for the test to include tests in accordance with the regulations, looking at things such as criminal history; previous civil penalties; a revocation of any previous licences; connections, including business associates and family; a requirement that the person be of good repute in character, honesty, professional and personal integrity; and a capacity to comply with licensing arrangements. Other relevant considerations will be a person's previous business experience, their financial status and previous record of compliance with requirements of the Narcotic Drugs Act.

There are important security provisions within the bill as well. Australia has vast experience in managing controlled substances, such as the growing of poppies for the purpose of producing opiate based medicines. We also have the benefit and example of experience from our overseas partners. Growers licenses must be connected to the supply chain, meaning a grower will need to have an arrangement in place with a manufacturer in order to get a licence. Permits will be issued to control the amount of cannabis that is produced. This system will ensure that an oversupply of cannabis does not occur. The objective of this—or the malady this drives at—is to ensure that we do not have stockpiles of excess cannabis products being produced, thereby enhancing the risk of diversion for unlawful purposes. Similarly, a manufacturer must be able to demonstrate their connection to the supply chain and that, in turn, dispensing to the patient is consistent with the Therapeutic Goods Act. This will have the effect of restricting the number of licenses.

I understand that there will be many advocates within the community who will be disappointed by some of these provisions, and I ask them to consider the fact that we should not make the perfect the enemy of the good. We are, undoubtedly, advancing the cause of those who are advocating for change through the legislation which is before the House today. There are some mechanisms that a Labor government would do differently, but the measures within the bill, while not meeting all the needs of the advocates within the community, will definitely advance the cause.

The bill has strict security provisions which will apply to licensees, ensuring the product is not diverted into illicit uses. There will be substantial penalties for breaching the licence conditions and for unauthorised activities. It is also worth noting that the existing Criminal Code already captures offences such as the cultivating of cannabis without a license. These will continue to apply. The Secretary of the Department of Health will maintain the power to order the destruction of cannabis or cannabis products to prevent or rectify an accumulation of the product.
These are the main features of the bill. As I have said, they will enjoy the support of Labor members of this House. We will ask for a brief but focused Senate inquiry, to ensure that there are no unintended consequences of the legislation. But we should focus on what the objective is. The key point is this: no family—no family—should have to choose between getting their loved ones the medicine that they need and breaking the law. No parent should have to make this choice; a choice between seeing their son or daughter, their husband or wife, suffering uncontrollable pain or dealing with the dangerous side effects of a medical condition—having to witness that—or providing them with the medicine that they know is effective but which, on the other hand, is breaking the law. This is an intolerable choice.

This bill, and the processes that follow, will ensure that eventually Australian families will not have to make that choice. We know that there are thousands of Australians who are suffering from unbearable pain—muscle spasticity from conditions like multiple sclerosis or nausea resulting from chemotherapy—who will benefit from medicinal cannabis products. No-one can imagine how horrific it must feel for someone to see their child, their partner or their parent in immense pain, knowing that relief is available but that it is illegal to use. We must change this.

It behoves all members in this place to support this legislation and to monitor it closely to ensure that we have the right regime in place—one that drags our nation into the 21st century and deals with the needs of constituents like mine, in the case of Ben Oakley and in circumstances that have been advocated so powerfully by Lucy Haslam in memory of her son, Dan. It behoves all members of this place to ensure that we do what we are elected to do: to change the law in a considered, responsible way to ensure that we provide a better way for families such as these.

Mr NIKOLIC (Bass) (13:06): I am pleased to hear the member for Throsby say that Labor will support the Narcotic Drugs Amendment Bill 2016, and I am pleased to say that both sides of the House appear to be in heated agreement that this bill is at the forefront both of medical science and human compassion.

The bill represents policy which is sensible, enlightened and humane. This is because it is, first and foremost, about the alleviation of human suffering in a way that is ethical, efficient and legal. This is most especially the case for the terminally ill, who will be the direct beneficiaries of this bill and the treatment which flows from it, but it is also the case for affected families and friends who will be indirect beneficiaries by virtue of knowing that their loved one's pain has been eased. No-one who has borne witness to the pain of someone in the throes of terminal decline would wish either experience—that of the afflicted or the carer—on another. Any observer to such suffering would agree readily to whatever was legally possible and available to lessen such misery, and this bill seeks to do just that, enshrining a practical and clinically proven improvement plan to pain relief in Australian law.

Despite Australia's affluence and modernity, terminal illness in our country is widespread. Mine is a medical family. My wife is a career nurse, our daughter is a surgical registrar in Melbourne and we are in contact with many family, friends and patient groups in very poor health and who require targeted relief from pain and suffering. But those interested in this bill will also encompass members of the wider Australian community, many of whom might reasonably have concerns about the legality and protections built into this intended scheme in order to prevent and curtail unintended and illegal trafficking of narcotics in Australia.
It is fair to say that these concerns have been heightened in recent days by the extraordinary and, may I say, irresponsible Greens party proposal to decriminalise the drug ice—methamphetamine. It is a proposal that has been met in my community with understandable outrage, and it is very clear to me that the Greens party has learned nothing from the National Ice Taskforce.

Public concern about these matters of illegal drugs is reasonable and understandable and has been taken into account by the government when crafting the provisions in this bill. I note also that this bill has already been widely well received across the political spectrum. We hear an example of that this morning in the bipartisan speeches the member for Throsby and I are giving and also in the vocal support and endorsement of the broader Australian community. I am pleased to say that, in my home state of Tasmania, Premier Will Hodgman has provided active and high-profile endorsement to policy action in this area. In so doing, the Premier of Tasmania has shown himself to be a progressive and compassionate political leader.

If and when this bill is passed and becomes law, it will contribute to considerable good in every state and territory, including my home state of Tasmania. But, as ever, this bill represents a balancing act between competing priorities and views. In this instance, I and many others across the political divide are likely to be in fierce agreement that this bill gets the balance right.

Let me now address the nature of this bill, the good which will accrue from it and the community safeguards that are included in it. The government has taken great pains to frame this bill and the policy effects that flow from it. An appreciation of policy risks and desired benefits is, after all, always a dynamic tension in every bill that is debated in this House. The main and rather obvious risk relates to public perception and trust. Sections of the community quite rightly harbour valid concerns and reservations about the likelihood of this bill giving rise to an increase in cannabis used for illegal, non-medicinal purposes.

On this point, I can state unequivocally that this bill in no way legalises cannabis for non-medicinal purposes in Australia. Cannabis will continue to be categorised as a highly regulated drug, and its use and supply will continue to be controlled by a number of existing Commonwealth, state and territory laws. Importantly, the Australian government is not proposing to legalise the cultivation of cannabis for other than clinically-prescribed and closely regulated medicinal purposes.

As a result, these legislative amendments will ensure that Australia continues to comply with its international obligations under the Single Convention on Narcotic Drugs in relation to cannabis for medicinal use and related research. Furthermore, the Commonwealth will amend the Narcotic Drugs Act 1967 to establish the authority within the Department of Health to approve and regulate the cultivation of cannabis for medicinal and scientific use required under the single convention. Cannabis material cultivated in Australia may then for the first time be legally manufactured into products to be used to conduct clinical trials and develop products to be used in accordance with the Therapeutic Goods Act 1989. The TGA standard should be our standard for quality, safety and efficacy. These products can also be made available for patients outside clinical trial protocols through other pathways in the Therapeutic Goods Act.

The Commonwealth already has sufficient legislative authority to regulate the import, export and manufacture of cannabinoids and cannabis raw material, but cultivating cannabis
in Australia for the express purposes of medicinal or scientific use is yet to be approved. Additionally, the Commonwealth is working with states and territories to ensure that their respective legislation allows for access to defined patient groups. The bill has been crafted to ensure that cannabis is only available by medical prescription from an Australian formally credentialed medical professional. This constitutes an enduring central protection in the bill.

This approach establishes a formal delineation between cannabis which is legally and professionally prescribed by a medical practitioner and that which is otherwise illegally sought by an individual user and/or peddled by criminals, gangs or syndicates. In any such case, delineation is apt to further assist police agencies to monitor and track both legal and illegal cannabis transactions Australia-wide. As a result, the use of cannabis for the specific and prescribed purpose of abating patient suffering and the continued hunt for illegal cannabis distributors or networks are not mutually exclusive. Rather, they are complementary elements of a holistic and sensible policy.

Much potential good will accrue from this bill. Amongst the most significant of these positives is that it will dignify and formalise within a legally controllable framework what already takes place on a regular basis. In other words, it will make legal that which is morally right and humanely justifiable while at the same time upholding the law against that which remains illegal in the eyes of the law and many in our community.

And I echo the words of the member for Throsby relating to the many reports of seriously ill patients and their families in our communities who are currently accessing black market cannabis to relieve suffering. In doing so, they are exposing themselves to the risk of criminal prosecution and the health risks of using products that may not be safe and may not deliver expected results. Accessing illegal products in this underground manner is potentially dangerous and expensive. Because of this, the Commonwealth government is committed to facilitating the supply of legal, safe, quality medicinal products to appropriate patient groups.

This means enabling the domestic cultivation of cannabis for use in clinical trials, scientific research and other medicinal purposes as allowed under the Therapeutic Goods Act 1989. To achieve this goal, this bill seeks to amend the Narcotic Drugs Act 1967, in order to ensure that Australia meets its obligations under the United Nations single convention. The government has approached this issue in a way which is collaborative and constructive. Since the minister’s announcement on 17 October 2015, the Department of Health, in conjunction with other Commonwealth agencies and in discussion with state and territory governments, has been analysing the amendments required to the Narcotic Drugs Act 1967.

Let me speak briefly on Community safeguards. The Commonwealth will continue to safeguard the community against the illegal use of cannabis. Furthermore, the government is confident that its suite of protective measures will ensure that the illegal trafficking of cannabis is not further promoted by this bill. To this end, the government has made a commitment to work collaboratively with states and territories to not only share knowledge and information on issues relating to the appropriate use of therapeutic products derived from cannabis, but to also consider health and law enforcement concerns for its control in Australia.

It is, of course, vital that we have a clear national licensing scheme to ensure the integrity of crops for medicinal or scientific purposes only. These legislative amendments will allow the government to track the development of medicinal cannabis products from cultivation to
supply. Additionally, from a law enforcement perspective, there are a number of issues which require consideration when exploring options for access to medicinal cannabis. They include: ensuring secure possession and use among patients and carers alike; preventing the influence of criminal elements on the production, supply, transportation and administration of cannabis for its approved use; identifying child safety and welfare requirements; enforcing road safety, relating to driving under the influence of cannabis; and mitigating crime associated with an increased diversion of controlled drugs for unauthorised use or misuse. Commonwealth and state and territory criminal, drugs and poisons legislations will be both complementary and comprehensive, in order to ensure that all necessary controls are in place.

In the end, the subject of this bill is not a silver bullet to end pain and suffering—particularly those with chronic conditions or who are approaching the end of life. Nevertheless, it does constitute a significant and welcome addition to the modern arsenal of pain relief for the terminally ill. For this reason alone, this bill should be welcomed. But, it goes much further still, to guarantee careful and prescriptive targeting, and safeguards against illegal use. It is inescapable that this is good policy.

It is also a case of world's best, most-informed and enlightened approach to the increasing need for available and affordable pain relief. Australia's ageing population will only accentuate this requirement in the future. Accordingly, I commend the Narcotic Drugs Amendment Bill 2016, to the House.

Ms KING (Ballarat) (13:19): I rise to join my colleague the member for Throsby in supporting the Narcotic Drugs Amendment Bill 2016 in this House. At the outset, I would like to pay tribute to the member for Throsby for the work he has done in developing Labor's policy position in this area and in helping to promote this important reform for the benefit of the many Australians who are counting on this parliament.

I have to say the government has been a bit of a late starter when it comes to this particular area. When I first got elected to the shadow ministry, I went and spoke to the then Minister for Health, Minister Dutton. It was not necessarily on the government's radar at that point but there was some indication that something might need to happen. Stephen and I of course then went to see Minister Ley very early on, and it has taken a while for us to get to this point. So I am very pleased that the government has come to the point it is at now.

It has also happened because really there is not a choice for the Commonwealth in this space at the moment. We have states and territories—Victoria and New South Wales in particular and some interest in Tasmania—wanting to proceed with clinical trials. If the Commonwealth does not act, there is a missing piece of all of this. I acknowledge the work that has been done to get to this point. I think there are still some elements that are going to continue to have to be worked through and this bill is one of the first steps in terms of the Commonwealth doing that.

As I said, I also want to particularly pay tribute to Jill Hennessy and Daniel Andrews in Victoria, who have really pushed the Commonwealth to be in this position. If they had not, the trials in Victoria could not have gone ahead in the way we had anticipated they should.

Ultimately what this bill is about, absolutely at its heart, is easing the suffering of those for whom medicinal cannabis can ease their pain, ease their suffering and provide relief that cannot be obtained by the existing alternatives. This is not about decriminalising marijuana
for recreational use. I want to make that very clear. This is not about in any way entering the debate about how we deal with drug abuse or drug use in this country. This is solely about ensuring there is a legal and regulated market for medicinal cannabis so that carers can access a safe, legal and reliable supply of pain relief for their loved ones—people like Cherie and Trevor Dell in Sydney, who use medicinal cannabis to help their three-year-old daughter Abbey, who suffers from a rare genetic disorder known as CDKL5, which results in constant violent seizures. Cherie and Trevor are not criminals. They are just parents trying to do what any parent does, the best for their child.

Cherie and Trevor tried every legal medicine and treatment for Abbey but found the only product that worked to ease her seizures was medicinal cannabis oil. As they told the Leader of the Opposition when he visited them last year, before the cannabis oil treatments Abbey suffered dozens of seizures every day, with some of them lasting 45 minutes. Now they have possibly one per day and some days are seizure free. But cannabis oil is illegal in this country and, desperate to relieve Abbey’s suffering, they turned to the underground suppliers that provide illegal medicinal cannabis oil to families in need across the country. As a result of this, they were visited by the police.

No-one here, it should be stressed, in any way blames the police for this; they are simply enforcing the law as it stands. That is why we here today, working with the states and territories to have changes to the law to benefit not only Cherie, Trevor and Abbey but also the many Australians with epilepsy who believe the evidence that cannabidiol, one of the compounds in marijuana, can stop seizures and boost the quality of life of those with epilepsy. People like Dan Haslam, the young man with terminal cancer whose story of how he used cannabis to treat his severe pain and nausea from chemotherapy was so moving for many across the country. He certainly has been a very persuasive voice, as has his mum, in this debate. And, as it always should be when we talk about making important changes to health legislation in this country, it is important that it is evidence based and strongly supported by the medical literature that cannabinoids may be used for treatment in a number of key areas including: treatment of muscle spasticity and neuropathic pain, notably in multiple sclerosis; treatment of nausea, vomiting in chemotherapy patients; appetite stimulation, particularly for AIDS patients; and pain relief in palliation.

The Australian Medical Association has expressed cautious support for further trials. In a statement on 1 May 2014 it said:

There is a growing body of evidence that certain cannabinoids are effective in the treatment of chronic pain, particularly as an alternative or adjunct to the use of opiates, when the development of opiate tolerance and withdrawal can be avoided. Controlled trials have also shown positive effects of cannabis preparations on bladder dysfunction in multiple sclerosis, tics in Tourette syndrome, and involuntary movements associated with Parkinson’s disease.

All of us here accept that, given the very strong feelings about drug law reform in Australia, for some this decision will be controversial. But driven by science, by evidence and by compassion, we firmly believe that the time has come for a national scheme. It has not been political to observe that during the term of this government there has been little opportunity for Labor to find common ground in health policy with the Liberal and National party. However, on this measure—the introduction of medicines based on cannabis—we have agreement.
We are, of course, in many respects, lagging behind the states, with the governments of
New South Wales and Victoria already pushing ahead with their state-based schemes. The
Victorian Premier in particular deserves, as I said, much credit for providing national
leadership, and driving the national agenda on medicinal cannabis with the Victorian
government committed to legalising access to locally manufactured medicinal cannabis

The New South Wales government has also vigorously pursued medical trials of cannabis,
and provided law enforcement by 'depenalising' offences related to possession and use for
particular classes of people. But Labor strongly believe that only the Commonwealth
government can actually lead this debate. As the Leader of the Opposition said, when he
wrote to the Prime Minister back in November:

Only the Commonwealth Government can ensure there is a national scheme which ensures equity of
access and a safe and reliable supply …

… a person’s access to—
pain relief—
should not be dictated by … [the] state or territory they live in.
It is important that these changes are delivered as soon as possible so that families currently
relying on medicinal cannabis to ease the pain of their loved ones can do so legally and safely.
The decriminalisation of the use of medicinal cannabis will also enable more carers to access
much needed respite. We cannot tolerate a situation where access to legal and safe medicinal
cannabis is determined by your postcode, and allow a system to continue where parents in one
state can legally and safely relieve the suffering of their children, while those in another state
are faced with a choice of allowing that suffering to continue, or to risk prosecution.

Only the Commonwealth government can ensure there is a national scheme which ensures
equity of access and a safe and reliable supply. Only the Commonwealth
can establish a tightly controlled supply chain with multiple security measures. Only the Commonwealth can
enable the prescription of these medicines by a doctor, if that is ultimately where we are able
to land on this in the future. Only the Commonwealth can establish a licensing scheme for the
cultivation of cannabis for medical and scientific purposes by creating two types of licenses:
an authorisation to cultivate cannabis for manufacture into medical cannabis products, and an
authorisation to cultivate cannabis for scientific research into the cannabis plant that is to be
used for medical purposes.

A key component, of course, of this bill is the establishment of a strict fit and proper person
test that will apply to the applicant and also to associates of that applicant by assessing
criminal history, business and family connections, and financial status. Perhaps the most
important element of this legislation is that in providing a licencing arrangement for medical
cannabis products, the TGA regulatory system is left untouched. That was an important
consideration for us. We understand, and I acknowledge the presence of TGA staff here
today, this is incredibly complex. I understand, Philippa, this would not have been an easy bill
to draft, nor is it an easy regime to, in fact, be working your way through, but it is though
proper regulation. It is going to be important that the Commonwealth does participate in that.

CHAMBER
This is a crucial development, and far superior to other suggestions in this place that a separate, specific legislator be established.

The TGA is well-regarded globally as an effective regulator of therapeutic products, and it sends a very important signal that, in many ways, what we are doing here is no different than the regime adopted for the approval of any other therapeutic good. As I said at the outset, it is crucial that the Commonwealth leads the way here. It is crucial that it does so to ensure that a patchwork of medical cannabis licit access arrangements do not emerge across the variety states and territories. We are also concerned that these drugs will remain expensive, and potentially prohibitively expensive for some families. Approval of medical cannabis does not mean subsidised access via the Pharmaceutical Benefits Scheme and it is vital that Australian governments also provide national leadership to ensure a fair approach to access of this medicine is achieved.

No family should have to choose between getting their loved one the medicine they need and breaking the law. We will certainly be supporting this bill. I commend it to the House.

The DEPUTY SPEAKER (Hon. BC Scott): Order! It being just on 1.30 pm, the debate is interrupted in accordance with standing order No. 43. The debate may be resumed at a later hour.

STATEMENTS BY MEMBERS

Indi Electorate

Ms McGOWAN (Indi) (13:30): Colleagues, today I would like to talk to about the beautiful Bonnie Doon, a glorious little town on the shores of Lake Eildon. I was pleased to visit there on Thursday and hear about the issues that they are facing—around petrol pricing, fears that Medicare costs might go up, the problem of the falling level of water in Lake Eildon and the quality of the gas that they use for their cooking. But particularly I heard about mobile phone black spots and the NBN. In the little area of Ancona, the two Johns told me that they have got no radio, no NBN and no mobile and they rely on VAST TV, which is satellite coverage from Central Australia and that, if I could do anything to help them, it would be to make sure that the new mobile phone tower coming under the black spot program goes in a place that is going to get great reception. They told me that where it is planned to go is not going to work. It needs to go on the hill. I heard you, guys. On the hill it will go. I also heard that NBN towers have been put on The Paps and what a difference that is making to many, many of the people in the local area, and to Tom Condon in particular. He says, 'I love you, Cathy; you've got me NBN!' I go, 'Yep. Hear, hear.' But it is not the case for everybody. Some people around the area are not getting good service. So I am pointing out that we actually need to make sure that the NBN covers off on everybody. In closing, congratulations to Kirsten from the shire, to Nola Evans, and to Glenys for that beautiful box of vegies. I wish you well as you do the work, stroll down memory lane and make that beautiful area near the three churches a wonderful place to visit.

Flynn Electorate: Weeds

Mr O'DOWD (Flynn) (13:31): Today I want to speak about noxious weeds in my area of Flynn. Weeds cost Queensland $600 million annually and have a significant impact on primary industries. There are a number of noxious weeds in Central Queensland. They get about quickly and they outpopulate native trees and bushes, choking out pastures, clogging up
waterways, smothering trees and bushes. They actually choke the life out of the native plants. I will list seven main weeds that are a constant curse to farmers in my electorate: giant rat's tail grass, prickly acacia, Parkinsonia, water hyacinth, African lovegrass, cat's claw and of course the old lantana, which has been around with us for a long, long time. Management of these weeds costs landholders thousands of dollars each year, and of course nonmanagement also costs landholders money and places biodiversity at risk. One of the most readily available and economical methods of managing these plants is poisoning. One of the most popular pesticides in the world is glyphosate, the main ingredient in Roundup. There are some recent concerns over the safety and viability of Roundup. Roundup is considered safe if handled well.

Treasurer

Mr WATTS (Gellibrand) (13:33): When the former Treasurer Joe Hockey left office, the expectations bar was set very low for his successor. But, unafraid of the soft bigotry of low expectations, the new Treasurer, Scott Morrison, boldly strode forth, stubbed his toe on this low bar and fell flat upon his face. In five short months he has managed to contradict himself on superannuation concessions, negative gearing and bracket creep. When asked yesterday what his economic plan was, the best that he could muster was a reference to the free trade agreements initiated by the former Prime Minister whom he conspired to oust from office in order to take this job. I will say one thing for the current Treasurer, though: he is the only member on that side of the House who is taking his lead from the Prime Minister, Malcolm Turnbull. In the Turnbull era, waffle is the coin of the realm, and the Treasurer has built himself a mint. Not content with boring the House with his contentless rambling, last week he subjected the nation to a 47-minute PowerPoint-led dirge at the National Press Club that left his strongest supporters tapping the mat. In an interview with Alan Jones about the speech that has mysteriously not made it onto the Treasurer's website, the broadcaster was left to moan: Forgive me for asking a simple question … what on Earth was it about? You said absolutely nothing. The Treasurer's bromantic interest, Ray Hadley, described it as 'inglorious' and 'a whole lot of gobbledegook'. In aspiring to go beyond the three-word slogans that have defined his career to date, the Treasurer has overextended himself. Fran Bailey was right about the current Treasurer. But it is not Lara Bingle who is left asking the question now; it is the Australian public: 'A credible Treasurer? Where the bloody hell are you?'

Barker Electorate: Mobile Phone Services

Mr PASIN (Barker) (13:34): I rise today to raise talk about mobile black spots in my electorate of Barker. Good mobile coverage is essential for economic productivity and safety in rural areas. My electorate, about the size of Croatia, is sparsely populated but it is a hub of economic activity. The flows of agricultural production and industry are high throughout the region and, as such, mobile black spots are a significant economic handbrake. Further, they pose significant safety risks, especially given a majority of modern farming practice is conducted by individuals or small teams in remote locations. The Australian government, cognisant of the danger posed by mobile black spots to regional communities, committed to investing $100 million in telecommunications infrastructure in rural, regional and remote Australia. Unfortunately, due to the failure of the South Australian Labor government to co-contribute to round 1 of the program, Barker received a meagre allocation of two upgraded
base stations. This was a fact acknowledged by Minister Gago when I and the member for Grey met with her. South Australia, having failed to make that commitment, received one-tenth of the allocation of Victoria. Mr Deputy Speaker, I am sad and disappointed to tell you that the current minister, Minister Maher, despite repeated requests from the member for Grey and me, will not meet with us on this topic and will not discuss this issue with us. I call on Premier Weatherill to make sure he will speak to us and correct the error of round 1, because, if we miss out on round 2, the people of rural South Australia will miss out.

**Turnbull Government**

Ms RYAN (Lalor—Opposition Whip) (13:36): What is it with this government and antipathy between prime ministers and treasurers? What is it? First we had the dysfunctional pairing of the member for Warringah and the hapless Joe Hockey. The member for Warringah was going to be the infrastructure Prime Minister, until the Treasurer slashed the project funding. There was the heartfelt promise on health, education and pensions: 'Nothing will change.' That was until the Treasurer got his hands on the budget and slashed the bottom out of it. Now we have got a wonderful new pairing of Prime Minister and Treasurer. We have got the member for Wentworth as Prime Minister and the member for Cook as Treasurer. How is that going? We had the Treasurer out the front for months on the GST—salesman of the year. He said, 'Joe couldn't sell anything. I can sell a GST.' Out he went. What happened to that? The Prime Minister cut his legs out from under him. COAG was cancelled because they could not get their act together.

Then we had the excesses of negative gearing that would be looked at, or so thought the Treasurer until the Prime Minister came in here last week and said, 'No, I didn't say that.' This diabolic duo is worse than the last! And do you know what else? The Australian public is onto it. I have constituents on my Facebook page saying, 'Jo, what are they going to do in this budget?' And all I can say is, 'Who knows? They don't.'

**Durack Electorate: Mid West Academy of Sport**

Ms PRICE (Durack) (13:37): I am very pleased to speak today about the Mid West Academy of Sport, led by executive officer Marty FitzSimons and chair Gary Clark—two names that are synonymous with Western Australian sport. The Mid West Academy of Sport provides a high-performance training environment for talented Mid West athletes. The academy commenced services in January 2014 and supports and services the development of athletes, coaches and officials throughout the Mid West in my electorate of Durack.

Earlier this month I had the privilege of attending the academy's 2016 scholarship ceremony. The night was a very uplifting event recognising the many talented athletes, coaches and officials who call the Mid West home. I would like to congratulate all those who received scholarships on the evening.

I want to take a few seconds to mention some of the athletes who received scholarships: Lexie Stone, Emma Burke, Alex Ducas, Emily Winterbine, Daniel Jacques, Phoebe Vlahov, Ringo McKenna, Jack Osborn, Flynn Scott, Ellie Pead, Liam Follington and Abby Benham. I would also like to acknowledge the netball coaches who have received scholarships: Mischa Westlake and Adelle Auld; netball officials: Nadine Eva and Kelly Eastough and Nick Short who is also an official for the swimming fraternity.
With the time remaining I would like to acknowledge the Midwest Gascoyne Netball Region. I have proudly just become their patron. I look forward to seeing many netball games and if I have to pull on the boots, well, so be it!

**Turnbull Government**

Mr MITCHELL (McEwen—Second Deputy Speaker) (13:39): What have we got leading into this break before parliament? Weeks out from the budget we have a government that does not know what it is doing. We have a Prime Minister that says one thing today and one thing tomorrow and gets his office to say something else in the evening. We have a Treasurer that has been put into hiding—let us face it, no-one would ever have thought that you could be worse than Joe Hockey, but Scott Morrison has taken the cake.

No wonder those left-wing journalists like Alan Jones and Ray Hadley are out there saying, 'What is actually going on? What is actually going on when the government doesn't know what it's doing or where it's going?' Each and every day it is contradiction after contradiction, and people are getting fed up with it. They are getting fed up with the fact that we have replaced three-word slogans with 5,000 word theses. But still all we have is a government that contemplates thinking about wondering about what it might do, but might change it: 'We're not sure yet. We'll have to have a look into it.'

What we have seen is the Australian economy go into a bit of paralysis because we are not sure what is going to happen. We are not sure what is going to happen, because there is no leadership on the other side. There is no leadership from the Prime Minister who says everything but does nothing and no leadership from a Treasurer who, fair dinkum, would be lucky to count to eight on a good day.

What we need to do is have a look at what is going on in this country, and what we need to understand is this: it is only Labor that has put forward plans—plans on superannuation, negative gearing and the like. It is Labor that comes to this place and stands up for the millions of people who want a handful of dollars not the other way around like those opposite, who look after a handful of people with millions of dollars.

**Grey Electorate: Mental Health**

Mr RAMSEY (Grey) (13:40): It comes as no surprise to anyone in this House that the City of Whyalla is facing some real challenges at the moment. I will not dwell on the OneSteel-Arrium issues at the moment but say that there has been a considerable reduction in employment in both the resources and manufacturing industries right across the electorate of Grey. Probably its very vortex—the place that it has affected the most—is the City of Whyalla. Consequently, of course, this leads to far fewer opportunities for young people trying to get a start in life. I have been quite concerned about the mental health state of many of the people that live in that community.

In Port Augusta, almost 90 kilometres away, we have a headspace unit. It is my understanding there are about six people from Whyalla at the moment that are travelling up to Port Augusta to access this unit. In fact, that by definition almost means that unless your parents are well employed and have the resources to ferry you up and down to Port Augusta you miss out. That is not good enough.

I asked Chris Tanti, the CEO of headspace Australia, to come to Whyalla, which he did last week. I met with the city manager there and a number of other people who are involved in
delivering mental healthcare services to schools and talked about the issue. I will be raising this matter further with Country SA primary health.

**Turnbull Government**

Ms BUTLER (Griffith) (13:42): What is the point of the Turnbull government? What is the point of this government? They are a government without a plan. They are a government without an agenda. They do not even know from day-to-day what they are doing. Yesterday, the Prime Minister was in here ruling out any changes to capital gains tax. 'It's not in our thinking,' he said. And last night what happened? We found out they are considering changing capital gains tax. They have no idea with they are doing, no idea whatsoever. No wonder Ray Hadley is saying that the Treasurer is speaking gobbledygook. I think he is certainly speaking gobbledygook.

The people in my electorate of Griffith want to know what this government stands for. They want to know what is going to happen in the future. They want to know what the economic plan of this government is, but not even the Prime Minister can articulate this government's so-called economic plan.

Take negative gearing for example. We have been so clear that we want to see housing affordability in this country. We want to see changes to negative gearing and capital gains tax. We have said very clearly to those people with negative geared investments, including those people in my electorate, 'We're not going to touch your existing negative geared investments.' But what has the Prime Minister said about people with existing negative geared investments? Not a peep has there been from the Prime Minister. We have asked him repeatedly to rule out retrospectively touching the negative geared investments of people in this country and he has failed on every occasion to rule that out. We had Scott Ryan out saying, 'Maybe it's not fair if some people get to do it and others don't.' The Prime Minister should rule out touching the existing investments like Labor has done and should do something about an economic plan for this country.

**Education funding**

Mr HASTIE (Canning) (13:44): I rise on behalf of Canning to oppose the controversial Safe Schools program and to call on the government to remove funding for it. Bullying is a terrible thing. Like those opposite, the coalition government condemns all bullying whether it be for sexuality, gender, race, religious belief or disability. Many young people are profoundly damaged by bullying in their childhood and teenage years, and many people carry the scars of bullying into adulthood, well beyond the school yard. But the Safe Schools program is more about advancing ideology than equipping children with techniques to deal with bullying. The highly sexual content of the Safe Schools program has generated much controversy. You only need common sense to work out why parents are outraged by the program, which is aimed at 11-year-old children.

The federal government has imposed this program on the state and territory education systems. It is ideological big government reaching into the lives of ordinary Australians. The program advances an exclusive ideology that does not allow for competing views on sexuality and gender. The program decrees bullying yet pushes its own form of bullying by pressuring young children to conform to a particular view of sexuality. Finally, it usurps the role of Australian parents, who are best placed to teach their own children about sexuality and how to
navigate the broad challenges of the schoolyard and life. I call on the government to condemn and defund the Safe Schools program.

**Turnbull Government**

**Mr ZAPPIA** (Makin) (13:45): We have a Treasurer who is not up to the job and is fast becoming a national joke. We have a Treasurer who has lost control of his budget deficit, lost control of his ministers' spending and lost control of the national debt—with gross debt heading to $550 billion. We have a Treasurer who has no idea and no strategy to get his budget in order, as made clear after 46 minutes at the National Press Club last week. We have a Treasurer who has not only been sidelined by his Prime Minister but is also now being gagged. Even his talkback radio host supporters have turned on him.

So chaotic has the situation become that the Council of Australian Governments meeting had to be cancelled because, as the Chief Minister of the Northern Territory said, 'the national tax reform discussion has become even more uncertain'. We had the Treasurer encouraging discussion about a 50 per cent hike to the GST—until the Prime Minister pulled the rug from under him. Yesterday the Prime Minister, making policy on the run, said that the tax would be no change to capital gains taxes. Hours later, it was reported that the capital gains tax changes were back on the table. Who is running the Treasury? Is it the Prime Minister or is it the Treasurer?

This is a Treasurer who, with his cruel cuts, thought he could be as tough on the Australian people as he was on refugees as immigration minister. Unlike refugees, Australians get to vote; and, unlike the Treasurer, they can do their sums.

**Lindsay Electorate: Homes for Heroes**

**Ms SCOTT** (Lindsay) (13:47): On Sunday I attended a wonderful fundraising event at the Penrith RSL to support the Homes for Heroes program. The Homes for Heroes program looks at returned service veterans, particularly those who have come home from Afghanistan and Iraq. We have instances of men and women coming home with PTSD as a result of the trauma they have experienced in serving our nation. We have a responsibility to our veterans to ensure that when they are exposed to such traumatic events we do take care of them.

The Homes for Heroes program is designed to raise over half a million dollars to house many of our veterans so that they can get on with their lives. Neville Barnier, Chairman of the Penrith RSL Club and chair of the Homes for Heroes project committee said that the program will connect homeless veterans to temporary housing and longer term support services, particularly in Western Sydney.

We are already seeing the construction of 15 rooms at Governor Phillip Manor in Lindsay. I would like to ask the people of Lindsay to help this event. There is going to be a 42-kilometre walk around Parramatta Park on 1 May, starting at 9 o'clock. It is 42 kilometres because it is for every veteran that we have lost in Iraq and Afghanistan.

**Turnbull Government**

**Ms CLAYDON** (Newcastle) (13:48): Like many members in this chamber, I have had reason over recent times to reflect on the performance of the now Treasurer. I remembered his appearance on ABC TV's *Kitchen Cabinet* program just weeks before the Turnbull leadership coup. We all remember it well. He was adamant: he was not interested in the job of Treasurer.
Anybody who suggested otherwise was just wrong. He emphatically said: 'They're wrong. I don't know how many times I have to say this: I am not interested.' None of us believed him at the time but I am starting to think that maybe we should have. Based on his performance over the last 5½ months, he clearly was not ready for that task. Perhaps it was thrust upon him and he was, after all, an unwilling recipient.

Last week the Treasurer was given the platform at the National Press Club to articulate his economic vision for the nation. What happened? We got a 46-minute waffle which even some of his besties have been criticising. We know about the infamous breakup of the relationship with Ray Hadley; clearly the honeymoon is over there. (Time expired)

Cowan Electorate: Safer Streets Program

Mr SIMPKINS (Cowan) (13:50): Unlike the other side, we do not have a theme day—where they concentrate not on their constituents but on their political efforts. Over on this side, we actually care about what is happening on the ground in our electorates.

I would like to endorse an excellent proposal under the Safer Streets program for a CCTV system in the Wangara area. I know that the Wanneroo Business Association has been working with the City of Wanneroo on a very good project to help local businesses with crime issues in their area. CCTV is to be deployed on major exit points from the Wangara area and this will help to put pressure on the criminals. It will also help to lower the rates on insurance premiums as crime is put under better control. That is an excellent thing.

I would like to pay tribute to Vesna Sampson, the President of the Wanneroo Business Association, and the City of Wanneroo for advancing this very good project. I certainly endorse it and I look forward to its proper consideration in the usual manner. It is going to provide great value for the businesses in the Wangara area and I look forward to its successful conclusion.

Turnbull Government

Ms MacTIERNAN (Perth) (13:51): I find it extraordinary that the blue team gets so agitated about Labor's policy to reduce that differential between income that is earned by the sweat of one's brow and income that is earned as a result of capital investment. We have had a system for a long time that privileges income that is earned on capita What Labor are seeking to do is to reduce that, to make that balance fairer between those who earn their income on the back of the sweat of their labour and those who earn their income on the sweat of capital. And we are not alone. This is not an idea that has come entirely from us; this has come from people from our side of politics who recognise that we have this growing inequality in our society. That inequality is not just in income earned. There is a vast differential in the wealth. The wealthiest 20 per cent of Australians hold 71 times the wealth of the bottom 20 per cent. So we have this massive and growing differential.

As Nobel Prize winner Joseph Stiglitz noted, this extreme inequality threatens to destabilise our democratic institutions. (Time expired)

Flinders University: 50th Anniversary

Dr SOUTHCOTT (Boothby) (13:53): Next month, I will join the staff, students and alumni of Flinders University to celebrate their 50th anniversary with the launch of their new student hub and plaza. Matthew Flinders once wrote to a friend that he was not content to ‘rest
unnecessary in the middle order of mankind'. I think it is fair to say that his namesake institution lives up to the spirit of that sentiment.

Flinders University is easily one of the most iconic locations in my electorate and I have had a lot to do with the university over the last 20 years. I am even a former student, having studied economics there. These days, Flinders University has a reputation as one of Australia's leading universities and ranks in the top two per cent of the world's universities. It continues to go from strength to strength.

It is the fastest growing university in South Australia and is currently engaged in the largest infrastructure investment in its history, with Flinders at Tonsley, its new expansion at Tonsley Park, which houses more than 150 staff and 2,000 students, and acts as a hub for collaboration between researchers, students and business. It is a university which seeks to drive research that makes a difference, with a philosophy summed up by the pithy phrase, 'Once you've unboiled an egg, the sky's the limit.' So happy 50th, Flinders University. I cannot wait to see the strides that you have made once you hit your 60th.

**Turnbull Government**

Mr FITZGIBBON (Hunter) (13:54): I am glad the Prime Minister has joined us for this debate because it is my melancholy duty to inform him that no-one in this country believes a word he says any longer. The other bad news is that he now has a Treasurer, and it is a Treasurer of his choice, who is dragging him down into the lowest depths in respect of the broader community. They cannot believe a word the Prime Minister says or a word the Treasurer says, because every day they say something different.

Some of my colleagues have provided many examples, but I just want to give another one today. I want to talk about Gonski, because it is my melancholy duty to inform him that no-one in this country believes a word he says any longer. The other bad news is that he now has a Treasurer, and it is a Treasurer of his choice, who is dragging him down into the lowest depths in respect of the broader community. They cannot believe a word the Prime Minister says or a word the Treasurer says, because every day they say something different.

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Prime Minister, my sad news is that it was humiliating for you in question time yesterday and your Treasurer is part of the problem— *(Time expired)*

**Murray Electorate: Drought**

Dr STONE (Murray) (13:56): I want to put on the national record and pay tribute to the enormous efforts being made by farm families in the west of the Murray electorate. They are struggling with what is probably the worst drought on record. These livestock and cropping enterprises have no stock and domestic water left. Their dams are empty and they have been for several years now. They are having to cart water from Loddon Shire standpipes at exorbitant prices in an effort to try to keep their livestock alive.

We are hopeful that the Victorian government will deliver a long-promised stock and domestic pipeline as an extension of the Wimmera-Mallee system or another pipe as an extension of the Goulburn-Murray system. This would solve the heartbreak of seeing
generations of work destroyed when it does not rain. I urge the Victorian government to pass on their per farm cost estimates as soon as possible for these farmers' consideration.

Again, I salute the courage and acknowledge the sheer hard work and determination of these farmers who are having to struggle so hard to survive, and I commend the Wedderburn VFF. I had the pleasure of going to the annual general meeting of that branch just last week. It was inspiring to see the effort that they are maintaining to keep their intergenerational farms intact so that they can have a farm future for their area. I commend all of them. They work so hard.

I also acknowledge that there are some 70 food parcels being distributed weekly to provide local families with food for their tables. It is extraordinary that in a country like Australia our farm families have to survive on food parcels.

Turnbull Government

Mr HUSIC (Chifley) (13:57): Prime Minister, what has happened? You have changed on us. Yesterday, this narky side came out. Where did it come from?

Opposition members interjecting—

Mr HUSIC: He was trying to be a tough guy. He is the man who said, 'I don't need to do that type of hectoring that we saw before, that type of nastiness.' Now, he is trying to be an attack dog. He is trying to be the king of negative campaigning. They had the Cujo of negative campaigning over there and they have replaced him with the Alvin and the Chipmunks style negative campaigner who, in his own heart, cannot do it. He cannot be that tough. Do you know why? The problem is he said he was a man with a plan and now he is a man with a plan for a plan. He does not know what he is going to do, but you cannot blame him entirely because look who he is backed up by. I do not mean to drop a joke just before question time, but we should mention him: Scott Morrison. There he is!

The SPEAKER: The member for Chifley will refer to members by their correct title.

Mr HUSIC: The member for Cook: the wannabe Anthony Robbins of the Australian political system, giving us motivational speeches at the Press Club. The reason you do so poorly is you do not have an idea, you do not have a plan and the country is suffering for it.

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

MINISTERIAL ARRANGEMENTS

Mr TURNBULL (Wentworth—Prime Minister) (13:59): I inform the House that the Minister for the Environment will be away from question time for the remainder of the week as he is unwell. I am sure we all wish him a speedy recovery. The Minister for Foreign Affairs will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Taxation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (13:59): My question is to the Prime Minister. During question time yesterday the Prime Minister said that 'increasing capital gains tax is no part of our thinking whatsoever'. However, today, a leaked copy of coalition talking points prepared by his own office has contradicted what the Prime Minister
said yesterday. How can Australians trust this Prime Minister when he says one thing and does something else?

**Mr Turnbull (Wentworth—Prime Minister) (14:00):** If honourable members opposite failed to understand what I said, let me make it crystal clear. The government will not be adopting Labor's proposal to reduce the CGT discount for individuals from 50 per cent to 25 per cent for new assets acquired from 1 July 2017. I note that the assertion that my remark yesterday applied to anything other than the capital gains tax discount for individuals defies the reality of the debate. Honourable members will be well aware that the exchange between the member for McMahon and myself was preceded by an answer in which I discussed precisely the proposal to cut the CGT discount from one half to a quarter for individuals.

Ms Macklin interjecting—

**Mr Turnbull:** The member for McMahon, Member for Jagajaga, rose and said, 'I refer the Prime Minister to his previous answer,' and then asked whether we proposed to make any changes to capital gains tax. So we were discussing capital gains tax for individuals and I responded accordingly. I understand—I cannot remember the member's seat—Mr Chalmers, Jim Chalmers—

*Opposition members interjecting—*

**Mr Turnbull:** Yes, the member for Rankin—there he is. I thank the member for Rankin for this splendid bit of gotcha politics. He used to work for the member for Lilley and, of course, the member for Lilley was famous, he was a legend—

*Opposition members interjecting—*

**Mr Turnbull:** The member for Lilley would take three words out of one paragraph of a statement, put in some dots, connect them to two words halfway down the page and put in some more dots and then connect them to four words on the next page and put in some more dots and then he would say, 'Aha; I've got you!' The member for Lilley is the master of taking things out of context and misrepresentation, and it is splendid to see that his protege, the member for Rankin, is following so assiduously in his footsteps.

**Economy**

**Mrs McNamara (Dobell) (14:03):** My question is to the Prime Minister. Will the Prime Minister outline to the House the government's plan for Australians to make the most of new growth opportunities in the global economy?

**Mr Turnbull (Wentworth—Prime Minister) (14:03):** I thank the member for Dobell for her question. Australia is benefiting from being in the fastest-growing region in the global economy. That is a great fortune, but we have to work hard to take advantage of that. Within the next two decades, East Asia will have more middle-class consumers than anywhere else in the world. Those middle-class consumers are the source of the diverse growth that is enabling us successfully to transition from an economy that was led by a mining and construction boom to one that is going to be led by innovation, by services and by soft commodities—a much more diverse source of economic activity.

Today we are reminded of the considerable growth opportunities for our services sector, with Qantas reporting its 2015 results—the strongest in its 95-year history. That is in large part a consequence of strong growth in Asia and a lower dollar, which has helped the
resurgence of our tourism sector. Visitors to Australia rose to a record last December, with the Chinese market being the largest and fastest-growing source of tourists. Chinese short-term arrivals increased 9.2 per cent in December last year and, for the first time, reached over 100,000 arrivals in a month. We are seeing similar strength in exports of food. In the first half of this financial year, rural exports have grown 12.7 per cent, to be worth $22.38 billion. The agriculture sector is a key beneficiary of the free trade agreements signed by this government with the region's fastest-growing markets China, Korea and Japan.

Every element of our policy, of our plan, is focused on growth and jobs. We have talked about innovation. We talk about trade. We talk about infrastructure. We look at the $50 billion infrastructure program we have and the way in which we have turned the NBN around so that it is rolling out faster than ever and at much lower cost. The fact is that every single element that supports growth and jobs is being developed, exploited and promoted by the government. That is why we are seeing strong performance in the economy, strong growth in business confidence, strong growth in jobs and participation and, as we have seen, strong performance by some of our leading companies.

Mr Burke: Mr Speaker, I seek leave to table a copy of the talking points the Prime Minister was just speaking from.

Leave not granted.

Mr Husic interjecting—

The SPEAKER: The member for Chifley is now warned.

Taxation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:07): My question is to the Prime Minister. Is the Prime Minister aware that this morning on ABC radio the Minister for Resources, Energy and Northern Australia said: 'I did notice that the Prime Minister did say to the parliament yesterday that the increase in capital gains tax is not part of our thinking and I think that this is a very clear statement by the Prime Minister.'?

When the members of his own cabinet recognise that the Prime Minister made a clear statement to the parliament yesterday, why does the Prime Minister continue to waffle and blame everyone else for simply misunderstanding him?

Mr TURNBULL (Wentworth—Prime Minister) (14:07): It shows the sad and childish desperation to which the opposition have sunk. We had an exchange in the House yesterday in which we were discussing personal income tax and the capital gains discounts. We were talking about the way in which Labor was proposing to halve that discount and, thereby, discourage investment and threaten jobs. We talked about that, and I explained how that would have the result, in many cases, of having a massive tax on the real after-inflation gains, so that people could be paying, if they had an asset that appreciated, for example, for five per cent for five or six years—under Labor's plan, their after-inflation gain, their real gain, would be taxed at 70 per cent. That is what we were talking about. I was then asked a question by the member for McMahon, who said, 'I refer to your previous answer; what about capital gains tax?', to which I responded. Now he wants to pretend that that answer extended to subjects that were not contained in the previous answer. This is childishness. This is pathetic childishness. You would think that the opposition would be better. You would think that the
opposition could tender, produce or table, for example, the modelling that they have relied upon in asserting—

Ms Macklin interjecting—

The SPEAKER: The member for Jagajaga will cease interjecting.

Mr TURNBULL: that their negative gearing changes would not have any impact on property prices.

Let us consider this: the National Australia Bank, no less, have recently published a report on the property market. They have observed that the forecast for average national price growth in 2016—

Ms Butler interjecting—

The SPEAKER: The member for Griffith will cease interjecting.

Mr TURNBULL: has been lowered to 2.3 per cent. That is low growth. That is barely above inflation and that is after very strong growth last year. So we expect property prices to grow slowly this year. At this point of vulnerability in the property market, what does the Labor Party propose to do but take more than one-third of demand out of the ring. If the market is only going to grow, according to the bank, by a little bit above inflation this year, what is the impact of pulling one-third or more of demand out of the market going to be? You do not need to be a professor of economics to know that that is going to crash housing prices. Of course it will. They are attacking the largest single asset of most Australian families. (Time expired)

Economy

Mr COLEMAN (Banks) (14:11): My question is to the Prime Minister. Will the Prime Minister outline to the House how important the asset value of the family home is to the economic security of Australians?

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned.

Mr TURNBULL (Wentworth—Prime Minister) (14:11): I thank the honourable member for his question. I can understand the anxiety that his constituents have when they consider the recklessness of the Labor Party in its proposals. There is no more important issue for the economic security of Australian families than the investment in their home.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will cease interjecting.

Mr TURNBULL: Over 65 per cent of Australians' net worth is in residential real estate—and principally the family home.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney is warned.

Mr TURNBULL: I will take that interjection. The member for Sydney is complaining that housing prices are too high and that people cannot afford to buy a house. What she wants to do is crash housing prices. She thinks that, by their measure, of a wrecking ball swung into an already vulnerable property market, they will knock down property prices and make it easier for people to buy homes. So the 70 per cent of Australians who own houses will see the
value of their single most important asset smashed to fulfil an ideological crusade by the
Labor Party designed, so she claims, to make it easier for people to buy a house.

Ms Macklin interjecting—
Mr Bowen interjecting—

The SPEAKER: The member for Jagajaga and the member for McMahon will resume
their seats.

Mr TURNBULL: Let me tell you, even that leftist analysis of economics is wrong. If you
get into a situation where property prices—

Ms King interjecting—
Ms Rowland interjecting—

The SPEAKER: The member for Ballarat and the member for Greenway will cease
interjecting.

Mr TURNBULL: are declining, if you are in an environment—which the Labor Party will
create—where property prices are on the slide, then people will not want to buy new houses.
Homebuyers will hang off. When young couples buy a new house, do you think they buy it on
the basis that it is going to go down? I do not think so. They buy it because they hope it will
appreciate.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will cease interjecting.

Mr TURNBULL: They know that they have an alternative government across the table
whose policy is not simply calculated to lower property prices and undermine the security of
Australian families but, the Deputy Leader of the Labor Party is boasting across the chamber,
that it is all designed to lower property prices. That is their goal.

Mr Champion: What garbage!

The SPEAKER: The member for Wakefield is warned.

Mr TURNBULL: If they have their way, they will ask this parliament to legislate to
smash property prices. Nothing could be more calculated to undermine the security of this
country's economy. Every decision that individuals make is based on a perception of their
own net asset position, and central to that is the value of their home.

Ms Ryan interjecting—

The SPEAKER: The member for Lalor will cease interjecting. Before I call the Leader of
the Opposition, I remind the members for Moreton, Wakefield, Chifley and Sydney that they
have been warned. The Leader of the Opposition has the call.

**Taxation**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:14): My question is to the
Prime Minister. During question time yesterday someone said: 'Increasing capital gains is no
part of our thinking whatsoever.' Prime Minister, can you please help the House and let us
know who said that?
Mr Turnbull (Wentworth—Prime Minister) (14:14): I thank the honourable member for his question. And I will take the opportunity to further develop the arguments that I have been making about the dangers of Labor's policies on capital gains tax and negative gearing.

Mr Clare: Waffler! More waffles than—

Mr Turnbull: It's waffle? That is very interesting. The member for Blaxland regards—and I hope every single house owner, homeowner, in his electorate is listening to that. Their elected member of parliament—I say this to the electors of Blaxland—their member of parliament says talking about the value of your home is waffle! That is what he thinks.

Ms King interjecting—

The Speaker: The member for Ballarat is warned.

Mr Albanese interjecting—

Mr Dutton interjecting—

The Speaker: The member for Grayndler will cease interjecting. The minister for immigration will cease interjecting.

Mr Turnbull: He thinks your home is waffle. The voters of the member for Blaxland know that their federal representative does not care about the value of their home.

Mr Albanese interjecting—

Mr Dutton interjecting—

The Speaker: The Prime Minister will resume his seat. The member for Grayndler and the minister for immigration will cease interjecting. Has the Prime Minister concluded his answer?

Mr Turnbull: I have, indeed.

Ms King interjecting—

The Speaker: The member for Ballarat has been warned.

Commonwealth Scientific and Industrial Research Organisation

Mr Wilkie (Denison) (14:16): My question is to the Prime Minister. Prime Minister, this and the previous Labor government have already sacked 250 CSIRO Hobart staff and now 100 more face the axe.

Mr Albanese interjecting—

Mr Dutton interjecting—

The Speaker: The member for Denison will resume his seat. The minister for immigration and the member for Grayndler are continuing an interchange. I cannot hear the question, so I am going to ask the member for Denison to start again and we will start the clock again. I want to hear the question in silence.

Mr Wilkie: Thank you, Speaker. This and the previous Labor government have already sacked 250 CSIRO Hobart staff and now 100 more face the axe. It is undeniable the government's funding cuts are greatly reducing Australia's ability to understand climate change, despite increasingly severe weather and rising sea levels. Universities cannot fill this
gap so, Prime Minister, how will the government ensure that CSIRO's services are retained, here, to continue their vital role and meet our international responsibilities? (Time expired)

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (14:17): I thank the member for Denison for his question and I know that he feels very keenly about this issue. He came to see me about it yesterday and I have also been in constant communication with the Premier of Tasmania, Will Hodgman, and the minister in that area, Matt Groom, and arranged to have meetings between them and the head of the CSIRO, Larry Marshall, to talk through the issues that he has raised in this question and the broader issues around the CSIRO's presence in southern Tasmania, because it is an important issue.

The first thing to say about this decision by the CSIRO to change the emphasis in their climate change division is that there will be no net loss of jobs at the CSIRO because of these decisions. Three hundred and fifty positions will become redundant. Three hundred and fifty new positions will be opened up. Larry Marshall, the head of the CSIRO, has said that the science on climate change is well and truly settled, and what he would like to do, in the CSIRO, is to start focusing on mitigation and abatement, because he believes that the CSIRO is very well placed to assist not only Australia but the world in the kinds of programs and solutions to climate change that will make a difference—for example, focusing research on new crop varieties that support sustainable agriculture and food development, and developing and refining tools to assess, monitor and address environmental risks associated with agricultural practices, resulting in better use of water and fertilisers. So there will be less people in that part of the climate change division that are deciding whether climate change is real, and there will be more in that part of the division that our thinking about mitigation and abatement practices. I would have thought the Greens would support that. In fact, the member for Denison has always been concerned about these issues and the Tasmanian members of parliament from our own side would also be concerned to make sure that CSIRO is maximising its footprint in this area.

I am pleased with the progress that CSIRO is making, with respect to talking to Will Hodgman and Matt Groom and, indeed, the member for Denison. I think there will be some announcements, in the next few days, specifically about the Antarctic and ocean division that the member for Denison has been particularly concerned about. I understand that the work that is being done is to ensure that the essential services provided around the measuring of temperatures will be able to be continued through the CSIRO or through any of the other national institutions that do this kind of work. I am hopeful for positive announcements to be made soon. I would emphasise this is a decision of the CSIRO and its board and Larry Marshall doing the jobs that they are employed to do. (Time expired)

Financial Services

Mr NIKOLIC (Bass) (14:20): My question is to the Treasurer. Will the Treasurer inform the House of how the government is strengthening Australia's financial system and providing greater protection for consumers from excessive credit card surcharging?

Mr Husic interjecting—

The SPEAKER: The member for Chifley has been warned.

Mr MORRISON (Cook—Treasurer) (14:20): I thank the member for Bass for his question. He will know that soon after the Prime Minister took office, last year, this
government responded to the financial systems inquiry, the Murray review, and a number of key decisions were taken in response to that review, that excellent review commissioned by the previous Treasurer. A key part of that was to do with new laws to crack down on excessive card surcharging. This is a very practical thing the government can do, to take real action, to ensure that consumers out there are not getting fleeced by excessive card surcharging.

I am pleased to report that those new laws that protect consumers from excessive card surcharging passed the Senate yesterday, which means that that action has now become law in this country. As a result, we will be able to move forward to put those measures in place this year, and that ban on excessive card surcharging will be in place. Many merchants do pass the costs on unfairly but there are many others, who we know and have had great concerns on—and some 5,000 submissions to the review certainly made that point. The government was very pleased to take action on that, because consumers are entitled to a fair deal. When you see excessive card surcharges—from four to 10 to 17 per cent—these are the sorts of things that governments have to take action on. That is what this government has done. A very clear issue has been raised and a very clear response has been given. The government has introduced laws and had those laws passed, which shows that the government is clearly getting on with the job of ensuring that the important issues that need to be addressed are being addressed.

We are also going to ensure that the ACCC is given the powers to enforce this ban. Infringement notices and penalties of up to $108,000 will be in place where these laws are flouted by listed corporations. This is important to ensure that the measure has integrity and is backed up by enforcement. Yes, we can pass laws in this place, but it is very important that we give our authorities, whether it is the ACCC, the Australian Taxation Office or others, the enforcement powers and resources to go through and ensure that those things are put in place.

We are pleased to take that action. I wonder why those opposite said nothing about it and did nothing about it while they were in government. I am also surprised that those opposite like to talk about multinational tax today, but when they were in government they did nothing about it and said nothing about it. When we brought a law into this place to ensure multinationals pay their fair share of tax, they voted against it. Every single one of them voted against laws to ensure multinationals pay their fair share of tax in this country. Yesterday in this place I announced that we were now making a condition of foreign investment approval in this country that multinationals pay their fair share of tax. The response from those opposite was to scoff at it. This government is getting on with it. (Time expired)

**Taxation**

**Mr BOWEN** (McMahon) (14:24): My question is to the Treasurer and refers to his answer just then on implementing the recommendations of the Murray inquiry into financial systems.

*Mr Ewen Jones interjecting—*

**The SPEAKER:** The member for Herbert is warned!

**Mr BOWEN:** Is the Treasurer aware that the Murray inquiry found in relation to negative gearing and capital gains tax discount:

Reducing these concessions would lead to a more efficient allocation of funding in the economy.
Mr Pasin interjecting—

The SPEAKER: The member for Barker will cease interjecting.

Mr MORRISON (Cook—Treasurer) (14:24): I thank the member for that question. The government has given a comprehensive response to the Murray review, which is set out on the public record. What this government has done, as I have just said, is to respond to those measures by introducing laws, which are have been passed in the parliament. We can continue to consider those responses that were outlined and the measures that now need to be taken.

In relation to the issues on capital gains tax, I want to draw the member's attention to things that we have done on capital gains tax. In the National Innovation and Science Agenda statement last year we provided new tax breaks for early-stage investors in innovative start-ups. That also includes 20 per cent nonrefundable tax offsets based on the amount of their investment, as well as a capital gains tax exemption.

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin will cease interjecting.

Mr MORRISON: This government is cutting taxes. In fact, we have already cut some $20 billion in taxes over the last 2½ years. We gave small business a tax cut to 28½ per cent. We introduced the instant asset write-off. We abolished the carbon tax. We abolished the mining tax. In the national innovation statement we introduced the capital gains tax exemption for innovative new start-ups.

On this side we believe that Australians are better off when you have lower spending, which means that you can have lower taxes. That is our plan. We want to reduce the tax burden on Australians. Those opposite seem to think the policy debate in this country is a race to see who can raise taxes the highest. We have no interest in being in a race about raising taxes. Those opposite want to raise taxes to spend more money.

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton is warned!

Mr MORRISON: The only reason they want to raise taxes is so they can spend more money. That is the agenda of those opposite. As we go to this election, the Australian people know that their agenda is not to lift growth but to lift tax and that our agenda is to get spending as low as we can and to manage the growth in expenditure going forward so that we can ensure Australians can have the lower taxes that they need. Australians are going to work every day to pay tax on what they earn, and those opposite seem to be completely oblivious to the concerns of average Australian taxpayers, who are going to have to pay more and more tax on what they earn. Those opposite think that those Australians are the problem. They want to rip away from them a once-in-a-lifetime opportunity to invest in a property so that they can get themselves ahead.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney has been warned! That is her final warning.

Mr MORRISON: Nurses, police officers, teachers—all of those who do negative gearing—those opposite want to rip that away from them; those opposite want them to pay more tax so they can just spend and spend and spend.
Mr HUTCHINSON (Lyons) (14:27): My question is to the Deputy Prime Minister—congratulations, sir—and Minister for Agriculture and Water Resources. Will the Deputy Prime Minister update the House on the water infrastructure developments currently underway in my home state of Tasmania?

Mr Fitzgibbon: Labor projects!

Mr HUTCHINSON: What contribution will these developments make in restoring agriculture as a fundamental pillar of both the Tasmanian and national economies?

Mr Fitzgibbon interjecting—

The SPEAKER: The member for Hunter will cease interjecting.

Mr JOYCE (New England—Deputy Prime Minister) (14:28): I thank the honourable member for his question. The honourable member for Lyons has the biggest seat in Tasmania, which is also known, amongst other things, for its hydropower generation capacity. As the member for Lyons knows, it is great to be part of a government that believes in the construction of dams, that believes this nation can take the next step forward and construct further dams—

Mr Fitzgibbon interjecting—

The SPEAKER: The member for Hunter will cease interjecting.

Mr JOYCE: because we know that the turnaround that we have delivered in the soft commodity market, where we are getting record prices for so many products—I acknowledge the prices that they are currently getting for the cherry crop which has been coming off in Tasmania—has to be supported with further water infrastructure. It is great to be part of a government which, since it has been in, has completed the Lower South Esk Irrigation Scheme, the Kindred North Motton Irrigation Scheme, the Midlands Water Scheme, the Upper Ringarooma Irrigation Scheme, the South East Irrigation Scheme and the Dial Blythe Irrigation Scheme. These have all been completed while we have been in government. It is good now to be part of a government that goes on with $120 million of further irrigation projects.

What these do is to acknowledge the contribution by the Commonwealth and also the contributions by the state and by private investment. It makes sense that we would be investing in a state that, even though it is only one per cent of our nation's land mass, receives 13 per cent of the nation's rainfall. This continues to be built on, and our correspondence with the Deputy Premier, Jeremy Rockliff, means that we are doing everything to make sure that we roll forward this further tranche of irrigation.

Our belief in irrigation not only goes to Tasmania. Very soon we will be completing Chaffey Dam—we are in the final pours of concrete for Chaffey Dam. Chaffey Dam was started whilst I was the member and will be completed whilst I am the water minister. It sits on the back of further irrigation as we put forward the $25 million that we have put aside. We have over 50 applicants for further assessment for further water projects.

The other side might talk about dams—they just never built them. They just never built them! They never completed. They are scared of it—they are tied to the Greens! And when they are tied to the Greens their fascination resides in other places.
Mr Husic interjecting—

The SPEAKER: The member for Chifley will cease interjecting! This is the final warning!

Mr JOYCE: Their belief in agriculture is such that they have agriculture sitting at the edge of the bench—it is only just there! But in this government agriculture is in the middle.

(Time expired)

**Taxation**

Mr BOWEN (McMahon) (14:31): My question is to the Prime Minister. Prime Minister, why is halving the general capital gains tax discount a terrible thing but halving the capital gains tax discount for millions of superannuation accounts a good idea?

Mr TURNBULL (Wentworth—Prime Minister) (14:31): I thank the honourable member for his question. I refer him to the answers I gave yesterday, to which he responded with a further question, about the impact of halving the capital gains tax discount for individuals.

As we know, that would mean that an individual who was paying capital gains tax at the top marginal rate—and that may not be someone who is habitually in the top marginal rate, but because the gain is large enough to push them there for the purpose of the gain they may very well be paying it even though their normal income is lower than that—would have that tax rate pushed up to 37 per cent.

Now, I ask the honourable member to reflect on this: the increase in property prices—

Ms Macklin: He asked you!

The SPEAKER: The member for Jagajaga is warned!

Mr TURNBULL: has been in the order, over the whole decade, of about seven per cent. Of course, it has gone up—there were big years like last year and there will be flatter years; I will come to those in a minute. But what that would mean is that a person who had an asset that had grown at six or seven per cent over a period of years—five, six, seven, eight, nine or 10 years—under the Labor Party’s proposal would be paying a substantial amount of tax on the real gain. I gave the example yesterday of somebody who had held an asset for six—

Mr Bowen: Mr Speaker, I rise on a point of order on direct relevance. The Prime Minister cannot be directly relevant unless he justifies—

The SPEAKER: There is no point of order. The member for McMahon will resume his seat—his microphone is off!

Mr TURNBULL: The previous Labor Party policy on capital gains tax which, of course, was introduced by Paul Keating, was to index capital gains for inflation so that the real gain—the real after-inflation gain—was always taxed at the marginal rate. What Labor is proposing here is a radical change that will provide an extraordinary disincentive to investment. We know that they have a fixation on property and that they want to drive down property prices—we understand that. But what they are proposing would apply to every asset: a new farming enterprise, a new technology enterprise, a cafe or a business—anything you like would be smashed by this dramatically-highest-in-the-comparable-world capital gains tax.

Ms Owens interjecting—

The SPEAKER: The member for Kingsford Smith will cease interjecting!
Mr TURNBULL: I just want to leave honourable members with this reflection: in this very vulnerable property market, where prices are forecast in some cities to decline and in others to increase by maybe one or two per cent, in that moment they are proposing the biggest shock to the most important asset for all Australian families.

Mr Mitchell interjecting—

The SPEAKER: I thank the member for McEwen for pointing out that it was not the member for Kingsford Smith, it was the member for Parramatta. So the member for Parramatta is warned.

Trade with China

Ms PRICE (Durack) (14:35): My question is to the Minister for Foreign Affairs. How is the China-Australia Free Trade Agreement creating opportunity for Australian businesses overseas, and how will this lead to more jobs and growth for all Australians?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:35): I thank the member the Durack for her question. She will know from the experiences of local businesses in her electorate of Durack that the free trade agreement with China is already bringing benefits in terms of more sales for goods and services, and that means more jobs.

Members will recall that the coalition government in 2006 commenced the negotiations for the free trade agreement with China. Then, when Labor came into office in 2007 nothing happened for six years—lost opportunities because Labor did not understand the economic importance of a free trade agreement with China. When we came back into office in 2013, Andrew Robb was assiduous in concluding free trade agreements, including with China. We have now had the free trade agreement enter into force last year and, two months later, we are already seeing the benefits in terms of more opportunities and more jobs.

There is a business in the member's electorate—the Geraldton Fishermen's Co-operative—and they have taken the opportunity under the China-Australia Free Trade Agreement to build a warehouse for live rock lobsters from WA in Guangzhou. This is the first time that a seafood company from Australia has held produce on Chinese soil. What this means is that the cooperative is now able to source and supply from Geraldton into Guangzhou live lobster—high-quality, Western Australian rock lobster—within 16 hours.

This is one of the most efficient live lobster supply chains in the world, and what it means is that the Geraldton cooperative is now positioning itself to be the market leader into China for a burgeoning industry: high-quality Western Australian seafood. And, when the tariffs hit zero in 2019, the market will be even bigger. More sales mean more jobs in Australia in the sourcing and supplying of rock lobsters.

This is a very important issue because it is all part of our economic plan for economic growth and new jobs, and Labor just does not get it. Members will recall that Labor tried to block the China-Australia Free Trade Agreement. Labor tried to block new markets and new jobs. We should have realised what was happening, because the Leader of the Opposition has form when it comes to free trade agreements.

Dr Chalmers: We voted for it, you fool!

The SPEAKER: The member for Rankin is warned.
Ms JULIE BISHOP: Remember Mark Latham, the man that they wanted to be Prime Minister of Australia? He said:
Little Billy—
Shorten—
was in my ear about the FTA—
with the US—
telling me the Party has to support it. I said that I thought both he and his union were against it, to which he responded, 'That's just for the members. We need to say that sort of thing when they reckon their jobs are under threat.'

… … …
… the two faces of Little Billy Shorten: Public Shorten against the FTA, Private Billy in favour of it.

(Time expired)

DISTINGUISHED VISITORS

The SPEAKER (14:38): I inform the House that we have present in the gallery this afternoon a parliamentary delegation from Malaysia. On behalf of the House I extend a very warm welcome to them.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Superannuation

Mr BOWEN (McMahon) (14:38): My question is to the Prime Minister. Will the Prime Minister today rule out cutting the capital gains tax discount for millions of Australian superannuation accounts?

Mr Joyce interjecting—

The SPEAKER: The Deputy Prime Minister will cease interjecting.

Mr TURNBULL (Wentworth—Prime Minister) (14:39): I thank the honourable member for his question and the opportunity to remind honourable members of the recklessness of the Labor Party's plans to undermine property prices in Australia. I remind honourable members that, as far as superannuation is concerned—

Mr Perrett interjecting—

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

The member for Moreton then left the chamber.

Mr TURNBULL: Superannuation is taxed at very concessional rates. I think honourable members will understand that the earnings of funds receive a concessional tax treatment, which is 15 per cent, during the accumulation phase and benefits are tax-free when they are drawn down. The one-third capital gains tax discount to which he refers—on capital gains for super funds—reduces it to 10 per cent, so it is from 15 per cent to 10 per cent for assets held for longer than 12 months. So the tax on superannuation funds earnings in the accumulation phase, whether it is regarded as income or capital, is remarkably low. It is very concessional. That is part of the scheme.
What we are looking at is the entire superannuation system, as you would expect in any responsible review of taxation.

Opposition members interjecting—

Mr TURNBULL: Unlike the Labor Party, we are not rushing into snap decisions—to reckless decisions—which are going to undermine property prices.

Opposition members interjecting—

The SPEAKER: Members on my left!

Mr TURNBULL: The honourable member, like me, lives in Sydney. He might consider this: in Sydney the National Australia Bank expects housing prices to increase by 1.2 per cent. That is actually less than inflation.

Mr Thistlethwaite interjecting—

The SPEAKER: The member for Kingsford Smith is warned.

Mr TURNBULL: In real terms the properties belonging to his constituents will decline in value according to the National Australia Bank. In real terms people will be worse off in the electorate of McMahon. What he is proposing to do is to take one-third of the buyer demand out of that market, and that will inevitably provide a shock and a reduction—

Mr Burke: Mr Speaker, I rise on a point of order. On this question there was one issue alone that was raised, and it was about superannuation. The Prime Minister cannot be being directly relevant in his current answer.

The SPEAKER: I am listening carefully to the Prime Minister's answer. He has certainly been on the policy topic of superannuation and taxation. I listened very carefully to the question. The Prime Minister has a little under 50 seconds left, and I will keep listening as the Prime Minister completes his answer.

Mr TURNBULL: But the reality is that the member for McMahon, the shadow Treasurer, has committed his party to a policy that will make every homeowner in his electorate poorer. Every single homeowner in his electorate will be poorer unless you believe in the Alice in Wonderland economics—

The SPEAKER: I am just going to ask the Prime Minister to refrain from drifting into other policy areas—

Opposition members interjecting—

The SPEAKER: and members on my left will cease interjecting. As I have made clear in earlier rulings, ministers are free to discuss the policy topic that has been raised, and the policy topic has been taxation and superannuation—capital gains tax in particular. The Prime Minister has the call.

Mr Danby: Where are the 200,000 new immigrants going to live?

The SPEAKER: The member for Melbourne Ports is warned.

Mr TURNBULL: The savings of Australians are contained in superannuation. They are above all contained in their homes. That is their single biggest asset. The Labor Party's policy in a vulnerable, delicate housing market where growth is forecast to be very low if at all, is threatened— (Time expired)
Economy

Mr SIMPKINS (Cowan) (14:43): My question is to the Prime Minister. How important is the asset value of housing in Perth to the confidence of the consumer and business community in Western Australia and elsewhere?

Mr TURNBULL (Wentworth—Prime Minister) (14:43): I thank the honourable member for his question. I have visited his electorate with him on many occasions and I know how concerned the members of his electorate are about property values and the maintenance of the value in their home. And they have very good reason to be. In Western Australia—in Perth—we have over the last year seen a decline in property values. The average house prices in Perth declined in 2015 by 6.7 per cent, and that obviously crimps the assets of his constituents. It is their biggest asset. It means, naturally—

Mr Champion interjecting—

The SPEAKER: The member for Wakefield can leave under 94(a).

The member for Wakefield then left the chamber.

Mr TURNBULL: that they are less likely to be able to take a holiday or to invest. When they think about starting a business and getting a loan secured on their house to start that business, they are worried. What happens if that house decline continues? What happens if that equity value, the difference between the value of the home and the loan, continues to shrink? This is a cause of legitimate concern for every single constituent in the honourable member's electorate.

Now, in 2016, the National Australia Bank estimates that property prices in Perth will decline again, by 1.2 per cent this year. They will not creep up just above inflation or just below inflation; they will go down again so—

Mr Bowen interjecting—

The SPEAKER: The member for McMahon will cease interjecting.

Mr TURNBULL: residents in Perth will see their net worth decline again. And, right at that moment, when property prices in Perth are set to decline, what does the Labor Party want to do? It wants to give the property market a kick in the guts; it wants to send those prices lower; it wants to take more than one-third of the buyers out of the market, with the inevitable consequence that those prices will come down. Some of the honourable members opposite profess disbelief that prices are set by supply and demand. Let me tell you: they are. If you pull the buyers out of the market, I tell you, prices come down. You do not need to be a professor of economics to know that.

But, worse still, there are individuals, members in the Labor Party—we have heard the deputy leader—who actually want prices to come down. She wants prices in Perth to come down. That may be why the three Perth based members of this House are not running again on the Labor Party side. I do not blame them. It is going to be a pretty hard slog, I would say, defending a policy that goes: 'Vote Labor and be poorer'. That will be their slogan: 'Vote Labor and see your house price go down'. That is what Labor is offering: lower house prices and poorer Australians. (Time expired)

Mr Albanese interjecting—

Mr Dutton interjecting—
The SPEAKER: The member for Grayndler and the minister for immigration will cease interjecting.

Mr Joyce interjecting—

The SPEAKER: The Deputy Prime Minister will cease interjecting.

Taxation

Mr BOWEN (McMahon) (14:46): My question is to the Prime Minister. Does the Prime Minister stand by the following statement: 'Increasing capital gains tax is no part of our thinking whatsoever?'

Mr TURNBULL (Wentworth—Prime Minister) (14:47): The honourable member has asked this question at least three times now, but he gives me the opportunity to talk further about capital gains tax and what the Labor Party is proposing. Under Paul Keating's policy—

Mr Dreyfus: Do you stand by it?

The SPEAKER: The member for Isaacs has been warned already. That is his final warning.

Mr TURNBULL: capital gains tax was indexed for inflation. As I said earlier, that had the consequence that the after-inflation gain was taxed at your marginal rate. So, if you are on the 49 per cent rate for the purpose of that year, your tax on the real gain would be 49 per cent. Consider that you have owned an asset for 10 years and it has grown at seven per cent—every year for 10 years. That is a phenomenal return. There are not many investments that have done that. That is more or less what we have seen in residential real estate over the last decade. Under Labor's plan—Labor circa 2016—the tax on the real gain would be 52 per cent. It would be higher than Keating's—

Mr Watts interjecting—

The SPEAKER: The member for Gellibrand will cease interjecting.

Mr TURNBULL: So they are putting the tax on real gains up, well above the top marginal rate. They are penalising investment.

The Labor Party would say: 'It doesn't matter as long as it is real estate, because our aim is to reduce the value of residential property'. If that is their goal, then I must say that the policies they have propounded will absolutely have that result. If they win office and implement those policies, they will not be disappointed; house prices will come down.

This is an already vulnerable market. In some cities it is estimated to decline anyway. In other cities—like my own of Sydney—it is estimated to rise at less than the rate of inflation. That is an anaemic level of growth. They are going to throw into that a massive shock which can have one and only one consequence. Every single homeowner in every single electorate represented in this House will be poorer if the Labor Party is elected to government.

Then what about every other form of investment? What about somebody who invests in a company, a mining company perhaps, or a technology company? What about somebody who invests in a cafe or a shop? You will be taxed at the highest capital gains tax rate in any comparable country. That is the Labor Party's plan. This can have only one consequence: lower house values; a poorer Australia; less confidence; fewer investors; driving the economy south; driving the economy down. That is the inevitable consequence. (Time expired)
Steel Industry

Mr RAMSEY (Grey) (14:50): My question is to the Minister for Industry and Innovation and Science. Minister, I know you are well aware of the challenge facing Arrium's Whyalla operations, of the absolute reliance of this community on this prime generator of jobs, and of the strategic importance of having an Australian source of structural steel. Can the minister inform the House what the government is doing to ensure this industry has a long-term future, and why it is so important to Australia that the industry survives?

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (14:50): I thank the member for Grey for his question. He, like me and other South Australian members, is very concerned about the future of steel making at Whyalla under the company Arrium. I can assure him and other South Australian members of parliament on both sides of the House that the government is doing everything within its power to ensure that the Whyalla steelworks remains open and can at least break even into the future.

In fact, I am sure all members around Australia would have the same view, because the Whyalla steelworks are the only steelworks left in Australia that have the capacity to build construction steel—girders, poles and so on. Whyalla builds those at Port Kembla. Of course BlueScope Steel builds sheet steel, particularly for roofing, which is also extremely important.

We have seen in recent months BlueScope Steel making some decisions about their business to ensure they will remain in business. They are cooperating with their employees, the shareholders and the New South Wales government to put a package together that will let BlueScope Steel thrive into the future. Arrium is doing similar things. They are finding their own savings. They have to work on their plant. They have to work on their markets. They had a lifeline yesterday through GSO, through a recapitalisation of their debt that I hope their debtors will accept, which will mean that they will at least get some breathing space over the next couple of years to make the decisions that will be necessary to exist into the long term. I anticipate that some of the factors that have caused Arrium to make losses in Whyalla, like the glut of Chinese steel on the market, will dissipate in the next couple of years as China acts to deal with their overproduction of steel.

We, as a government, are making the decisions that will protect Australian businesses from being injured, for example, by alleged dumping. There are about six decisions ahead of the Anti-Dumping Commission right now into alleged dumping of Asian steel. It will surprise the House, and probably the member for Grey, to know that 80 per cent of the work of the ADC, the Anti-Dumping Commission, is steel and aluminium. A case is being placed before the ADC by Australian business and a decision is being made. As well as those six decisions that I will have to deal with over the coming few weeks, I initiated an inquiry last week under the powers given to us by parliament last year. As part of our first round of reforms of anti-dumping I initiated an immediate inquiry and investigation into the circumstances surrounding Asian steel coming into Australia. So we are using the levers at our disposal, and we will work with the company and the South Australian government to do the best we—

(Time expired)

Taxation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:53): My question is to the Prime Minister. During question time yesterday the Prime Minister said:
… increasing capital gains tax is no part of our thinking whatsoever.

However, today the Prime Minister has answered a question indicating that he will increase the capital gains tax on millions of superannuation accounts. Prime Minister, which of these answers is false, and will the Prime Minister acknowledged that he misled the parliament?

Mr Pyne: Mr Speaker, on a point of order: the question offends the standing orders in a number of ways. It contains an assertion about—

Opposition members interjecting—

The SPEAKER: The members on my left will cease interjecting. Members on both sides, I have made clear a number of times: if you expect me to make a ruling, I need to be able to hear what is being said. The member for Isaacs has already been warned.

Mr Pyne: The first part of the question has been asked over and over again today and has been fully answered. The second part of the question was an assertion about an answer the Prime Minister gave today, which is not true. It is therefore simply an assertion and offends the standing orders. The third part, in terms of misleading the House, is something that can only be moved by a substantive motion and simply cannot be asserted across the chamber. The Leader of the Opposition's question offends the standing orders in at least three ways.

Mr Burke: Mr Speaker, on the point of order: the first part of the question goes to a fundamental issue for every member of parliament in this House about whether someone has misled the parliament. There is nothing more serious within the parliament than that. On the second issue, if the assertion from the Leader of the House is correct and that claim is wrong, then the Prime Minister clearly must have misled. The third part of the claim goes to whether or not the Prime Minister misled the House because the first two are different versions of events. The first two are contradictory claims; therefore, we are left with no choice but to ask whether or not there has been a mislead. We have not asked whether it was deliberate.

The SPEAKER: I am going to rule on this quickly and members cannot interject while I do so. Whilst I have heard both the Leader of the House and the Manager of Opposition Business, Speaker Andrew addressed points of order like this, and it is the approach I think is best to take in free-flowing debate: when an assertion is made the chair cannot be there to judge the factual accuracy of assertions, and in preventing the question it prevents the minister, in this case the Prime Minister, from refuting it if they wish. With respect to the Leader of the House's point about misleading the parliament, questions need to be very careful in that regard. Without hearing the question again and delaying the House, I am just going to ask the Prime Minister to ignore that part of the question.

Mr Turnbull (Wentworth—Prime Minister) (14:57): I have addressed this several times, but I will do so in more length, because I think what the opposition is doing here demeans this House and it demonstrates a desperation that really insults the intelligence of the Australian people. For the benefit of Australians who are watching this, let us consider this: at 20 past two yesterday I answered a question from the member for Hindmarsh and I spoke about the Labor Party's proposal to increase capital gains tax on personal income. I said that on a top marginal rate it would effectively go to 37 per cent, which is true. I said that would be higher than the United States, higher than the UK and much higher than the—

Mr Ewen Jones interjecting—
The SPEAKER: The member for Herbert has been warned, and he should not blame the member for Braddon! As I made clear in the last ruling—I am perhaps unfairly trying to anticipate the Manager of Opposition Business's point of order—I decided to allow the question because I think there should be openness and free-flowing debate. Where a question contains a number of statements—and there were quite a number of them; more than three, I think—it is almost impossible for the Prime Minister on that topic to not be relevant. If I allow broad questions, then I am going to allow broad answers.

Mr Burke: Mr Speaker, I respect what you have said, but, in terms of the answer yesterday, the Prime Minister is quoting every part of that answer except the part that was in the question which was the mislead.

Mrs Griggs interjecting—

The SPEAKER: The member for Solomon will cease interjecting. Just before I call the Prime Minister, I have made very clear he is on the policy topic of tax. As I said, it was a broad question. Other speakers could have been more restrictive. But if you want me to be not restrictive on questions; I am not going to be as restrictive on answers.

Mr TURNBULL: As I was saying, the answer I gave to the member for Hindmarsh discussed the very negative consequences of Labor's proposal to increase capital gains tax so dramatically for individuals. I noted that, for example, on an asset that grew at six per cent over five or six years, it would amount to 20 per cent tax on the real gain. That was my answer. Then at 2:23, the member for McMahon rose and said, 'My question is to the Prime Minister and refers to his previous answer', all of which was devoted to talking about personal income tax and Labor's proposal to change the CGT discount. He asked me whether I ruled out announcing any changes to capital gains tax—referring to the previous answer—to which I said, 'I can say to the honourable member that increasing the capital gains tax is no part of our thinking.' I then went on to talk about negative gearing and the impact on housing and so forth from the proposed changes they made to capital gains tax.

It is perfectly clear that I was talking about Labor's proposal to increase capital gains tax on individuals and it was perfectly obvious that that was what the member for McMahon was talking about. But then those opposite want to waste the time of the House by pretending that my remarks addressed a topic that went utterly undiscussed in the whole debate yesterday.

Mr Mitchell interjecting—

The SPEAKER: The member for McEwen is warned.

Mr TURNBULL: This is the depth of childlessness and desperation to which they have sunk. I say to those honourable members: when you are in a tax hole, stop digging.

MOTIONS

Prime Minister
Attempted Censure

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:02): There is only so much incompetence that we can accept from this Prime Minister. I seek leave to move a motion of censure against the Prime Minister.

Leave not granted

Mr SHORTEN: I move:
That so much of the standing orders be suspended as would prevent the Member for Maribyrnong from moving the following motion forthwith—

That the House:

(1) notes:

(a) that yesterday in Question Time, the Prime Minister said, and I quote, “increasing capital gains tax is no part of our thinking whatsoever”;

(b) that just hours later, the Prime Minister’s own office confirmed to media that not only had the Government not ruled out changes to capital gains tax, it was still actively considering changes;

(c) that leaked Coalition talking points from the Prime Minister’s own office contradict the Prime Minister’s statement in Question Time yesterday;

(d) therefore, by the admission of his own office the Prime Minister has misled the Parliament and through it the Australian people;

(e) that the Minister for Finance repeatedly refused to rule out changes to capital gains tax on ABC News 24 this morning as the Prime Minister had done in Question Time yesterday; and

(f) the Prime Minister failed to act in accordance with Clause 5.1 of his own Statement of Ministerial Standards by refusing to attend the House to correct the record as soon as practicable; and

(2) censures the Prime Minister for:

(a) misleading the Parliament and the Australian people about his changes to tax;

(b) saying one thing and then doing another; and

(c) leading a Government that has no plan and which cannot be trusted by Australians.

Either this Prime Minister is dishonest or he is incompetent—he cannot be both. The Prime Minister needs to rule out increasing capital gains tax on the superannuation accounts of millions of people. What is it about this Prime Minister that makes him so out of touch that he would defend to the last drop of Liberal blood reducing the 50 per cent capital gains discount to 25 per cent but when it comes to defending the capital gains tax discount of millions of Australians in their superannuation, he is out of town for that. We heard him today in parliament confirm that he thinks that superannuants who are getting a concessional payment of taxation do not deserve to have the 33 per cent capital gains tax discount.

Mr Turnbull interjecting—

Mr SHORTEN: The Prime Minister says he did not say it at all. This Prime Minister yesterday got up in parliament in regard to a question by the shadow Treasurer. The question was:

Does the Prime Minister rule out announcing any changes to capital gains tax?

It was referring to his previous answer—any change. What happens is the Prime Minister is so arrogant that he thinks that he can unsay words and make them miraculously disappear. But the problem for him is this: every journalist in the press gallery heard exactly what he said. Every newspaper in Australia showed that he was ruling out tackling capital gains tax. What did he do? He said: no, they are all wrong.

And then you have got the poor old hapless minister for resources. He is overseas but he never misses an opportunity to remind everyone he is there. He rings into Australia—that is fantastic—and says, 'It is Josh on the line; what is the question?' And the minister, when he was asked about when capital gains tax, said, 'Yes, the Prime Minister has ruled it out.' Then, of course, you have the poor old Minister for Finance. He drew the short straw. He gets to do
a press conference with Mr Turnbull, and, when asked if the CGT was in or out or what is
happening, the Minister for Finance looks around. Today he did another interview and was
asked the question about CGT changes, and he does not back up his Prime Minister. It is not a
good sign for this government when you have the Minister for Finance going one way, the
Prime Minister going another way and the poor old Treasurer in witness protection. But it was
a moment in parliamentary history of the Turnbull government.

Yesterday, the Prime Minister was up at the box, making tax policy in question time. His
command of detail is so good that he does not need to check the detail. We saw the
bewildered looks on the faces of the members behind him. To be fair to the Deputy Prime
Minister, it is a standard look. But, in the case of the rest of his colleagues, they just heard the
Prime Minister make a captain's call on taxation. I feel a little bit of pang of 'poor old member
for Warringah.' He was undermined by Malcolm Turnbull for making captain's calls, but, as
soon as Mr Turnbull is up there, there is a captain's call. We know what this leader of the
government said. He said there would be no changes to capital gains tax whatsoever. So,
today, we asked him to back up his words. There were really three options that the Prime
Minister could have picked: tell the truth; tell us what is happening with capital gains tax; or
he could have just said, 'Everyone else is wrong.' The standard Turnbullian response to
anything is that everyone else is wrong. We are lucky to have an infallible Prime Minister in
this country. We are very lucky to know that not only are we led by the smartest man in
Australia, self-declared, but we are led by a man who, even when he gets it wrong, is still
right. The rest of us mere mortals simply do not understand the extent of Wentworth genius.

But, of course, it is not just the Minister for Resources, the Minister for Finance and the
collective media of Australia who got it wrong yesterday and misunderstood Mr Turnbull.
There are the talking points. Some super tax reform patriot from the government had provided
the talking points, and it is very clear in the talking points that the capital gains tax changes
are on the table. This is what we have learned to expect from this Prime Minister. He says one
thing and he does another. This is not the only issue where he has said one thing and done the
other. Dare I mention the rest of his long litany of sell-outs when he became Prime Minister:
marriage equality, the republic, climate change, captain's calls. He also says to us, as he says
about everything, that he has been thinking carefully about capital gains tax today. We asked
the Prime Minister a question in question time today. We asked, 'Which is the correct answer?
Yesterday, when you said there was no thinking about capital gains tax whatsoever or, indeed,
are you looking at going after the superannuation accounts of millions of Australians?' We
were told that question is simply out of order. Well, it is not out of order. This fellow here has
been giving us a lecture about protecting vested interests. When looking to reform capital
gains tax and negative gearing, he thinks the Australian dream is the ability to negatively gear
your seventh house.

Let me just say to the Prime Minister of this out-of-touch government: the great Australian
dream is to be able to get your first house. Why is it that these bastions of privilege are so
willing to fight to defend the capital gains tax 50 per cent discount and the ability to use
taxpayer subsidies to subsidise your negatively geared seventh house, yet they do nothing
about housing affordability? We listen to the lectures of this government about housing
affordability, but the truth of the matter is that they do nothing. But, of course, when we go
back to look at what has been happening with this mislead by the Prime Minister of Australia,
we see it was not just the talking points, the Minister for Resources, the Minister for Finance and what the media heard. What we heard is that the Prime Minister's own office has been explaining to Australian journalists: 'They didn't hear it right' or 'We didn't quite mean that.' I have loved the Prime Minister's office over the last 2½ years. They were willing to brief against a lot of people in the last 2½ years, and many of you know that, but I have never seen them roll a grenade against their own boss before.

The Prime Minister has no plan. We know that. As for the Treasurer, we hear he has been demoted from attending the meetings. 'Thank goodness,' they say. Martin Parkinson and Senator Sinodinos are there to sort out Malcolm's tax promises, because they would not let the Treasurer of Australia anywhere near taxation. That will lead to a run on the dollar, I am sure. We heard 5½ months ago, during the debate about taxation, that there was going to be new economic leadership. I tell you what: there has not been much leadership, but there has been a lot of talk. Australia loves the waffle. We love hearing the talk and the spin, but we do not hear much substance. When will this government announce their tax plans? If you cannot trust them on the CGT, how can we trust them not to go back to the well on GST and the 15 per cent?

Today, you have just said that you are open to considering halving the capital gains tax discount on millions of superannuation accounts. I see the Prime Minister shaking his head, probably in some rueful frustration that we do not accept the inevitability of his logic. The truth of the matter is that the Prime Minister needs to have a tax plan which will last longer than five minutes. We need to have a plan for housing affordability and getting the budget repaired, but he says no to negative gearing changes. We will make sure our changes are not retrospective. They have not ruled out making them retrospective. We will make sure that negative gearing is still available for new housing so that people who want to negatively gear can. But what we will also do is take up the fight about tax reform, which will make sure that Australians find it easier to afford a house, it will be easier to help the budget repair and it will be easier to be able to fund health and education.

We also say on taxation and tax reform and why this Prime Minister has misled the House that he talks about multinationals, but he will not articulate how much they are going to raise from multinationals. We see poor old buggerlugs, the Treasurer of Australia, getting up and sounding like the worker's friend on multinational taxation. We hear no plan on taxation from them. This is a Prime Minister who says one thing and does another. (Time expired)

**The SPEAKER:** Just before I call the Prime Minister, is the motion seconded?

*Mr Mitchell interjecting—*

**The SPEAKER:** The member for McEwen will cease interjecting.

*Mr Burke:* I second the motion and reserve my right to speak.

*Mr Turnbull (Wentworth—Prime Minister) (15:14):* I do not think anything better demonstrates why standing and sessional orders should not be suspended than the 10 excruciating minutes we just endured from the Leader of the Opposition. So urgent, so pressing, was his concern about the subject matter of his motion that by the time he got to the six-minute mark—after only four minutes, and of course much of that was taken up with reading the motion—he engaged in personal abuse, and then of course, by the fourth minute, he had moved on to marriage equality. He had completely left capital gains tax. Then, as he
no doubt sensed or observed, out of a sideways glance, the increasingly astonished look of his own backbench, at the three-minute mark he moved back—

*Ms Butler interjecting—*

**The SPEAKER:** The member for Griffith is warned.

**Mr Turnbull:** to saying that the coalition’s position, and presumably the object of his policy, was all about people negatively gearing their seventh house. Apparently, that is what he wants to stop.

Can I just remind the honourable member that negative gearing is no more than the standard income tax treatment of claiming interest as an expense of an investment—

*Mr Watts interjecting—*

**The SPEAKER:** The member for Gellibrand is warned.

**Mr Turnbull:** incurred to buy an income-producing asset. It is no different with real estate or with shares or with businesses or with farms, so there is no special concession for people who negatively gear real estate.

*Mr Watts interjecting—*

**The SPEAKER:** The member for Gellibrand has been warned!

**Mr Turnbull:** It is absolutely standard income tax procedure. That is No. 1.

No. 2 is that there are 10 times more people claiming net interest losses on property, real estate, who are nurses, teachers and emergency service workers than those who are surgeons, anaesthetists and finance managers. For example—

*Ms O’Neil interjecting—*

**The SPEAKER:** The member for Hotham has been warned!

**Mr Turnbull:** the greatest total losses from negative gearing—this is over $1.2 billion of net rental losses—are claimed by teachers, nurses, emergency workers and clerks, compared with just $155 million claimed by surgeons, anaesthetists and finance managers.

*Mr Conroy interjecting—*

**The SPEAKER:** The member for Charlton will cease interjecting. He has been warned. That is his final warning.

**Mr Turnbull:** And of course that is why there are so many people in the electorates of honourable members opposite and indeed in our electorates who are filing claims claiming net interest losses on investments in real estate. For example, in terms of the negatively geared tax filers, there are 58,000 teachers. There are 39,000 nurses and midwives. There are 38,000 retail employees. There are 35,000 general clerks. Every single one of those Australians, after 1 July 2017, if the honourable member becomes Prime Minister—

*Ms Plibersek interjecting—*

**The SPEAKER:** Member for Sydney.

*Ms Macklin interjecting—*

**The SPEAKER:** The member for Jagajaga has been warned.

**Mr Turnbull:** will not be able to claim a net interest loss on an investment made in existing property.
Their cunning plan is to say that they can only invest in new property. We all know that the reason housing is less affordable that it ought to be, particularly—again, I have to say—in my own city of Sydney, is a lack of supply.

Ms Plibersek interjecting—

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

The member for Sydney then left the chamber.

Mr Turnbull: That is not a function of a lack of money. It is because there is insufficient zoning or permitting. It takes too long to get approvals. Most people in the residential development sector will tell you that it takes about three times as long to get a DA in Sydney as it does in Brisbane, which is why property is more affordable in Brisbane. So that is the problem. In fact, my friend the honourable member for Fraser will recognise Professor Edward Glaeser's work, from Harvard. It set all this out many years ago. This is very, very well understood. If you want to increase housing affordability, you need to increase supply, and that involves changing zoning and permitting—that is, it is a planning issue; it is not a money issue.

What Labor propose to do is to pour all of that investment money into one small part of the property market. So they smash the vast bulk of the residential property market—

Dr Leigh interjecting—

The SPEAKER: The member for Fraser will not use props.

Mr Turnbull: which is already unsteady, which—as you have heard earlier on—

Dr Leigh interjecting—

The SPEAKER: The member for Fraser will not debate the issue. I have warned him before.

Mr Turnbull: is already either growing at anaemic levels or, in the case of some cities, declining. They are going to smash that. That is the biggest asset of most Australians. They are going to cut the value of your home. That is Labor's policy. They want to make housing more affordable by making your house worth less. They want to cut the value of your house.

When the member for Fraser was asked for modelling, he said, 'I don't know what you mean by economic modelling.' Well, we do. It is screamingly obvious. Everybody understands that if you take more than a third of the buyers out of the ring it is going to have an effect on prices. Will it make prices go up? No. Will it make them stay the same? I do not think so. I think it will make them go down because that is what happens when the buyers leave, when the buyers go away. When the buyers are barred by an act of parliament, which is what Labor would do, then the price will go down.

This is yet another example of the recklessness and the danger of a Labor government. Remember, this is the party that brought us the live cattle export ban which smashed cattle prices. Honourable members opposite—

Opposition members interjecting—

Mr Turnbull: And I hope every Australian in every regional centre and every farmer notes—
Opposition members interjecting—

Mr Turnbull: Their microphones are not on, Mr Speaker, but when we talk about cattle prices the Labor Party sneer and scoff. That is what Labor think about farmers. That is what they think about the people whose livelihoods they destroyed with their recklessness. They think it is a joke. And I say to every farmer in Australia, to every single farmer in Australia—

Mr Mitchell interjecting—

The Speaker: The member for McEwen! It is your final warning.

Mr Turnbull: the Labor Party think your livelihood is a joke. They despise the work you do. They despise the fact that you are struggling to make a living, and they sneer at the losses that you incurred because of Labor's incompetence.

That is the same contempt that Labor have for homeowners. Every single home in Australia will be worth less under a Labor government and it will be worth less for one very clear reason—what Labor are proposing is a massive shock to the residential property market. They are proposing to ban in one fell swoop investors from existing residential property. It will mean that over one-third of the buyers in the market at the moment will no longer be there. That will, as every Australian knows, reduce the value of your home. It will cut the value of your home. It will mean that you cannot afford to borrow some money to give to your kids so that they can buy a place. It will mean you cannot afford to go on a holiday. When you want to start a business and you go to the bank to borrow some money the bank will say, 'You better get a valuation,' and you will discover that your home has been reduced in value, and it will be entirely the consequence of a deliberate, calculated act by a Labor government. That is the threat.

Sixty-five per cent of Australians' net worth is in their home. It is fundamental to their sense of worth, to their ability to consume, to their ability to invest and to their ability to enjoy their family and take holidays. It is the foundation, and Labor will strike at that because the more honest among them say that they want the price of your home to go down. That is Labor's objective. If they win the election, they will succeed in smashing home values.

Mr Burke (Watson—Manager of Opposition Business) (15:24): I thought they had changed Prime Minister. I thought we were told that there was going to be new respect for the intelligence of the Australian people. I thought people had a sense that the new Prime Minister would change the culture of the Liberal Party. We were told that he would change the Liberal Party, but no, the Liberal Party has changed him from the moment he got that job. There is no doubt at all.

Do we remember earlier in this term someone standing up when his own words were quoted to him and saying, 'I never said that'? Do we remember? We were told: 'I never made that promise. I never gave that guarantee.' At least then the promises were months old that the person was denying. This bloke, this new Prime Minister, within a day is saying that he never said it. Within a day, within 24 hours, he is wanting to deny it.

It is unusual for a Prime Minister to speak to a suspension of the standing orders motion. It is more unusual for the Prime Minister to not defend himself during that speech. There was not a moment during that speech when the Prime Minister disagreed with a word of the motion. There was not a single moment when the Prime Minister said that the statement that
he made yesterday was in any way anything other than an inaccurate statement. You do not often get the situation where you are dealing with a Prime Minister having misled the parliament. You certainly very rarely get the situation where you realise he has misled the parliament because his office has told you, because his office has provided the information directly to the media up there, in policy desperation, saying: 'Don't worry what our boss said. It is actually not the case at all.'

On the way into question time today one of my colleagues said to me, 'What if the Prime Minister stands up at the beginning and just acknowledges that the wrong words came out and it was an incorrect statement'? How could we have thought for a moment that that man would have anything other than the arrogance that we saw on display today, the arrogance which says that he can never claim that he has made an error, can never claim that he has made a mistake? The words yesterday were unequivocal. The words yesterday were:

... increasing capital gains tax is no part of our thinking whatsoever.

That is what he said and yet within minutes his own office is out there saying: 'Well, it is still on the table. We are still considering it.' The talking points were distributed by his office. How can it be 'no part of your thinking whatsoever' when you are telling your backbench and your frontbench to run the line?

Who would have thought that the minister for resources would let down the team by saying, 'I think that is a very clear statement from the Prime Minister'? Who would have thought that a member of your own cabinet is giving the most damaging comment possible when they are backing you in? That is exactly what happened when the minister for resources gave that interview. And from The AFR as well:

A spokesman for the Prime Minister, who has seven investment properties, claimed afterwards Mr Turnbull was still open to tightening the tax deduction for losses on negatively geared investment, and reducing the capital gains tax discount for investors …

There is absolutely no way of reconciling those words with the claim that 'increasing capital gains tax is no part of our thinking whatsoever'.

When you have made a mistake like that there is a moment when most people would have some sort of humility somewhere inside them that they would be able to stand up and say, 'No, there was an error.' But the smartest person in the universe cannot do that. The smartest person in the universe has to get back and say, 'You just don't understand me.'

An opposition member interjecting—

Mr BURKE: There is a point; that is true. Realise you are not just saying that to the Labor Party; you are saying that to the minister for resources, who thought you were clear, you are saying it to your own backbench and you are saying it to your own office. You are spreading that arrogance to the Australian people, who simply want to be able to have what they were told this Prime Minister would deliver—that there would be a debate which could respect the intelligence of the Australian people. The Australian people have a right to say that yesterday the parliament was misled. They also have a right to say that there should not be a case where people get more help from the government for their second or 10th home than they get for their first home. It is a fundamental issue of fairness to be able to deal with it. It is a fundamental issue to be able to deal with that. Then this morning the Minister for Finance was running a mile—absolutely running a mile.
Mr Pasin interjecting—

The SPEAKER: The member for Barker is warned now.

Mr BURKE: A question from Virginia Trioli: 'Any changes to the capital gains tax discount—yes or no?' (Time expired)

The SPEAKER: The question is that the motion moved by the Leader of the Opposition be agreed to.

The House divided. [15:33]

(The Speaker—Hon. Tony Smith)

Ayes ......................51
Noes ......................82
Majority ................31

AYES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hayes, CP
Jones, SP
Leigh, AK
MacTiernan, AJGC
Mitchell, RG
O’Connor, BPJ
Owens, J
Rishworth, AL
Ryan, JC (teller)
Swan, WM
Thomson, KJ
Watts, TG
Zappia, A

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Marles, RD
Neumann, SK
O’Neil, CE
Parke, M
Rowland, MA
Shorten, WR
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Coleman, DB

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JJ
Broad, AJ
Brough, MT
Chester, D
Cobb, JK
Coulton, M (teller)
NOES

Dutton, PC
Fletcher, PW
Gillespie, DA
Griggs, NL
Hastie, AW
Hendy, PW
Howarth, LR
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O’Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Stone, SN
Sukkar, MS
Tehan, DT
Turnbull, MB
Varvaris, N
Wicks, LE
Wilson, RJ
Wyatt, KG

Entsch, WG
Gambaro, T
Goodenough, IR
Hartseyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O’Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Southcott, AJ
Southmalis, AE
Taylor, AJ
Truss, WE
Van Manen, AJ
Whiteley, BD (teller)
Williams, MP
Wood, JP
Zimmerman, T

Question negatived.

Mr TURNBULL (Wentworth—Prime Minister) (15:37): Mr Speaker, I ask that further questions be placed on the Notice Paper.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (15:37): Documents are tabled in accordance with the list circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings.

STATEMENT BY THE SPEAKER

Question Time

The SPEAKER (15:38): I have a statement I would like to make to the House regarding the setting of the clock during question time. I would just like to confirm to the House, so all members know, that the practice in respect of questions is that the clock is started after the member has directly stated to which minister their question is directed. This practice has been
followed today during question time. However, yesterday it did not occur in respect of all questions, including a question from the member for Corangamite. The practice with ministers' answers is that the clock is started as soon as the minister begins speaking. This has been communicated to the officers at the table operating the clocks. I might also take the opportunity to remind all members and, indeed, ministers that these times are upper limits, not targets.

**MATTERS OF PUBLIC IMPORTANCE**

**Economy**

_The SPEAKER_ (15:38): I have received a letter from the honourable member for McMahon proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government's failure to provide an economic plan for Australia.

I call upon those honourable 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 BOWEN** (McMahon) (15:39):_ On 14 September last year, just outside this chamber, the member for Wentworth set a test for Prime Ministers. He laid out a test and said that the member for Warringah had failed that test. It was a test of economic leadership. The member for Wentworth said that any Prime Minister who failed that test should be replaced. He set the test and he has failed it. He set the test for the member for Warringah and then he proceeded to cut him down as Prime Minister. The member for Wentworth should now be replaced as Prime Minister, not in a party room coup, not in a secret meeting at Queanbeyan with Mal Brough, but by the Australian people at the next election, whenever he chooses to call it. Economic leadership will be an issue at the next election. The economic leadership of this Prime Minister, or the lack thereof, will be an issue at the next election. This Prime Minister and this Treasurer will be held to account.

Let's have a look at the Prime Minister and the Treasurer's track record. They came to office and they said, 'We're going to have a mature debate. We can lead the debate on increasing the GST because we're so much better as politicians.' We on this side of the House took a very clear position. We said, 'Increasing the GST will not add to economic growth.' We said, 'Increasing the GST would affect low- and middle-income earners the most.' We said, 'Increasing the GST would lead to a great big money merry-go-round or churn if low-income earners were to be compensated for it.' The Prime Minister and the Treasurer poured scorn on these arguments, they scoffed at these arguments, and then last week we saw the Treasurer at the National Press Club use exactly the same arguments as to why the government was now allegedly not proceeding with an increase in the GST. They have been reduced to repeating the arguments that we have used for the last 12 months. We saw the Treasurer seeking some credit for it, saying, 'Well, we thought about it. We deserve credit for not proceeding with it.' That was his great argument in his 46 minutes of nothing that he gave us last week—the great 46-minute speech. At least Rob Oakeshott had a conclusion and an answer at the end of his 17 minutes. We had 46 minutes of nothing. This is a Treasurer who gives the witness protection...
program a bad name! He can no longer appear even on his favourite radio programs to defend a record which does not exist.

It is quite clear that, when robbed of their agenda of increasing the GST—their one single idea of increasing the GST and putting it on health, fresh food and education—they have nothing. They have had 2½ years in office—six months for the Prime Minister and the Treasurer—and, with all the resources of the Treasury and the entire bureaucracy, they have not one single idea. All they can come up with is scare campaigns on our ideas. That is the entire economic agenda of the Prime Minister. That is what dominates his question time performance—not his own agenda, not the government's core business, but peddling mistruths about Labor Party policies. We are happy to talk about Labor Party policies because we have some. We have policies to debate. We have ideas to discuss. The Prime Minister comes to the dispatch box with an empty briefcase.

They cannot even get the scare campaign right. The Prime Minister has now decided to embark on a scare campaign on capital gains tax. He has done it on negative gearing—I will come to that in a moment—but it is now on the capital gains tax. Let's be clear: capital gains tax should be reformed. It is one of the fastest-growing tax concessions in the federal budget. If you earn your money on the factory floor, pounding the streets as a police officer, as a nurse in a hospital or in any occupation in the nation, you pay your full marginal rate of tax. But if you earn your money through a good investment—good luck to you—you pay half the marginal rate of tax. We say, 'When you're looking at the budget and fairness, that can't stand.' We say, 'If you think the pension should be cut or $80 billion worth of funding should be cut from health and education, we have a different idea.' We say, 'There can still be a concession for capital gains, but let's make it 25 per cent. That would be fairer.' The fact of the matter is that 70 per cent of the capital gains tax discount benefit goes to the top 10 per cent of income earners in Australia. Of course, the Prime Minister rides to its defence. Of course, he rushes in to defend the capital gains tax discount. But he gets it wrong as he does so. He stood at the dispatch box yesterday and claimed it would discourage foreign investment and drive out jobs from foreign investment, conveniently forgetting that the discount does not apply to foreign resident investors in Australia. Then he tried to waffle his way through that and say, 'It'll discourage corporations from setting up in Australia.' Well, incorporated entities do not get the capital gains tax discount either.

But the biggest problem was, of course, that he had his own plans to do with capital gains tax, his own plans to rein in the capital gains tax discount on superannuation. We had looked at that proposal and we said no. Superannuation is Australians saving for their future through compulsory savings. We will leave the capital gains tax discount undisturbed by our policy. But this Prime Minister has a different view and he does not have the honesty or the guts to tell the Australian people about it in a straight fashion. He chooses instead to launch a scare campaign about it. He launches the scare campaign. We have seen it done in this House before by Liberal prime ministers, by the member for Warringah. But to paraphrase Lloyd Bentsen: 'We know Tony Abbott, we worked with Tony Abbott, and this Prime Minister is no Tony Abbott.' He cannot conduct a scare campaign that he does not believe in, because he cannot even get his facts straight. We saw this on the capital gains tax and we see it on negative gearing.
Frankly, this goes to the Prime Minister's character: the Prime Minister willing to mislead about opposition policies, the Prime Minister willing to be dishonest about opposition policies. He runs a campaign saying that property prices will fall if negative gearing is abolished for anything except new properties. He says how terrible it will be if property prices actually fall. Then, at the dispatch box today, he says, 'Property prices are falling in Perth.' Well, guess what. They have negative gearing in Perth too—now, as we speak. And property prices, the Prime Minister reveals today, are on the decline in Western Australia.

What we see is a Prime Minister willing to mislead, to scare—the old 'reds under the bed' or 'put your money under the bed'. It is the old Liberal Party tactic: when in doubt, launch a scare campaign. We know that this argument does not stand up. Has the Prime Minister released any modelling to show that house prices will collapse under Labor's policies? He has got all the Treasury working for him, all the Department of the Prime Minister and Cabinet. Have we seen a document, one little document, of modelling released by the Prime Minister? Not a word.

And of course we have seen eminent economists debunk the Prime Minister's myth. We have seen commentators point out just how poor the Prime Minister's approach is. We saw Greg Jericho say of the Prime Minister's argument, 'It's a pretty silly argument that doesn't hold up under close examination.' But perhaps most damning of all, at five past two today—honourable members might not be aware—the economics editor of *The Sydney Morning Herald*, Ross Gittins, said of this Prime Minister: 'Expectations were high, but now the Prime Minister is resorting to the same cheap tactics as the man he overthrew.' Isn't that right—the same cheap tactics as the man he overthrew, because that is all the Liberals have got.

We should have known, in fairness, that the government were planning an attack on superannuation through the capital gains tax, because they told us they were not. That is always a dead giveaway when it comes to this government. We had the Prime Minister saying that changing the capital gains tax played no part in the government's thinking. Today his defence was, 'Oh, that capital gains tax. I was talking about another capital gains tax.' Well, there is one capital gains tax in Australia. There is only one. The discount may apply differently, but there is one capital gains tax in Australia. When he said, 'We are not going to change it; it's not part of our thinking,' he cannot claim he meant the other one. There is no other capital gains tax for him to be talking about. The Prime Minister has been caught red-handed misleading the Australian people. After the Treasurer said that there would be no changes to superannuation, and the Prime Minister said that there would be no changes to capital gains tax, of course there are now going to be changes to capital gains tax and superannuation, because it is what they do: they say one thing and they do another.

What is very clear is that the Prime Minister and the Treasurer had a plan to knock off Tony Abbott and Joe Hockey but, apart from increasing the GST, they had no idea as to what to do next. I would have thought the Treasurer would want to take this MPI. I would have thought the Treasurer would want to be here to respond. He says he wants a debate, well, let us have one. I will debate him here. I will debate him at the National Press Club. I will debate him wherever he likes. But he has got to come with a policy, with a plan and with a vision. If he has not got one, he should make way for us, because we do. *(Time expired)*

**Mr Taylor** (Hume—Assistant Minister to the Prime Minister for Cities and Digital Transformation) *(15:49)*: We just had 10 minutes from Labor that was supposed to be about
economic management and economic planning, and we did not hear anything about economics—nothing at all. So let us get back to talking about the economics of government policy, the economics of good policy, and perhaps then we can get to the bottom of what it will really take, what it is really taking, to plan for a better Australia, for a higher income Australia, for a higher wage Australia and for an Australia with more employment.

At the heart of our plan are innovation, productivity and access to fast-growing markets. These are things which those opposite understand nothing about, and I will come back to that in a moment. But what we have from Labor is a plan to make us all poorer and to make them feel better by whacking anyone with aspiration, whacking everyone with aspiration. That is what they are after. They want to see a plan that makes aspirational Australians worse off. They want to see a plan that thwarts opportunities for every Australian that wants to have a go.

What is at the heart of Labor's plan? I call it the 'tax, spend and shrink' plan. It is a plan that is designed to make the Australian economy smaller. Let us look at the numbers. We saw in the Press Club presentation which they referred to a moment ago a chart, on page 22, which every person opposite should take very close notice of. The chart is entitled 'Tax and spend is no plan for jobs and growth'. There are a couple of numbers on that chart that I really want to emphasise. The chart tells us that, for every extra dollar of tax and spend, you shrink the economy by 40c. Labor crow that they are going to tax and spend $100 billion more. That is their number—$100 billion more. Every Australian needs to understand that their plan is to shrink the economy by $40 billion. That is their plan. They are the numbers. They are Treasury numbers and they are very clear. You can see them on page 22 of the excellent presentation made by the Treasurer at the Press Club last week. So it is tax, spend and shrink. Every Australian needs to understand that those opposite want less income for Australia, fewer jobs for Australians and less wealth for Australians.

It is worthwhile spending a moment to talk about the taxes that are going to deliver that extra $100 billion of tax and spend. What are those taxes? We have heard today that at the top of the list are negative gearing and capital gains tax. I have never struck an economist who thinks that taking one-third of demand out of the market is not going to crash the market.

It is worth spending a moment to understand these figures. The Australian housing market is worth over $5 trillion. If you took 20 per cent out of that market that would be a trillion dollars out of the market. The average Australian household is carrying about $200,000 to $250,000 of household debt. That is $2 trillion in mortgage debt, and you want to wipe up to a trillion dollars off the housing market by imposing negative gearing on the market. At the end of the day a party that wants to destroy the wealth of every Australian household having a go, that wants to destroy the income and the aspiration of every Australian wanting to have a go, is a party that does not deserve to be in government.

The second tax that I want to spend a moment on is the smoking tax. In the last week or so we have heard that Treasury has been forced to write down future tobacco excise revenue by $700 million just two years from the forecast set out in the 2015 budget. This is a real problem for Labor's costings. We know the reason for that is that when you raise taxes you reduce smoking incidents and you increase chop-chop—you increase illegal tobacco. So Labor cannot even get their basic numbers right.
In 20 years as a management consultant I have always felt that the best way to understand whether someone's plan is worth looking at is to look at the track record of the person making the claims, and the track record of Labor in understanding plans and markets is pretty interesting. We heard earlier today something about Labor's achievements on the live cattle export market. If we look at this market we see that before Labor destroyed the market it was worth $4 a kilo. By 2012—six months after they had cut the live export market—we saw the price fall from $4 to $3, which is a 25 per cent reduction. Then when we got back into power we saw it rise to $5 then to $6. This is Labor at its best. This is Labor trying to understand and plan for markets, and trying to understand how best to deliver wealth for Australians. We saw exactly the same in the mining tax debacle. This was Labor's attempt to deliver to Australians better schools and hospitals, but it was a tax that delivered absolutely nothing.

Let us move to the contrast. We understand what is at the heart of economic management. I will quote Paul Krugman. It turns out Paul Krugman is an economist that those from the left tend to revere. He said:

Productivity isn’t everything, but in the long run it is almost everything. A country’s ability to improve its standard of living over time depends almost entirely on its ability to raise its output per worker.

What we see is that productivity delivers real wages that are higher, incomes that are higher and more opportunity for wealth creation.

At the heart of the coalition's policy for the economy is innovation: innovation in the private sector and innovation in the public sector. That is something that those opposite will never understand. That is something that those opposite will never be able to deliver, because none of them have been involved in delivering that in the private sector or in the public sector. Innovation delivers productivity because it delivers more with less. Paul Krugman, an economist from the left, understands that well.

The second big driver of innovation is investment. What we have seen under a coalition government is a switch from mining investment to non-mining investment. We are seeing that picking up pace now. We are seeing part of it occurring in the private sector and part of it occurring in infrastructure investment in the public sector.

Finally, right at the heart of our policy for economic growth is free trade. Every economist knows that the best opportunities for productivity, the best opportunities for improved terms of trade and the best opportunities for rising incomes are provided by free trade. Ours is a party that watched Labor deliver absolutely nothing on free trade agreements in its time in government. In our relatively short time in government we have delivered China, Korea and Japan and we are well on the way to delivering the TPP. In time, I am very confident that our new trade minister, with the support of the old trade minister, will deliver on India as well.

Right at the centre of free trade is the ability of a country to specialise in what it does best. We are watching in front of our eyes—in markets like cattle and dairy—Australians do what they do best and sell those products and services to the world. That is made possible by free trade. That is made possible by specialising and focusing on what we absolutely do better than any other country in the world.

Labor has a plan to shrink the economy. Labor has a plan to make every Australian poorer. Labor has a plan for lower income, lower wages and fewer jobs. We have a plan for higher wages, higher income, more wealth creation and more opportunity for every Australian.
Mr ALBANESE (Grayndler) (15:59): What a failure to defend the government's record. Of course, we know that the government do not have a record to defend. What we see here is the failure of the coalition to actually prepare for government. Under Tony Abbott, the coalition was turned into the 'no-alition'. They just said no to everything. They did not do the hard yards in policy development that you need to do when you are in opposition and which you can then take into government and into implementation. That is something that this opposition is doing right now in leading the national policy and ideas debates.

Tony Abbott had a plan to get into government but no plan to govern. Six months after his demise, history is repeating itself. Malcolm Turnbull had a plan to defeat Tony Abbott but no plan for what would happen afterwards. He is a man who is at war with his own party. But more importantly than that, he is at war with himself. He is at war with the views that he has held on climate change, on marriage equality, on cities and on planning. On all of these issues he talks a lot but he has nothing to say. This government is an ideas vacuum. That is why Mr Abbott and now Mr Turnbull have struggled when it comes to having an economic plan, and nowhere is that more obvious than in the area of infrastructure.

Under this government, public sector infrastructure investment has fallen by 20 per cent. It has collapsed. Private sector infrastructure investment has fallen by even more. This mob have cancelled every single public transport infrastructure project that was not already under construction—every single one. And when it comes to where the money went that they took out of public transport, the projects that it went to, you look at the East West Link in Victoria—a project that they still trumpet which had a benefit of 45c for every dollar that was invested. It is no wonder that the new minister, with his training wheels on, had to come into the chamber last night and correct the record because he gave an answer yesterday that was not right. I was a minister for six years and never had to do that. Of course, just today the Victorian government has submitted the business plan again on the Melbourne Metro Rail Project. We say that is the No. 1 priority for Victoria. Victorians say it is the No. 1 priority. They voted for the Andrews Labor government because it was the No. 1 priority, and yet this mob want to continue with that.

Then we have Perth Freight Link, which has been knocked over in the courts; and, of course, WestConnex, which the minister raised, was costed at $10 billion but now is worth $16.8 billion. We were promised cranes on the skyline and bulldozers working on new projects within a year, but the only thing we saw on the skyline was Bronwyn Bishop's helicopter. That is all we saw in those two years. When it comes to the bulldozers, what we have seen is bulldust. We have seen bulldust from this mob's magical infrastructure reannouncement tour. They have been running around the country claiming projects as their own because they do not have a record to point to. The only hole they have dug is the one that they buried the member for Warringah in. That is the only hole that they dug—although they did dig a hole in Palmerston on the Friday, for the hospital, but they filled it in on the Saturday, a day later. That lasted just one day.

They have failed with regard to cities. They appointed a minister, then sacked him two months later, and now they have not even bothered. Their entire urban policy agenda has gone to dust, just like all of their policies when it comes to infrastructure, just like their lack of an economic plan. Ben Franklin said: 'By failing to prepare, you are preparing to fail.' They have failed. (Time expired)
Mr HOGAN (Page) (16:04): I rise with great joy to talk about our economic plan. Earlier the member for Hume, the new Assistant Minister to the Prime Minister for Cities and Digital Transformation, talked about free trade agreements. I will be talking about how great those have been not only for our country but also for my local economy. I will also pick up on the member for Grayndler's comments about infrastructure and highlight some absolutely wonderful local infrastructure projects and how they are building job growth in my local economy.

I was also thinking about another plan that needs to be tied into economic plans, job growth and everything else, and it reminded me of the statement back in 2009 from the then Prime Minister, who said that the greatest moral challenge of our time was the threat of climate change. We have a plan for that as well; it is part of our economic plan. We have a direct action policy that is lowering emissions and achieving our aims and our global obligations. The party that was talking about the 'greatest moral challenge of our time' has no plan. Seven years later, there is no plan on that economic policy. So we wait with great interest to find out what your plan is going to be with climate change. You have no plan for something that was the 'greatest moral challenge' seven years ago.

Let us go back to the free trade agreements and how they have been great for my local economy. Some of the great businesses in my local economy are exporters. The Northern Co-operative Meat Company—which is the biggest private employer in my region—employs 1,200 people and exports 70 per cent of its product. They are a great exporter. They are gaining access to new markets and new volumes and better prices because of the free trade agreements that this government has done. That is good for the producers of the product and it is good for the 1,200 meatworkers. They are the biggest private employer, employing 1,200 people. It is great for those workers. These free trade agreements have reinforced that.

One of the next biggest employers is Norco, a dairy cooperative. They export. I had a constituent who was in China about three weeks ago and she saw Norco milk on the shelves in a Chinese supermarket. She took a photo of it and sent it back. What a great thing that is for the local dairy workers at the Norco Co-operative and for the producers.

These free trade agreements go far and wide with lots of different products. Ridley Bell is planting one of the biggest blueberry farms in the region out near Tabulam. He is going to access the Chinese market for a three- or four-month period where he will be able to satisfy that. I heard the minister the other day talk about macadamia nut exports and how that sector is experiencing exponential growth. I could go on with much, much more but let me go on to infrastructure.

The infrastructure spends by this government have been great for my region because of jobs and growth. Take the Pacific Highway upgrade. I remind the opposition that when they were in government, they were going to put $3½ billion on the table. They wanted to go back to a 50-50 funding split. We put $5.5 billion on the table to revert to the 80-20 split. The direct and the indirect jobs from the project as well as the saving of lives from highway upgrade is a great thing.

There is also the new infrastructure program by our government with the Bridges Renewal Program. This is delivering infrastructure spend in my local economy. One local council got six bridges in the last round. Again, this is great for jobs and for my local economy. Also, there is the Stronger Regions Fund. This government have got behind this program and in the
last round there were five programs in my local region and my local economy. These are all

good, job-supporting programs and infrastructure spends that are helping local jobs and
growth in my local economy.

Dr CHALMERS (Rankin) (16:09): If there is one thing that defines this government
above all the other things it is this spectacular collision between their words and their deeds.
For a Prime Minister who considers himself to be an intellectual giant, a man who considers
himself to be a colossal genius, he really is a very, very slow learner. The Prime Minister of
this country is yet to learn that when you say one thing and do another, it catches up on you.
This Prime Minister is yet to learn that when you pretend to be all things to all people,
eventually they figure you out. And most importantly of all and most consequentially of all
for this Prime Minister, he is only just working out now that when you say something at that
dispatch box, the good people of Hansard write it down.

The reason it is consequential for him right now is that he said there, on the other side of
the desk, 24 hours ago in this House:

… increasing capital gains tax is no part of our thinking whatsoever.

He could not have been clearer when he said:

… increasing capital gains tax is no part of our thinking whatsoever.

Meanwhile, back at the ranch, while the Prime Minister is saying they are not going to touch
it, in his own office and in his own cabinet there is a secret plan to smash the superannuation
balances of Australian working people. At the same time as he says they have no plan, they
are working on that.

How do we know that there was a secret plan to smash superannuation balances by
changing capital gains tax? His own office leaked on him. Whenever there is a leak out of this
government and people say, 'Who do you reckon is leaking on the Prime Minister?' I think it
is easier to think, 'Who isn't leaking on this Prime Minister?' Who is not leaking on t
his Prime

Minister at the moment, even his own office?

This is a man who goes to the wall to protect people with seven investment properties like
he has. This is a man who will fight to his dying breath to protect people with seven
properties, but will never lift a finger for people trying to crack the housing market or people
trying to save for their own retirement. This has real consequences for Australian working
people. It is why Tom Garcia from the Australian Institute of Superannuation Trustees said,
'Reducing the CGT discount on super would hit the retirement savings of all fund members,
undermine investor confidence in the compulsory system and distort investment markets.'

These are the very real consequences of this secret plan, combined with what they have done
to abolish the low-income super contribution, freeze the superannuation guarantee and this
genius idea to let low-income workers opt out of the super system completely.

Today, we had the sad and pathetic spectacle of a Prime Minister who said that he would
provide economic leadership to this country. The whole rationale for knocking out old mate
over there in the corner was that he would provide economic leadership. Instead, all we have
from this Prime Minister and all of his minions is waffle and weasel words. On the Hansard
of this parliament, the official record, it could not have been clearer, 'We're not looking at
capital gains tax.' And today when he was asked about it, he was offended. How dare we
quote the Prime Minister's own words back to him! Is it any wonder, as the member for
McMahon said, that Ross Gittins has said that the PM has resorted to the same cheap tactics as the man he replaced.

On that side of the House, it is an economic policy circus. The Treasurer, the Prime Minister and the member for Hume are the clowns. They have done the impossible. The member for Hume stood here before and did the impossible: he made Joe Hockey and Tony Abbott look like economic geniuses. When he stood up here, and when the Prime Minister stood up here before, he did the impossible: he made the Abbott-Hockey era look like the golden age of economic policymaking in this country, the glory days of economic policymaking in this country.

There is one thing the Prime Minister said with which we agree, to be fair. He said, 'When it comes to economic policy, we are not rushing in.' That is what he said about their economic policy. That is true. After 2½ years, we have more debt, more deficit, high spending, tax to GDP at historic levels, employment higher than during the GFC, more chaos and confusion, but nothing whatsoever that resembles an economic plan for the future of this country. What that says about this Prime Minister after 2½ years is that he is long on promise, high on expectations but, at the end of the day, his economic policy is zero. It is nothing; it is nada. Like everything else that the Prime Minister of this country wanted us to believe he believed in, his economic policy is just a mirage, like all the other things—the republic, marriage equality and climate change.

Mr ALEXANDER (Bennelong) (16:14): Mr Deputy Speaker, thank you for the opportunity to contribute to this matter of public importance, and thank you to those opposite for choosing to give the parliament a full hour to detail the economic leadership that this coalition government has provided for our nation.

We have an economy that is in transition. As the mining investment boom peters out, there have been significant challenges placed on the economy, and yet through this, according to Australian Bureau of Statistic figures released last week, we have added 298,300 new jobs in the 12 months to January. This has led to an annual jobs growth rate of 2.6 per cent, which is well above the decade average of 1.8 per cent. These stellar results follow the government's outstanding efforts in opening up overseas markets through the signing of free trade agreements, our encouragement of competition through our response to the Harper review and our investment of more than $50 billion in infrastructure. To complement all of this, our innovation agenda will help to create a modern, dynamic 21st century economy as we implement key measures to continue building growth, confidence, workplace participation and, above all, more jobs.

We have announced 24 measures, involving $1.1 billion of spending, to create highly paid jobs and help Australia compete globally. This will encourage every business across the country to be more innovative, more entrepreneurial and more prepared to take risks. As the member who is proud to represent a region known as the 'beating heart of innovation' in Australia, I understand the need for us as a government to back Australians to innovate so they can back themselves to produce and provide towards our nation's economic growth.

Part of this conversation is the need for tax reform. Proposals to implement such changes need to be approached and considered in a rational and methodical manner. Australians do not expect policy development to be a running race; they expect their elected representatives to work through the issues, engage the nation in a conversation and finally create a better and
more sustainable tax system. As an example, in the later months of last year we did not shy away from a discussion on the GST. Through this conversation, Treasury modelling showed us that raising the GST in exchange for lowering income tax will not deliver significantly higher GDP growth. For this reason, the government will not be taking a GST proposal to the next election.

In this regard, at the next election, the Prime Minister and Treasurer will seek a mandate for tax reform that will drive stronger growth, savings and investment. We on this side understand that Australians are out there every single day working hard and earning and they pay taxes on those earnings. They save for their future and for their children, and they are investing in the opportunities that are out there. These are our constituents and they are key to jobs and growth in this country. They see an economy that is growing and is doing better than all the key economies in the OECD.

Let history be our teacher. When Labor were last in power, they stopped the live trade of cattle to Indonesia. This was an industry that employed the greatest number of Indigenous workers in the vast northern region. It generated over $700 million in export income each year. It was devastated and Australia, for the first time, was labelled as a nation of sovereign risk. Labor entered into an agreement with the pharmaceutical industry to abide by PBAC approvals in exchange for certain concessions. This agreement was reneged on and, around the world—Boston, Zurich, Geneva, London and New York—Australia was again seen as a nation of sovereign risk. Now to this policy on housing that is going to take away a third of the market.

Mr Conroy: With 45 seconds left.

The DEPUTY SPEAKER (Mr Goodenough): Order!

Mr ALEXANDER: Thank you. He can read the clock. Pity you can't do your numbers a little bit better. This is at a time when the Secretary of the Treasury has warned us that we are in a bubble situation. The market is volatile. This is a market that affects every single person who owns a house, rents a house or invests in housing. Yet this opposition, who would seek to be government, would devastate this $5 trillion market and devastate the value of every home or investment property owned by an Australian. The policy is awful and the timing is even worse. (Time expired)

Mr HUSIC (Chifley) (16:19): Last week the Treasurer visited the Press Club and, after 46 minutes, one side of the country looked at the other side of the country and said, 'What was that?' and the other side of the country went—

An opposition member: Alan Jones said, 'What was that?'

Mr HUSIC: Alan Jones and Ray Hadley. Everyone was wondering, 'What was that?' It was the weirdest speech from the person who is central to creating an economic plan, an economic vision, for the nation. What stood out—apart from nothing—in that speech was when he started recalling his friendship with some bloke called Clay Nelson from Texarkana. He is a Morrison mate. I should have guessed why he would be interested in this person. Apparently, Clay and his hunting friends would play pranks, such as throwing alligators in each other's tents. It sounds just like the coalition party room. No wonder these guys got on like a house on fire. The Treasurer said:
Clay would sit down with a client or a mate or a friend or whatever and the first thing he'd always say to you was: how can I help you win today?

Which is probably what he said to Malcolm. The Treasurer went on:

When you heard that for the first time, you sort of recoiled a bit as an Aussie and said 'That's a bit full-on. That's a bit much. Does the guy really mean it?'

And now they have become great friends. Then the Treasurer decided to channel Clay and he had this thing about how he would apply this to his job. He said: 'How can I back you in today?' This is what Scott Morrison is saying to the Australian public:

I'd say 'how can I back you in today?' How can I, as Treasurer, how can the Government back you in in terms of what you're doing and what you're hoping to achieve? And that's our job.

Who is this man? Is he the Treasurer or Anthony Robbins? This is a weird approach.

After he delivers his budget speech in May, will he say, 'Do you want a side of fries with that?' Is he going to upsize the budget at the end of it all? This is what we are expecting out of the Treasurer—that he will have this sort of hokey pokey motivational speaking type approach, when really the person who needs motivation the most is the Treasurer himself. He has had the rug pulled out from under him. He spent the bulk of his time talking up a GST which did not happen. He has no other options on the table. He looks at ours, rules them out and then talks about how he will bring them in himself. That is all he has.

The Treasurer talks about how he can help us today. I will tell him how he can help us today: come up with a plan. Why don't you come up with some sort of idea to help the economy? Why don't you actually do things that help people? Here's an idea: if you want to help people, why don't you make sure that education is properly funded in this country, make sure that our schools have a proper sense of funding instead of cutting everything? The opposition leader announced that we would back in and do what that side of politics said they would do at the election, that they would fund every single school properly. Why don't you do that? That is a plan in investing in the future of the nation, making sure we have the skills we need and helping the economy grow. How about that as a plan? Our communities want better health care. How about we don't force a whole lot of people to wait on the sidelines or to suffer and endure substandard health systems? Why don't you actually invest in that? How about you help us by putting back the money you cut from schools and from hospitals. How about that as a plan? When government revenue has been undermined by the fact that multinationals are gaming tax systems all over the globe, how about you come up with a plan like we did to tackle that—a real one, as the member for Rankin said, that would deliver $7 billion in terms of additional revenue for this country. When we have wealthy superannuants with accounts of $2 million and they draw $75,000 a year, how about we wind back the concessions and deliver something that is fairer to people instead of ripping superannuation out of low- and middle-income Australia? How about that? If you want to help us, come up with a plan like Labor has.

As Labor has said, there are problems in this country that we need to be able to deal with, but the textbook, the playbook, of that side of politics is this: whenever there is a problem in public life turn to one group of people to slug—low- and middle-income Australia. It is not a plan whatsoever. If you want to help us, get out of the way and let Labor lead this country again.
Mr BUCHHOLZ (Wright) (16:24): It is indeed a great pleasure to speak on the MPI on the government's failure to provide an economic plan for Australia. I just want to acknowledge the contribution of the member for Page, who rightly set out the government's plan when he spoke about how it affected his electorate. He spoke about the ongoing rollout of the CCT program. He spoke about the wide-ranging benefits of the free-trade agreement that are flowing today to his electorate, and gave an example of meatworks. He spoke about stronger communities grants. They are the fundamental building blocks of our plan. They are the fundamental building blocks for a plan to move this country forward and built on the principles of growth and jobs. We will continue to make sure that that becomes our mantra—growth and jobs—as we take our plan forward.

I draw to the attention of the honourable members in the chamber here today to the front page of today's The Australian paper. A Newspoll had polled on the two leaders, Malcolm Turnbull and Bill Shorten, and the economy. The results were resounding. The Australian people believe that the plan that we have, and that we are taking to the election, is sound, because it has been well-laid out. The evidence from the Newspoll, 58 to 22, was that Australians believe in our plan. They believe in our plan on climate change—51 to 23. They also believe in our national security plan—55 to 21. So, on all measures, the Australian public overwhelmingly support our plan.

When you have a plan you need to take the Australian public with you, and there needs to be an element of trust. I talk no other than our historical record when it comes to economic management. When we took government some years back, there was $96 billion worth of debt—

Dr Chalmers: You did set a new mark for economic management.

Mr BUCHHOLZ: Absolutely, because that is the plan that brought us back to economic prosperity. Back in those days, we had the opportunity to sell down a rather large asset for $45 billion in the way of Telstra. We no longer have those assets, so our path to economic fiscal recovery will be somewhat longer. But we are up for the journey, because we will reduce our spending in the forward estimates.

I cannot miss the opportunity to follow the line of commentary that my colleagues have taken when it comes to Labor's past plans and record—that is, when you rush out policy it can be detrimental to the economy. I speak of none other than the old chestnut of the live cattle export debacle. The point I make with reference to live cattle export is that we only had eight per cent exposure to the international market. We talk of an 'enormous' hit. In my electorate of Wright, when those cattle no longer had homes, or markets to be filled in the international space, the cattle prices were immediately impacted in my local selling yards of Beaudesert, Moreton, Silverdale and Kalbar.

Labor, today, have spoken with great gusto about their capital gains tax plan. I suggest that, on every level, it fails every test. Influencing 30 per cent of the market to exit will have a detrimental impact in that space. I remind the House of Labor's plan for the mining tax. They rolled out a mining tax—a tax that raised no money. It was ill thought out. I remind the House of Labor's of the pink batts program—they rushed the rollout of that plan. There are many other program debacles because they were rushed and not well thought out. We will make no apology for working carefully, methodically, diligently towards jobs and growth with our new jobs packages.
Turning to the current economy and the transition we are making from the mining economy to the service economy, our plan has delivered just on 300,000 new jobs since we have been in office. We have seen the employment rate growing at around 2.6 per cent—higher than the average decade growth rate at 1.6. I want to talk about our plan and to remind the House of free-trade agreements with Korea, Japan and China. This plan is well thought out. As a government, we are the best sort to lead the country.

Ms BUTLER (Griffith) (16:29): It is such a pleasure to speak in this debate, on this matter of public importance, about the government's failure to deliver an economic plan for this country, because hasn't that failure been so comprehensive, so utterly disappointing? This is a Prime Minister and a Treasurer who swept into office six months ago on the basis of what they said was the member for Warringah's failure to have an economic plan.

'A failure to have an economic plan' rings a bell for me. What happened? Six months later there is no economic plan. All we have seen is flipping and flopping and dithering. This man could dither for Australia. It is deeply impressive how much this man can dither. We are talking about a Prime Minister who says, 'We don't want to rush into any policy.' You have had six months as Prime Minister. You are not going to rush. You will be lucky to get any policy out, before the election, the way you are going, Prime Minister.

What have we had, here, today? Has the Prime Minister bothered to come in and defend his government's lack of an economic plan? No. Did the Treasurer bother to come in for this debate?

Dr Chalmers: No. He is still at the Press Club!

Ms BUTLER: He is still at the Press Club giving the longest, most waffling speech of all time. They sent in the poor old parliamentary secretary, the member for Hume—the Ronald Reagan of Australian politics, with his Reagan era slogans and his Reagan era belief in the trickle-down economics model that has been so categorically discredited and disproved. The Reagan of this parliament came in and said: 'Guess what? I have a big surprise for everyone. It's a massive shock. You're going to be amazed!' It turns out, for economic growth—I know you guys are going to be amazed—you need productivity. My God! We were shocked. We were amazed by his economic insight.

This is a man who spoke for most of his speech about his management consultancy background. He did come in with his little bit of advice for us, it turns out, that productivity matters. But hang on a minute—what is his portfolio? Is it cities? It is. He is the parliamentary secretary for cities. Isn't that fantastic! Isn't about 83 per cent of our economic activity taking place in Australia's cities? It is about that. You would think that a parl sec for cities would come in here and talk about productivity. You would think that he would connect the dots and talk about productivity in our cities. Maybe that will be part of their plan. Maybe they will think about the need to increase the productivity of cities—along with liveability and sustainability.

What did he talk about? He had nothing to say about improving the productivity of our cities. He had nothing to say about the fact that under this government public sector investment in infrastructure has collapsed by 20 per cent. He had nothing to say about the fact that this government has taken away funding for public transport. He had nothing to say about the fact that this is a government that cares so little about productivity that instead of getting
on with a real tax reform debate all they have been prepared to do is flop around with ideas, run things up flagpoles and pop up balloons.

And what do you see? What is the consequence, for the nation, of these failures? We have a Treasurer who is channelling the Prime Minister by being a world-class waffler at the Press Club. And wasn't that a train wreck! We have a Prime Minister who is channelling the guy he deposed. Imagine being the member for Warringah in today's question time. Wouldn't you be sitting there going, 'Oh, my God! What on earth.' I am a much better Abbott than this guy is, yet they put him in. Seriously, Malcolm, you are not as good an Abbott as Abbott. If you are going to be Abbott you might as well have the actual Abbott. I bet you guys who voted for Tony are saying, 'We were right.' Why did all you guys vote for Malcolm? There was no change. Surely, if you were in that party room, right now, you would be thinking, 'I wonder if all that pain was worth it?'

The Prime Minister is a second-rate Abbott. The Treasurer is a second-rate Prime Minister. And what is the consequence for the nation? They cannot even work out what they want to do with CGT. Yesterday, the Prime Minister was in here saying, 'That is no part of our thinking, whatsoever.' What happened last night? We found out that, in fact, touching the CGT was part of their thinking. How did we find out? The Prime Minister's own office leaked against the Prime Minister! What an own goal. Let's be honest. Anyone in this government could have leaked it. You all want to. I have read your talking points from today. I have had a sense of deja vu, during the course of this debate, having already read what you were going to say.

Putting that to one side, we all know that this is a Prime Minister who has no idea of what is going to happen with tax reform. To be proven so clearly, today—and for him to stand up in question time and try to convince us that even though we had repeated the words that he said somehow, the rest of the world was wrong, because Malcolm could not possibly, just demonstrates the hubris of— (Time expired)

Mr NIKOLIC (Bass) (16:34): I appreciate this opportunity to talk about economic plans. I am particularly pleased that the member for Rankin is in the House, because he was at the heart of the Labor Party's economic plan from 2008 to 2013. I will be saying something about that later on in my speech. Deputy Speaker, I would like to provide you with a case study on economic plans. I am going to use my home state of Tasmania because, by any measure, Tasmania is in a much stronger position today than it was at the time of the 2013 election.

When I went the 2013 election the unemployment rate in Tasmania was 8.6 per cent. I am pleased to say that today it is some 25 per cent lower, at 6.6 per cent, with some 10,000 jobs created. Our state colleagues report that Tasmania's finances are under control. They will be back to surplus in 2017 and every year of the forward estimates. Compare that to the situation that existed when the governor-general opened the 44th Parliament. I listened to her remarks with mixed feelings, because she singled out Tasmania for some special attention. What we heard was a very poor dividend for 16 years of Labor and Labor-Greens government in Hobart and six years of Labor and Labor-Greens government, here, in Canberra. At that time, the unemployment rate in Tasmania was the highest in the country. The participation rate was the lowest.

Opposition members interjecting—
Mr NIKOLIC: Members opposite can laugh at that, but it was a serious state of affairs affecting many people in my community. There had been 11,000 full-time jobs lost, in Tasmania, between 2010 and 2013. In 2010, you might recall, the Bartlett government began its alliance with the Greens. I have a quote from *The Examiner* dating back to 16 February 2012. It states:

A predicted underlying surplus has been revised as a big deficit … economic growth is expected to decline … the Government will fail to meet savings targets … unemployment will continue to be relatively high … on top of this gloomy set of numbers, the forestry peace process has collapsed … Ms Giddings and her Greens cabinet colleague Nick McKim are at war … cabinet solidarity has been so bastardised as to be unrecognisable.

It was so bad that the front page of *The Examiner* on 12 July 2013, just before the 2013 election, announced that Kevin Rudd, the then Prime Minister, was coming to Tasmania on a rescue mission on the back of the worst employment figures in Tasmania in the last 10 years. So it is little wonder that Labor got the worst vote in a century at the 2013 election and the Giddings government was thrown out in 2014. It is little wonder today that Tasmanians fear the return of the Labor frontbench, because it is pretty much unchanged from the same group that caused such economic vandalism from 2008 to 2013. We have a situation today where we borrow $1 billion every month just to pay the interest on our debt. That is $12 billion per year—an extraordinary opportunity cost that would fund 12 new teaching hospitals in this country.

Dr Chalmers: The deficit is twice as big now!

Mr NIKOLIC: I have news for the member for Rankin, who keeps interjecting: Australians do not want a return of Labor's economic plan. They do not want your tax, borrow and spend plan. What sort of plan is that? The member for Rankin celebrated that our debt to GDP ratio was below that of Spain, Greece and the other sick countries of Europe. Australia does not want your economic plan, member for Rankin, because you and your frontbench are at the heart of the economic problems that befall our country today. It is not the plan that Australians want, and the chief culprits of that economic vandalism sit opposite. What they want is resolve. They want the economic recovery plan that is being delivered to Tasmania with a joint Commonwealth and Tasmanian Economic Council and a major projects approval agency—(Time expired)

The DEPUTY SPEAKER (Mr Mitchell): The time for the discussion has concluded, it being 4:39 pm.

**MOTIONS**

**Prime Minister**

Debate resumed on the motion:

That so much of the standing orders be suspended as would prevent the Member for Watson from moving the following motion forthwith—

The House:

(1) notes:

(a) that yesterday in Question Time, the Prime Minister said, and I quote, "increasing capital gains tax is no part of our thinking whatsoever";
(b) that just hours later, the Prime Minister's own office confirmed to media that not only had the Government not ruled out changes to capital gains tax, it was still actively considering changes;

(c) that leaked Coalition talking points from the Prime Minister's own office contradicted the Prime Minister's statement in Question Time yesterday; and

(d) therefore, by the admission of his own office the Prime Minister has misled the Parliament and through it the Australian people; and

(2) calls on the Prime Minister to immediately attend the House to correct the record in accordance with Clause 5.1 of the Prime Minister's own Statement of Ministerial Standards.

The DEPUTY SPEAKER (Mr Mitchell) (16:39): In accordance with standing order 133(c) I shall now proceed to put the question on the motion moved earlier today by the honourable member for Watson, on which a division was called for and deferred in accordance with the standing order. No further debate is allowed. The question is that the motion be agreed to.

The House divided. [16:43]

(The Deputy Speaker—Mr Mitchell)

Ayes .................... 50
Noes .................... 80
Majority .................. 30

AYES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Hall, JG (teller)
Husic, EN
King, CF
MacTiernan, AJGC
Neumann, SK
O’Neill, CE
Parke, M
Piborski, TJ
Rowland, MA
Swan, WM
Thomson, KJ
Watts, TG

NOES

Alexander, JG
Andrews, KL

Andrews, KJ
Baldwin, RC

CHAMBER
NOES

Billson, BF
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Cobb, JK
Coulton, M (teller)
Entsch, WG
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Varvaris, N
Wicks, LE
Wilson, RJ
Wyatt, KG

Bills

Broadcasting Legislation Amendment (Digital Radio) Bill 2015
Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Bill 2015

Returned from Senate

Messages received from the Senate returning the bills without amendment or request.
Mr RUDDOCK (Berowra) (16:49): On behalf of the Parliamentary Joint Committee on Human Rights I present the committee's report entitled, *Human rights scrutiny report: thirty-fourth report of the 44th Parliament*.

Report made a parliamentary paper in accordance with standing order 39(e).

Mr RUDDOCK: by leave—I thank the honourable member for Moreton for the granting of leave. He appreciates the importance of human rights issues.

Of course, I rise to speak to the tabling of the joint committee's report. This report examines the compatibility of bills and legislative instruments against our international human rights obligations. This report considers bills introduced into the parliament from 2 February to 11 February and legislative instruments received from 11 December 2015 to 21 January 2016.

The report includes the committee's consideration of 12 responses to matters raised in previous reports. Thirteen new bills were assessed as not raising human rights concerns. The committee will seek a further response from the legislation proponents in relation to two bills. The committee has also concluded its examination of four bills and eight regulations.

As members would be aware, the committee's reports generally only include matters that raise human rights concerns. The committee is, typically, silent on bills and instruments that are compatible with human rights. This means that often good work of ministers in ensuring compatibility of legislation with human rights goes unnoticed. It is on that basis that I seek to draw to members' attention an instrument recently made by the Minister for Employment, Senator Cash, entitled 'Social Security (Parenting payment participation requirements—classes of persons) Specification 2016 (No. 1)'. I can see that has everybody's attention!

The instrument limits certain parenting payments to particular classes of persons, with the objective of encouraging them to progress towards and achieve beneficial education and employment outcomes. The statement of compatibility for the instrument identifies the limits this places on the right to social security and other rights, and provides an informative and evidence based analysis that clearly addresses each element of the committee's analytical framework. A statement of this quality allows the committee to accept the conclusion that the instrument is compatible with human rights without the need to write to the minister, seeking further information. And thus I do encourage other ministers and legislative proponents to consult this statement of compatibility as a fine example of how to use the committee's analytical framework to assess and provide justifications for measures that might otherwise limit or appear to limit human rights. I commend the minister and her department for their engagement with the human rights considerations and the work of the committee.

The report, of course, includes the committee's final consideration of a number of pieces of migration legislation. There are the Migration and Maritime Powers Amendment Bill (No. 1) 2015, the Migration Amendment (Complementary Protection and Other Measures) Bill 2015 and the Migration Amendment (Conversion of Protection Visa Applications) Regulation
2015. This legislation makes a number of technical changes to clarify the extent to which various protection claims will be allowed to be made under the Migration Act.

While recognising the importance of Australia's border protection policy and the humanitarian imperative of saving lives at sea, the committee does make a number of findings of incompatibility with human rights in relation to these pieces of legislation. One of the central issues is the extent to which it is compatible with our human rights obligations to remove statutory protections and to replace them with administrative safeguards and the minister's non-compellable powers, which, of course, are non-compellable. The legal advice to the committee is that administrative processes alone are insufficient to meet the international human rights standards.

I must say I think it is important to distinguish between powers and obligations of a minister accountable to parliament and that of a minister in a government without a robust democratic system and standards of government that exist here in Australia. However, regrettably, human rights law does not make these distinctions, and this is reflected in the report's considerations and conclusions. Where those conclusions do identify concerns, the report usefully provides suggestions as to how the migration bills may be improved to better meet our international human rights obligations.

As always, I encourage the few members left—and others, of course—to examine the committee's report to better inform their understanding of the committee's deliberations. With these comments, I commend the committee's 34th report to the 44th parliament to the chamber.

**BILLS**

Narcotic Drugs Amendment Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HOGAN (Page) (16:55): I rise to talk for the Narcotic Drugs Amendment Bill 2016. I understand that some in our community may find this bill controversial, but this bill is about one thing. It is about giving our doctors and our medical professionals a range of options when prescribing pain relief for their patients who for various reasons cannot take pharmaceutical drugs. It should not matter that cannabis is naturally grown and is not made in a laboratory. This bill is not about legalising recreational drugs, nor is it the thin edge of the wedge on that issue.

Patients can currently access cannabis for medicinal purposes under the supervision of their doctor. However, it is difficult to find suitable products. I have two friends that I personally know have for palliative care reasons tried a number of pain relief methods. Both of them use an oil that they put on their necks. The medicinal cannabis has worked for them like that and has proven to be very valuable for their pain relief. There is growing community expectation that some patients such as those with MS or terminal cancer or children with forms of epilepsy have a ready source of medicinal cannabis products that their doctor can prescribe.

One of these friends has told me that they actually do access this illegally. It is recognised that in certain circumstances access to approved treatments may provide some benefits: pain
relief, nausea control and increased appetite. There are many reports that patients and carers of patients are breaking the law by obtaining these products from illegal markets. They are not regulated; therefore, there can be no guarantees for their safety and their quality. When you are growing it or buying it from a source that is not regulated, obviously there can be great variance in the product. This obviously exposes patients, who are challenged with their health and doing this for palliative care, to health risks and, in many cases, their carers or themselves to criminal prosecution.

Because of the criminality associated with this, decisions to use medicinal cannabis are often made without the appropriate medical advice or a suitable medical practitioner. This particular friend of mine was not prescribed this or recommended this by a doctor; it was hearsay and word-of-mouth from someone else who was using it in a palliative care sense. If there is regulation as we are doing, it would always be by a doctor, it will be supervised as such and the product will be regulated.

There is significant support for this in the committee. In a 2013 survey 75 per cent of people supported a clinical trial of cannabis to treat medical conditions and 69 per cent would support a change to the legislation to permit the use of it. The different states and territories are also making different inroads to this. The New South Wales government is investing in clinical trials that will explore this as well. The Victorian government is doing similarly.

Currently in Australia, there are systems in place to license the manufacture and supply of cannabis based products in Australia; however, there is no mechanism to allow the cultivation of a safe, legal and sustainable local supply of the raw material. This has meant that Australian patients, researchers and manufacturers have had to access international suppliers of legal medicinal cannabis crops. Limited supplies and export barriers have also made this expensive and difficult. Permitting this for medicinal purposes will address the sourcing problem where supply has been provided for under the Therapeutic Goods Act.

Australia also has international obligations to carefully control, supervise and report on the various stages of narcotic drug cultivation, production and manufacture under the 1961 single convention. This enabling legislation for these obligations is in the Narcotic Drugs Act 1967, which is currently administered by the Minister for Health and the Attorney-General.

With regard to cannabis, the primary obligation is to prevent cannabis cultivated for medicinal purposes being diverted to illicit users. So this will be tightly administered, because obviously we do not want this product to start to be cultivated and produced in this country legally then diverted to illicit users.

Further, the Commonwealth is obligated under the single convention to take the sole legislative responsibility for licensing and determining where cultivation can take place. The Commonwealth cannot rely on state and territory legislation to fulfil its obligations. Australia is also expected to tightly control the amount produced so it only meets the demand for medicinal purposes. The Department of Health will be required to report regularly to the International Narcotic Control Board at the United Nations.

The circumstances under which medicines and chemicals are accessible to consumers in Australia are determined through a classification process known as scheduling. Scheduling decisions made under the Therapeutic Goods Act are independent of ministerial involvement. By this process, cannabis is included as a prohibited substance under schedule 9. This
scheduling means the manufacture, possession sale or use of cannabis is prohibited unless approved by relevant authorities for medical or scientific research. On 21 January 2016 a proposal to reschedule specific forms of cannabis for specific uses was posted for public comment. The proposal will be considered by the advisory committee on medicines scheduling on 16 March following public comment.

A change to the schedule will still require prescribing to have very careful oversight, including by state and territory authorities, but would enable prescribing in many cases. At present, no form of cannabis can be registered for therapeutic use in Australia unless an application is made to the TGA with supporting data to assess its quality, safety and efficacy. Until a sponsor makes an application for registration of medicinal cannabis product, the TGA cannot register the product; however, the legislation recognises that there are some clinical situations where unregistered products should be prescribed after appropriate consideration by a medical practitioner in consultation with the patient.

Although the Commonwealth currently has laws to regulate the import, export and manufacture of some cannabis, existing legislation does not permit the cultivation of cannabis plants other than for industrial or horticultural purposes. In addition, existing manufacturing provisions are inadequate to appropriately manage the risks associated with the potential for diversion of medicinal cannabis products and other narcotic drugs.

This bill will provide a legislative framework that will enable cannabis cultivation in Australia for medicinal and research purposes. These amendments also ensure that, when cultivation, production and manufacture of cannabis for medicinal purpose begin, Australia will remain compliant with its international treaty obligations as defined in the single convention.

The Commonwealth will control all regulatory aspects of the cultivation for medicinal purposes through one national scheme, which is why it needs to be done at the Commonwealth level and not state. Manufacture will be a joint responsibility between the Commonwealth and the states and territories, which is consistent with the single convention obligations. Access to any cannabis products manufactured under the scheme is also a joint responsibility, with supply being controlled by provisions under the Therapeutic Goods Act working in tandem with state and territory drugs and poisons legislation.

The bill, importantly, does not override any state or territory legislation dealing with criminal activities associated with the cultivation and trafficking of cannabis that occurs outside the regulatory scheme it establishes.

The bill provides two types of cultivation licences: one that allows for the cultivation of cannabis plants for the production of cannabis for medicinal purposes; the other to authorise cultivation for research purposes related to medicinal cannabis. For both forms of cultivation, an applicant for a licence to cultivate must be a 'fit and proper person' according to the criteria set out in the bill and must demonstrate that they can adequately manage the physical security of the crop.

Cultivation of cannabis carries a particularly high risk of diversion because the product can be readily used in its raw state and is likely to be attractive to organised crime seeking to hide illegal activities under cover of a Commonwealth licence. The provisions in the bill are designed to manage these risks. They do this by ensuring that the applicant or licence holder
does not have ties to criminal activity, has the financial resources to participate in the industry, and can satisfy security and other requirements of the conditions of the licence. The combination of a licence and permit system will control the quantities and strains of cannabis that can be cultivated. Where the cultivation is for production into medicinal cannabis products for supply to patients, these permits will be managed to ensure that the amounts of product manufactured are planned in advance, relative to proposed usage, and do not exceed permitted manufacturing limits. The permit system will also allow the Commonwealth to discharge its estimate and reporting obligations to the International Narcotics Control Board.

Additional amendments are proposed to the existing manufacturing provisions, which have not been substantively updated since they were introduced in 1967. This will deliver consistency in the requirements for a licence for manufacturing for all narcotic drugs, along with ensuring regulatory best practice. In particular, these changes introduce the same requirement for a cultivation licence of an applicant or licence holder and any relevant business associates; they must be 'fit and proper'.

The same high standard must be applied to all parts of the cultivation and production process. To only apply a higher standard to cultivation could focus criminal activity on the other part of the production chain, the manufacture, where entry is legally easier. This would seriously compromise Australia's ability to meet its public health and international obligations. Similarly, it would be inappropriate to limit the fit and proper person test to just the manufacturer of cannabis products. Other narcotic drugs represent significant public health risks, so a similar level of control for all narcotic drugs is necessary to protect public health.

Amendments to penalty units will ensure that the new legislation is consistent with other Commonwealth legislation. As the Narcotics Drugs Act has not been relevantly updated since 1967, this revised approach to penalties will also ensure that the penalties are a sufficient deterrent. The introduction of civil penalties and their enforcement ensures a consistent operation of the scheme.

The decision-making power to grant licences will no longer reside with the Minister for Health but with the secretary of the Department of Health. This will allow an internal review of decisions to be undertaken by the Minister for Health rather than through direct appeal to the Administrative Appeals Tribunal. This approach ensures that applicants and licence holders will have more timely recourse in case of a dispute over decisions made by the department. This also ensures that the process is consistent with the new licensing provisions for cultivation inserted into the act.

The bill provides for a secure supply chain, from cultivation to manufacture to product and then to patient, with a medical prescriber involved as appropriate. Product identification will occur in two ways. A product is defined for use in a clinical trial related to a particular condition and supplied to patients who qualify for inclusion in the trial. This product might subsequently be supplied to patients not fitting the clinical trial protocol through a pathway such as the Authorised Prescriber Scheme. A state or territory based access scheme identifies what product or products are to be supplied to a defined patient group. For example, the Victorian government has proposed a medical expert committee to help identify appropriate products.
Manufacturing can begin once a medicinal formulation of cannabis is identified. There are already provisions in the act through which manufacturing of a narcotic drug can be licensed. The bill updates and strengthens these provisions and introduces specific requirements for the supply of manufactured cannabis products for medicinal use in accordance with the act.

States and territories will continue to have a central role in enabling access to the products, particularly with regard to scheduling. Each jurisdiction will be responsible for enacting though the medicinal scheduling legislation. This will establish a robust and secure system. Importantly, it puts the medical professional back into the decision-making process to ensure better outcomes for patients while ensuring that patients have a safe supply of product.

Ms MacTIERNAN (Perth) (17:10): This will be a day of some considerable celebration by many Australians who are suffering, or whose children are suffering, a variety of medical conditions and who find very real relief in the use of cannabis. We are talking about conditions such as epilepsy, glaucoma, migraine, pain associated with degenerative diseases and spinal injuries. We also know that this is a product that can assist those many tens of thousands of Australians who are going through chemotherapy at any one time as they seek to struggle with the nausea that often is generated by the chemotherapy. So it is important that here we are, beginning to understand that we need to act on this, that we need to put aside some of the past irrationalities that have surrounded the use of cannabis and many other drugs in this community and start coming up with a series of very well thought through, rational policies to allow us to get this mix right—to get our legislative regime on a proper, rational path.

I do note with some interest that it was 90 years ago that the Commonwealth first legislated to ban cannabis in Australia. Subsequently a series of complementary state legislation was introduced, but it was 1926 when the Commonwealth first legislated in this area. Certainly in the 19th century cannabis had been a very commonly used pharmaceutical or medical therapy. It was recognised that it had very positive qualities. At the turn of the 20th century cannabis became very much tied up with big debates about migration, both in America and, to a lesser extent, in Australia. But certainly we had our own version of that and concern over opium, and our attitudes towards opium became very much intermingled with issues associated with migration from Asia. In the United States, which led the charge in the banning of cannabis, it was very much associated with Mexican migration.

So we have finally come back to a point, and it is part of the cycle, where we are beginning to understand that many naturally occurring products are very beneficial and have real medicinal qualities and we are prepared to move beyond some of the almost hysterical reactions to these products and put in place an access regime that will allow people who really can benefit from the use of those drugs to do so.

The Narcotic Drugs Amendment Bill 2016 is a very cautious piece of legislation, I think. It has been embraced, because the state governments of New South Wales and Victoria have indicated that they want to commence a process of clinical trials for cannabis derived products. Both New South Wales and Victoria will be doing trials into the treatment of children with severe drug-resistant epilepsy. This is a very real issue. In my home state of Western Australia, Suresh Rajan, the chief executive of the epilepsy association, said that he would have up to 100 mothers who use it on their children illegally. He was part of the advocacy group that got us to this position today, where we are going to see a series of trials.
I am very pleased that New South Wales have also indicated that they will not be confining their trials simply to children with drug resistant epilepsy but they will also be doing separate trials, hopefully, on adults with terminal illnesses, focusing on improving quality of life and the symptoms of pain, nausea and vomiting. They will also be looking at a trial for adults with chemotherapy-induced nausea, where standard treatments are ineffective. So there will be considerable movement with these trials that are going to take place in those two states.

In order to allow this to happen, to give the states the capacity to do this, we must amend our national regulatory regime. I am very pleased to say that we have had bipartisan support on this. I acknowledge the parliamentary friends group that has been pushing for this for some years. I also acknowledge all those people with medical conditions and their families who have, with so much vigour and integrity, pursued this issue. I very much look forward to these trials being concluded and us then allowing any of the persons within those classifications to have access to the very therapeutic benefits that I am sure will be upheld as a result of these trials. The anecdotal evidence, the historic evidence, is so strong that I think we can be fairly confident that there will be positive outcomes from these trials.

It is interesting reflecting on some of the history. Some of the historical opposition to the use of cannabis has come from pharmaceutical companies who prefer to ensure that their own manufactured products have exclusivity in the marketplace. I just hope that we are now at a place of sufficient rationality where we can let the science, and not the benefit of these pharmaceutical companies, be the force that drives the policy settings that we have. There is some disappointment amongst some of the activists in this area that the bodies that are going to be able to grow and supply will tend to be commercial entities, but, in order to get this underway, this is perhaps not an unreasonable first step. But, into the future, once we have gone through this trial process, I think we should be very open to ensuring that we review who we are going to be prepared to licence.

The previous speaker, the member for Page, expressed concern that cannabis may get into the hands of organised crime. One of the ironies is that it is our legislative regime that has, to a very large extent, driven the organised crime. If you look at the history of the introduction of prohibition of alcohol in the United States, it led to the wholesale establishment of Mafia and, no doubt, 'Ndrangheta and other organised crime syndicates in the United States. We see much the same thing with the drug trade. It is the very illegality—the insistence that we focus so much on the supply side and not the demand side—that has led to the generation of organised crime.

It is important that, as well as dealing with this issue of the medicinal use of cannabis, in the longer run we be prepared to look at a more rational regime around the more general recreational use of cannabis. At this point, I note that I am veering into my own space and not necessarily determined Labor Party policy. But I was pleased to be part of a Labor government in Western Australia that introduced a measure of decriminalisation of cannabis, because we understood that, the more that you can take this out of the hands of organised crime, the better it is for society. It is a pretty widely used drug within the community. There is an argument that this has become a 'gateway drug'. If there is any truth in it, it is true because we are connecting people to organised crime and to other drugs by requiring this to be a drug that is in fact only marketed through organised crime.
It is interesting that not only are there more than 20 states in the United States that have permitted medical cannabis to be prescribed but there are a number of states now that are moving towards a more general decriminalisation of cannabis, in recognition that we really need to deal with the demand side and that all we have really been doing, to a very considerable extent, is providing a business model for organised crime. I would hope that this is a debate about which we can be a little more rational into the future, and that this small and modest step towards trials of medicinal cannabis will start opening our minds to a more objective assessment of how best we deal with the problem of drug use.

I do not think it is possible to exaggerate the destructiveness of ice, for example, on individual users and the degree to which people from all socioeconomic groups in society—not just people that have family problems, or personal problems, but indeed anyone—can very, very easily find themselves in the grip of ice. I wonder whether or not part of our difficulty in controlling this is because we tend to take the same attitude towards all drugs, all psychotropic substances. This perhaps undermines our credibility with those people who we would seek to educate about those drugs that have very, very significant risks. We often do not send out a nuanced and, dare I say, believable message to many of our young people because we lump all of these substances in together with the label 'bad'.

I certainly have long been part of a drug law reform movement that believes that the focus on harm minimisation must be the way to go and we must be looking as much at the demand side as the supply side and that is deeply concerned about the power of organised crime about the business model that we are making available to organised crime with our current regime of drug laws. Again, I compliment all the people who have been involved in lobbying for this legislation over the years. I really hope many people will find a great deal of relief.

Ms LANDRY (Capricornia) (17:24): The term 'cannabis' is a word that has been demonised in a modern, wealthier society because it conjures up images of druggies, déros, young people off their face on pot, bongs, unlawful pipes, the illicit drug trade, crime gangs in the Mafia, illicit marijuana crops hidden in the bush, people murdering and shooting at each other to protect their illegal crops, and a range of undesirable behaviours from the people who use it. I must confess that until recently I too never really saw much good in the term cannabis. That is until many people in my electorate of Capricornia began talking to me about the medicinal use of cannabis for serious health reasons.

I must state that cannabis used for medical reasons is, of course, a different strain to that peddled by Mafia drug gangs. Since I have learnt more about the medicinal value of cannabis and the role it can play in pain relief for chronic or terminally ill patients, I have thoroughly changed both my mind and attitude towards the term cannabis.

Let me give you an example. Recently I met Greg from the northern part of my electorate. Greg suffers from Guillain-Barre syndrome, or GBS, and has used cannabis to assist with pain and respiratory symptoms. GBS is an autoimmune disease that attacks a person's nerve system, weakening the body's immune defence system. As a result, parts of the nerves are damaged, delaying signals to the brain and body. It can cause paralysis, muscle weakness and other painful conditions. It can also lead to life-threatening complications to a patient's respiratory muscles, making it painful and hard to breathe. Greg described bouts of severe and chronic pain and said he uses cannabis to help alleviate the harsh symptoms and pain.
Another person I met was Lucy. Her son Daniel suffered terminal bowel cancer. It was extremely painful. Cannabis relieved the dreadful pain and the symptoms he was suffering. Sadly, Daniel passed away last year. Lucy has been a tireless advocate for cannabis law reforms.

Today's bill is about making change to ultimately help people like Greg and Daniel to find a solution to overcome such medical related pain. Today, I put my full support behind changing the law to pave the way for the legal cultivation of cannabis for medical products.

This coalition Narcotic Drugs Amendment Bill 2016 aims to amend the Narcotics Drugs Act 1967 to enable the cultivation of cannabis for medicinal use. This will eventually allow patients access to legally manufactured cannabis therapeutic products. This bill will be a big step forward for people suffering serious illness, as it will allow professional farmers to cultivate cannabis that will be used to make products for medicinal use in Australia. Children with epilepsy, people with cancer and other major painful conditions would be able to access such products—most likely by prescription.

Importantly, the appropriate strain of cannabis would be farmed by responsible growers licensed to cultivate the crops under strict conditions. People should not think this is an open door for them to grow pot in the backyard claiming it to be for medicinal use. The quantity and strains of medicinal cannabis that could be cultivated would be strictly controlled and regulated under a permit and licensing system with professional farmers. Growers would have to be deemed responsible people and fit for acquiring such a permit.

The amendment would create a national law for the entire country, taking away confusion among various state jurisdictions. It is not our intention for patients to smoke cannabis but instead to use cannabis based products such as sprays, skin applications and oils. This is exciting for both patients, who can benefit from legal cannabis medicines, and for our agriculture industry—particularly in Capricornia which has a unique opportunity to tap into a new crop and a potentially lucrative market. The federal government intends that in the future Australia may be able to export such cannabis products overseas, adding value to a fledgling industry.

Ms PARKE (Fremantle) (17:30): As co-convenor of the Parliamentary Group for Drug Policy and Law Reform, I am very pleased to have the opportunity to speak on the Narcotic Drugs Amendment Bill 2016, which will allow for the growing of cannabis for medicinal or scientific purposes. This bill is the first step of many along the path to sensible and significant reform in this area, and it is due in no small part to the tireless advocacy and work of a number of people. I particularly want to pay tribute to Lucy Haslam and her son Daniel, who did so much to raise political consciousness at state and federal levels about this issue that affects so many people in the Australian community. For many Australians suffering chronic pain, seizures or nausea, cannabis is the only substance that can provide them with any relief, and yet currently these Australians and their loved ones must act illegally to obtain that relief. That is an absurd state of affairs, as reflected in the extremely high level of public support for Australian governments to take action to make medicinal cannabis legally available. This bill begins that process.

The bill will allow for the cultivation and manufacture of cannabis for medicinal or scientific purposes, and there will be countless patients, carers, medical practitioners and industry stakeholders, along with many in the wider community, who will be elated by this
bill—a law that shows the government has finally caught up with both the public health science and the legitimate needs of the wider community. But the bill does not legalise the sale, possession or use of cannabis without an application for special access from the Therapeutic Goods Administration, the authorised prescriber scheme, or as a part of an approved clinical trial.

Applications to the TGA for special access by individuals have in the past been difficult as the growing, processing and distribution of the drug has not been permitted through an appropriately regulated framework. This has meant that the pharmaceutical standard and quality is uncertain, and of course it has often necessitated the acquisition of cannabis in a way that makes life more difficult for people already facing grave health issues.

The development of a single national system for the growth and distribution of cannabis is a significant reform, but it is essential for the national government to work cooperatively and quickly with states and territories to amend local laws to reintroduce the lawful use of medicinal cannabis to ensure there are no barriers to access. After 50 years of prohibition, such a move will unquestionably improve the lives of thousands of people who suffer from painful and chronic conditions and, in so doing, will make life easier for their families and carers by allowing them to access safe, reliable and legal medicinal cannabis.

The legalisation of medicinal cannabis will also require the TGA to reschedule cannabis from a schedule 9, prohibited substance, to schedule 8, controlled drugs, which will enable doctors to prescribe the drug to patients. It would also require Australia to ensure that the provision of cannabis does not breach Australia's international drug treaty obligations. It is clear that there needs to be a nationwide approach, with an independent regulator to ensure that patients who are suffering have timely access to this lifesaving drug, regardless of where they live.

Of course, the finer details will need to be negotiated. This includes identifying and resolving issues with the supply chain. Pharmacies should have the ability to store and distribute the drug to patients with prescriptions. The idea that hospitals themselves should store and dispense cannabis is not a practical option and could see patients turning to an unregulated source for the drug. As the legislation will ensure that there is an appropriate supply chain from which there is little risk of diversion, it seems an unnecessary step. I also have some concerns over the assessment for applications for licences. It is essential that in its endeavour to find 'fit and proper persons' it does not discriminate unnecessarily, particularly in relation those who may have committed a minor crime or who may not have any previous business experience but would be suitable to produce this medicinal plant.

An agreement regarding the movement of the drug by a person between states and territories needs to be negotiated to ensure that a person who has been prescribed in a participating state or territory can continue to use the medication while in another part of the country. In addition, the drug driving laws remain of concern, as I understand there are no current plans to consider amending laws to ensure that those taking medicinal cannabis lawfully are not impacted. I am in no way condoning driving under the influence of drugs, and those taking the drug would need to ensure that they adhere to medical advice regarding operating heavy machinery, as per any other drug; however, those who are using the drug safely and who may still have the drug in their blood system after a safe amount of time should not be penalised.
Further clinical trials are needed to attain a clear understanding about which health ailments will benefit from medicinal cannabis; however, we have already gained a wealth of data that confirms the therapeutic potential of the drug for a number of health issues. Cannabis has been shown to work as an analgesic for chronic neuropathic pain, as an appetite stimulant and antiemetic—to prevent nausea and vomiting after chemotherapy—and for debilitating diseases such as cancer and AIDS. Cannabis also assists in providing relief from the debilitating symptoms that are derived from physical ailments such as multiple sclerosis, spinal cord injuries, chronic pain, intestinal dysfunction, and Tourette syndrome. Co-medication has shown that in some cases medicinal cannabis works to enhance the effect of the other drug and/or to reduce the side effects.

Studies have also suggested that the use of medicinal cannabis has reduced the deaths from other drugs, specifically opiates. A study that was published in the peer-reviewed American Medical Association’s journal of internal medicine, JAMA, suggests that cannabis use may reduce deaths from opiates by up to 25 per cent.

The common claim that it is a 'gateway drug' is incorrect and has been disproved by reputable analysis, including by the National Academy of Sciences, which stated in 1999 that 'there is no evidence that marijuana serves as a stepping stone on the basis of its particular drug effect'. More recently, in 2013, the Canadian Senate’s Special Committee on Illegal Drugs argued that, 'Cannabis itself is not a cause of other drug use. In this sense, we reject the gateway theory.'

The community-wide effort to see a positive change and progress in this area has been significant. The reform we debate here has been hard won in the long-running, harmful, and misconceived war on drugs. This war began in the early 20th century in the US under the influence of the first commissioner of the Federal Bureau of Narcotics, Harry Anslinger, who institutionalised his own fears. While the majority of countries continue to take an approach of punishment based on prohibition, a number of countries have now focused on harm reduction. Liberalising measures have been successfully implemented in Switzerland, Uruguay, Portugal, Israel and the Netherlands and in the US states of Colorado and Washington. As Johann Hari argues in his book Chasing the Scream:

The drug war is not what our politicians have sold it as for one hundred years and counting. And there is a very different story out there waiting for us when we are ready to hear it—one that should leave us thrumming with hope.

I would like to take this opportunity to further acknowledge Lucy Haslam, a former nurse, and her husband, Lou, a former drug squad officer, who were forced to source cannabis illegally to relieve their son Daniel's pain. Dan unfortunately passed away from cancer a year ago tomorrow. Impatient with the lack of reform in this area, right up until his death Daniel and his mother and father campaigned tirelessly for medicinal cannabis reform, lobbying at all levels of government, and even applying for a New South Wales government exemption to cultivate the drug so that Lucy and a team in Tamworth could grow and supply cannabis to those who need it.

I recently had the honour of meeting Ben Oakley, along with his father, Michael, and mother, Caroline. This courageous and driven 20-year-old has the one-in-a-million condition Stiff Person Syndrome. After consuming cannabis oil, the quality of life that Ben experiences has improved significantly. On 10 February when he visited parliament, he said to the media:
we need to get this legalised, help people out there who need it so badly. Unfortunately, we've lost so many already because cannabis oil hasn't been legalised … We have to do this; I don't know what I would be like without being on the oil. It has changed my life. So it has to change and we aren't going to stop until it's done.

Progress in this space by all levels of government is essential so that the likes of the Haslams and the Oakleys will no longer need be considered criminals for trying to help loved ones who are suffering.

I want to acknowledge Professor David Penington AC, one of Australia's leading public intellectuals and health experts, and Dr David Caldicott, toxicologist, ANU College of Medicine, Biology and Environment who have been strong advocates for promoting the benefits of medicinal cannabis and dispelling any myths or concerns.

I want to acknowledge the Parliamentary Group for Drug Policy and Law Reform co-conveners Dr Richard Di Natale and Dr Sharman Stone. The work that Richard and his office have done in particular has led the way to reform. I would also like to acknowledge Dr Alex Wodak for his constant efforts in relation to the misconceptions about drugs and in particular the disadvantages and dangers of the war on drugs versus taking a health treatment approach.

I welcome and recognise the efforts of the shadow minister for health, the Hon. Catherine King, and the shadow assistant minister for health, Stephen Jones, as well as the efforts of the Minister for Health, Sussan Ley, in committing to swift reform. Lastly and most importantly, I want acknowledge all the advocates who have seen their community-wide effort influence policymakers.

This bill is an important and significant public health policy outcome, yet there is still a way to go before we see medicinal cannabis being legally used throughout Australia by those who need it. I urge the federal government to continue to work with states and territories to decriminalise the possession of medicinal cannabis products and to develop a strong and effective national scheme. I also encourage the government to create an independent advisory panel to oversee the implementation of the legislation, with members having experience in the fields of medicine, pharmacology, palliative care, botany, horticulture, law and enforcement and advocacy for patients and other users of medical cannabis.

A serious conversation around broader drug reform to focus on drug use as a health issue and not the criminal aspect is long overdue. I encourage colleagues to attend the parliamentary drug summit on 2 March in 2S3 from 10 am to 1.45pm which is being hosted by the Parliamentary Group for Drug Policy and Law Reform. The summit will hear from special guests, New Zealand Associate Minister of Health, the Hon. Peter Dunne, and Co-director of the RAND Drug Policy Research Center in the US, Mr Beau Kilmer.

To conclude, I urge the fast passage of this bill through both Houses to begin the process of ensuring that people can get the relief they have been desperately asking for. We can no longer deny them this right, particularly when the science is on their side.

Mr HOWARTH (Petrie) (17:40): It is with pleasure that I rise to speak on the Narcotic Drugs Amendment Bill 2016. Marijuana is typically associated with the idea of illegality and disastrous side effects from its misuse. Misuse of this drug can result in severe damage, poor coordination and a slower reaction time, mood changes and paranoia.
A friend who lived in Brighton misused this drug on a regular basis some 10 or so years ago, and I saw how it affected him in a big way. He was unable to find work or hold down a job in any meaningful way. I believe that people who deal illegally in this drug should be punished. However, for many people marijuana can be a lifesaver to help them with their medical issues. It helps ease severe epilepsy, the pain of multiple sclerosis, muscle spasms and arthritis.

This bill is the missing piece for many families not just in my electorate but right around Australia because it will give Australian patients and doctors access to the medicinal cannabis products they need to manage painful and chronic conditions. The bill is a massive win for the people in my electorate who have fought long and hard to challenge the stigma around medicinal cannabis products. The bill will ensure that the supply of medicinal cannabis products is reliable, safe and legal. It will mean patients will not have to turn to the black market for cannabis and will ensure there is appropriate medical supervision.

Locally, I have had people see me in my electorate office and when I have been out and about in the community who support the changes we are talking about with this bill. I spoke with Noel Neville at Griffin recently while I was out doorknocking. His daughter has cancer and he believes medicinal cannabis would help relieve her pain. He said, ‘So many lives would be saved.’ He believes it would help treat some of the illnesses people have. Mr Squire from Kippa-Ring has a severe condition that can be relieved through the use of medicinal cannabis. I wrote to the Minister for Health, the Hon. Sussan Ley, on his behalf some time ago. Mr Austin from Fitzgibbon is also battling severe pain and has been very supportive of legalising medicinal cannabis.

I think that most people in the House of Reps and the Senate will support this bill 100 per cent because we know, as previous speakers have said, people who are undergoing chemotherapy or who have Tourette syndrome, AIDS or multiple sclerosis can be helped through the use of medicinal cannabis.

So how will it work? It is important to note that this bill does not legalise the cultivation of cannabis or use of cannabis outside of regulated medical purposes. I do not agree with the Greens when they say that illegal drugs should be legal. They were talking that way about crack the other week as well. I believe that is crazy stuff. But, in relation to this bill, I do support it. Also, the bill will not make cannabis products available over the counter. What we are doing here is making sure that there is a secure supply chain of medicinal cannabis products from farm to the patient.

The fact is that patients can currently access cannabis for medicinal purposes under the supervision of their doctor. However, it is difficult to find suitable products. Australian patients, researchers and manufacturers have had to try to access international supplies of legal medicinal cannabis, and the supply has not always been there. Limited supplies and export barriers in other countries have made this expensive and difficult. Permitting the cultivation of cannabis in Australia for medicinal purposes will help address this sourcing and supply problem.

The Narcotic Drug Amendment Bill 2016 provides a legislative framework that will enable cannabis cultivation in Australia for medicinal and related research purposes. The Commonwealth will control all regulatory aspects of the cultivation of cannabis for medicinal purposes through one national scheme. Manufacturing will be a joint responsibility between...
the Commonwealth and the states and territories, which is consistent with the single convention obligations. This means perhaps a potential income source for the Commonwealth, which we would be able to use in other areas of Commonwealth spending, but most importantly in health.

I want to take this opportunity to congratulate and thank the Commonwealth Minister for Health, the Hon. Sussan Ley, for her advocacy of this legislation. She has been working with the Prime Minister and the department for months to draft and finalise this amendment bill. And I thank her for her time in taking my questions throughout this process.

The Narcotic Drugs Amendment Bill 2016 is about making sure Australians do not have to choose between breaking the law and providing relief for their chronically ill children or relatives. We do not currently have a safe, legal or reliable supply of locally-grown cannabis to allow the manufacture of therapeutic products or to satisfy demand. Today, I speak in support of this bill. To the many people who have come to see in my office in the Petrie electorate and when I have been out and about in the community: this is a win for you and I congratulate you on coming to see me and advocating for this over many, many years. I am sure that this bill will help Australians who are suffering not only in the Petrie electorate but right around Australia. It will add to their lives and it will give doctors another string in their bow that they prescribe to people who are in need. I fully support this bill and commend it to the House.

Ms BIRD (Cunningham) (17:48): I am pleased to be able to join colleagues from both sides of the House today to support the bill before us, the Narcotic Drugs Amendment Bill 2016. Firstly, I want to outline what makes me such a passionate follower of this issue of the development of medicinal cannabis and availability to Australians. Like the member for Petrie, it is direct personal experience with a local constituent. I think that is a common experience many of us have had over recent times. Then, for the interest of those who might look at this speech afterwards, I will go through some of the details of the bill so that people are conscious of what it does.

On 18 May last year a young man and his dad came to visit me. The young man's name is Ben Oakley and his dad is Michael. They came to talk to me at that point in time because Ben suffers a very rare condition. Some other speakers here have mentioned him as well, because he was in parliament with his mum and dad on the day that this bill was introduced, because they have been following the issue so closely, and he did some media. So some other parliamentarians had the opportunity to meet him. I had a short opportunity in the Federation Chamber to put on record my great admiration for his bravery and also the great clarity with which he explains his experiences and why he is campaigning on the medicinal cannabis issue.

In May last year Ben and his dad came to see me because they were organising a fundraising walk to help with some of his costs. At the time, he was not using medicinal cannabis. So that was not an issue that was on the radar. It was really just to make me aware of his condition and what he was living with and to see if I could assist with their fundraising efforts, which I was pleased to do. I want to use Ben and his dad's own words in describing their experience, because I think they speak more powerfully than anything I could say. If people want to follow Ben's story, he has a Facebook site called Roll On Ben Oakley. It is a
very powerful way to get his story out there. I think it is very encouraging how positive he and his family have remained.

Ben's dad, on the Roll On Ben Oakey Facebook site, describes what actually happened to Ben, and these are his words:

On the 21st November 2012 my son, Benjamin Oakley collapsed after a cycling training ride, at the time we all thought that he had pulled a muscle but this was not to be the case. Many months of pain and discomfort were to follow without explanation as to what had happened to my fit and active boy. Ben has Stiff Person Syndrome, a 1 in a Million Neurological Disorder, in Ben's case it effects his mid spine and has left him in constant pain, it appears that Ben is the youngest person in Australia at this time with this horrible process. Ben has gone from a Cyclist and Triathlete to a wheelchair for anything more than a very short distance. Please watch the video attached to this post, it is Ben's story, in his words, it is very hard to watch, it's harder to live with! Ben has acute, full Body Muscle Spasm, even amongst SPS Sufferers this is rare, the Spasm appears similar to an Epileptic Seizure but Ben remains fully alert, aware and in the most intense pain!

Ben has described what happens as imagine taking a Tazer and holding it against your spine! A few weeks back Ben had the worst day anyone could possibly imagine, over the space of 9 hours Ben had 61 of these spasms, the longest continuous spasm lasted for 2 hours. Each Spasm is accompanied by not only intense pain but also huge increases in Ben's Blood Pressure (recorded at 208/190, more than enough to cause a Stroke or Heart Attack!) and his Body temperature goes very high (recorded at 41.5). A spasm can be caused by a sudden scare, a cough, a sneeze, being upset or emotional or sudden intense pain. Any movement can and does cause Ben pain and this obviously could cause him to have more spasm, Ben has gone from an active person who would rarely sit to not able to move without risking a life threatening Spasm. The only positive thing I can say that has come from this is the fact that Ben is who he is! He always has a smile on his face, he is always up for a challenge and he will always go that extra mile for anyone!

He goes on to explain that they were holding a fundraiser to raise charity money. Further on in the report, he made the point:

Treatments that exist are very expensive and not always effective. We are trying to make not only Ben's life easier but also others with this Rare Disease.

Their charity is called Drop a Dollar for Rare Diseases. At that point, as I said, they were working to raise funds.

I have to say, it was a very moving experience to meet a young man who, in his late teens, had been struck down in the way Ben was and yet who had so profoundly determined to wring the most out of every day that was before him to try to get back to some sort of normal life.

Later last year, Ben and his dad came to see me again. I invited my colleague and neighbour the member for Throsby to come along because I knew that, in his shadow portfolio, he had been doing a lot of work on the area of medicinal cannabis. Ben and his dad came along to report to us that Ben had commenced using medicinal cannabis—and what a profound difference it had made in his life. On 16 December, they updated their Facebook post. This is what Ben's dad said at this point in time:

Still don't know how he does it!

Pushing more and more, a little more each time (something we can all learn from!) Ben has attended his usual physical therapy yesterday and broken his own record, by a HUGE 11 Seconds!
rolling around on the running track at Beaton Park in his wheelchair. If that was not enough, for the first time in over 3 years Ben went out without his Wheelchair, attending his Osteopath in Corrimal, Ben walked in, got on the table, attended his usual treatment then walked back to the car.

This might not sound like much to most people, it is a small victory, but remember that Ben has Stiff Person Syndrome and been using a wheelchair for 3 years now for anything more than a short distance, even when he does go out for a walk he has the chair close by when the pain get too uncomfortable and he has to sit down.

Yes, it remains a painful activity. As most people who live with long term pain will understand, you have to push yourself to get things done, to live as best you can. The hardest part for Ben is if he ends up in too much pain he can spasm and as those who have seen both on this page and personally it is a horrible process. Ben literally takes his life in his hands by pushing the limits.

He goes on:

Some might ask 'How? How do you do it?' Medicinal Cannabis Oil! The change over the last few months has been nothing short of a remarkable. Less pain, fewer days of intense pain, more movement, better ability to exercise, fewer prescription medications (most of which have significant side-effects) and best of all a better quality of Life!

But … the treatment which has been Ben's Lifesaver remains illegal. This mystifies me! How can something that can be so beneficial not be a treatment that can be accessed by those who need it?

Can YOU do anything to change that? Yes you can …

Michael, Ben's dad, is running a petition to the New South Wales parliament on his website.

This is the reason, I am sure, many of my colleagues in this place can see why Ben's mum and dad, and Ben himself, have become such advocates for the importance of legislation such as that before us today. It is an astonishing thing to see the difference between the young man who came to see me in May last year and the young man who did a press conference on the lawns just outside this chamber and who was able to leave that press conference on his own two feet with myself and the member for Throsby. So the legislation before us is something that I am very pleased to support.

In the few minutes left to me, I want to put on the record the nature of the legislation before us. It is, of course, legislation intended to regulate the cultivation and production of medicinal cannabis. This particular bill will amend the Narcotic Drugs Act to permit the licensing of growers of medicinal cannabis in Australia. It will provide new definitions for the issuing of licences for cannabis cultivation and production. It will provide a fit-and-proper person test to be applied to licensees by the Department of Health, and it will override states and territories where there are direct inconsistencies with the licensing provisions in the bill.

There is certainly bipartisan support between the major parties and, I think, unanimous support across all parties for the successful passage of this bill to achieve those purposes. It is true that some may find it a bit confronting and controversial. Indeed, even on Facebook and the Illawarra Mercury website, where they covered Ben's story, some people—understandably—still express some confusion, concern and reservation. It is well and truly time that we took steps towards making medicinal cannabis a reality. It does need to be appropriately regulated to ensure consistency of quality, dosage and so forth for people using it.

The Australian Labor Party is very pleased to support progress on that matter. We know there is quite a lot of evidence—not only the anecdotal, direct personal experiences, such as I
have shared with the House today, but also research available on the benefits and potential benefits of medicinal cannabis. It is true that more work needs to be done in that space. We are concerned—all of us—for families accessing medical cannabis products via what is, in effect, a black market. There are direct legal problems for them—the risk of arrest and conviction—the quality and reliability issues that I have just mentioned and the need to have an independent authority that provides some assurances to them about what they are using.

The bill before us is absolutely a step in the right direction. It is also worth acknowledging that the governments of both New South Wales and Victoria are pushing ahead with state based schemes, so the Commonwealth actions will complement that. The Victorian government has committed to legalising access to locally manufactured medicinal cannabis products, for use in exceptional circumstances, from 2017. Michael Oakley is petitioning the New South Wales government. I know he has met with my state Labor colleague Ryan Parke, the member for Keira, who is also fully behind their campaign. The New South Wales government is vigorously pursuing medical trials of cannabis, and they have provided law enforcement by de-penalising offences related to possession and use for particular classes of people. This is an important addition to that work being done by state governments and families, like the Oakleys. It is important that the Commonwealth does its part in delivering these outcomes. I am very pleased to support the bill before us.

I will finish up by acknowledging the great bravery it has taken for the Oakleys to speak out. When we met with them, at the end of last year, they were not certain whether they were going to do this. It is a risky thing, in some ways, for people to speak out and talk about their own experiences. I really admire them for what they have done. I want to thank members of this chamber, on both sides, who have reported to us the experiences of constituents with diseases, such as cancer, who use medicinal cannabis. I pay respect to those constituents' bravery in outlining their stories for us as policymakers to make good decisions. I cannot think of anything more profoundly important to us than the welfare of young people, like Ben Oakley and the many others who are seeking to assist with this bill. I certainly commend the bill to the House.

Mrs McNAMARA (Dobell) (18:03): It is a privilege to speak to this historic Narcotic Drugs Amendment Bill 2016, which will impact many Australian lives for the better and in a safe and sustainable manner. The effect a severe medical condition can have on a patient and their loved ones is significant and lasting, and it is truly a responsible government that recognises that where it is possible to provide avenues to alleviate that suffering something must be done.

Internationally, there has been a great deal of attention on cannabis as a treatment for chronic, debilitating and terminal medical conditions as well as a number of other illnesses and disorders. Advocacy has been strong for some medical conditions, such as epilepsy, multiple sclerosis, chronic pain sufferers and cancer patients undergoing chemotherapy. Indeed, there is some evidence to suggest it could be effective; however, evidence is limited. For a number of years there has been a growing groundswell of support within the Australian community for further investigation, trial and access to medicinal cannabis.

Back in the early nineties the medical potential of the use of cannabis was investigated and acknowledged in various government reports and publications, including of the National Drug Strategy committee and the Ministerial Council on Drug Strategy. This is why we as a
government recognise that there has been enough talk about making medicinal cannabis treatment a possibility, and we are committed to taking action. It is reassuring to note that in conjunction with the Commonwealth stepping up to make it possible other jurisdictions, likewise, are doing their part. Significantly, the New South Wales government has already begun investing in ground-breaking clinical trials that are the first of their kind in the world. Late last year, the NSW government committed $3.5 million to trial cannabis based treatments, for children who suffer from severe epilepsy, in partnership with the Sydney Children's Hospital Network. The medications presently prescribed to these children often have substantial side effects, which affect their quality of life, and it is quality of life that many families of those with severe medical conditions are advocating for when they seek the legal use of medicinal cannabis.

The introduction of this landmark legislation provides the missing link for Australians with severe medical conditions and their treating doctors by providing a means to access a safe, legal and reliable supply of medicinal cannabis products. The Narcotic Drug Amendment Bill 2016 will allow the controlled cultivation of cannabis for medicinal and/or scientific purposes through a singular national licensing scheme, which is a national first. Patients with painful, chronic and/or terminal conditions will be able to work with their treating doctors to determine if treatment with medicinal cannabis will be beneficial to their health, control of symptoms and, importantly, quality of life. It empowers doctors and those engaged in the medical treatment of chronically ill Australians to be at the centre of decision making for their patients, with a full scope of possible treatments in mind.

While state governments, such as New South Wales and, more recently, the Victorian government, are investing funds and undertaking clinical trials of medicinal cannabis treatments, the products themselves cannot be sourced within Australia, due to the illegal nature of cultivating cannabis. This is why the government is referring to this bill as providing the missing pieces. Australian patients, researchers and manufacturers have attempted to source international supplies of medicinal cannabis but are restricted due to limited supplies and export barriers. This bill will provide local opportunities to research, develop, manufacture and supply medicinal cannabis for suitable products. It opens up an entirely new opportunity for agriculture in Australia, not unlike the Australian poppy industry, which is also used for medicinal and scientific purposes.

Rather than have the cultivation legislation dotted across the jurisdictions with variation, the national approach to legislative and regulatory processes will allow the Commonwealth to closely track the development of cannabis products and curtail any potential criminal involvement. During the drafting process of this legislation the Commonwealth has worked closely with the states and territories, as well as with law enforcement agencies and other stakeholders, to ensure that a holistic approach is taken and all issues and implications are considered.

It is important to remember that the passing of this legislation does not legalise the recreational use of the drug. The illegal cultivation, use, possession or trafficking of cannabis remains a criminal offence. This is a necessary distinction to make, as the government is certainly not endorsing the cultivation of cannabis outside of medicinal and/or scientific use. However, this bill extends existing laws to enable the lawful cultivation of medicinal and/or scientific cannabis.
The Commonwealth will establish an authority within the Department of Health to regulate the cultivation of cannabis and will ensure safe, legal and sustainable access to the drug. Australian manufacture of cannabis products is currently regulated by the Therapeutic Goods Administration, and this will remain unchanged. The amendments contained within this bill provide that Australia continues to be compliant with the international treaty obligations under the United Nations Single Convention on Narcotic Drugs of 1961.

This bill amends the Narcotic Drugs Act 1967, which also regulates the manufacture of legally used narcotics such as morphine. We are proud of our longstanding history of operating a strong and secure regulatory system in this space, with Australia as the leading supplier of morphine. We have the confidence of the international community. Australia will no doubt be a trustworthy international leader in the cultivation of medicinal cannabis, with a clear national licensing system to maintain integrity.

This bill also provides for two distinct types of licensing for the cultivation of medicinal cannabis. One provides for the cultivation of cannabis plants for the production of cannabis for medicinal purposes; the other authorises the cultivation of cannabis plants for the purposes of research related to medicinal use of cannabis. Both licences require an applicant to prove that they are a fit and proper person according to specific criteria as set out in the bill and to reliably demonstrate that they are capable of adequately managing the physical security of the crop itself.

The reality is that cultivation of cannabis carries a particularly high risk of diversion, simply because it can be used in its raw state and requires no further adaptation or improvement. So rigorous constraints are contained within this bill to ensure that the applicant or subsequent licence holder and any relevant business associates are considered across a range of matters, including criminal history, connections, associates and family, financial status, business history and a capacity to comply with licensing requirements. It is specifically designed and worded to ensure the full exclusion of criminal elements, including organised crime.

Potential licence holders also need to demonstrate that a supply arrangement exists with a licensed manufacturer. They will also be restricted in the amount of cannabis they are permitted to produce. There are substantial penalties for offences relating to breaches of licensing conditions and for undertaking unauthorised activities. The regulation of supply and demand between a cannabis licence holder and the licensed manufacturer with whom they have an arrangement is not only the only regulation of its kind; it is also mirrored in the supply chain between the manufacturer and the patient. It limits the entire process, from cultivation through to supply to patients, to production that meets legitimate demand only. Demand will be determined by medical practitioners who are deemed suitable in accordance with the Therapeutic Goods Act. A key element contained in the bill is the granting of powers to the Secretary of the Department of Health, rather than the Minister for Health, in relation to the granting of licences to either cultivate cannabis or manufacture cannabis-based products.

This government is highly sympathetic to those with or those whose loved ones have medical conditions such as illnesses and diseases that cause chronic pain, nausea and other debilitating health issues. We have heard the growing support from our communities for ready access to cannabis-based medical treatments to alleviate pain and suffering. We also understand the difficulties currently faced in continuing clinical trials due to the difficulty of
accessing cannabis. This is why we are bridging the gap in supply. Likewise, however, it cannot be ignored that currently Australia has one of the highest per capita rates of illegal cannabis use in the world. Unfortunately, chronic cannabis use has been associated with a number of negative health and social effects. What we are seeing here is a government that is committed to working collaboratively across jurisdictions and with stakeholders to facilitate greater trials and investigations into the health benefits of cannabis-based products, while responsibly controlling the negative aspects already identified. The bill represents a special framework that will open up a whole world of possibilities in the realm of medical treatments using cannabis.

I commend the Minister for Health for her monumental work in bringing this bill to the House, and I applaud her commitment to furthering medical treatments for the benefit of Australians. I also thank the many people behind the scenes who have been responsible for the drafting of this legislation. Even more, I must say that I do look forward to the day when patients who are suffering as a result of a debilitating disease, illness or condition will have a great quality of life as a result of having access to medicinal cannabis products that were developed as a result of Australian research. I know that there are many who feel the same way.

Australia, with our outstanding scientists and high-class clinical trials, is now poised to be a world leader in the use of medicinal cannabis. I commend this bill to the House.

Mrs ELLIOT (Richmond) (18:15): As speakers on this side of the House have said previously, Labor supports the need for medical cannabis and this bill, the Narcotic Drugs Amendment Bill 2016. We support it because we understand the fact that there are many in our community who want to be able to access that for their very complex and painful medical conditions. Patients who are suffering from a terminal illness or other serious medical conditions should be able to access safe, reliable and legal medicinal cannabis. In supporting this idea, we are driven by the science, by compassion and by the need to treat people with dignity. We firmly believe that the time has come for a national scheme.

In my electorate I have had so many locals and so many families calling for action on this issue. A diverse range of people from a diverse range of villages and towns throughout my electorate have approached me and told me their personal stories.

Can I also make the point that when it comes to health policy, there have not been many opportunities in this parliament where we have found common ground with the Liberals and with the Nationals. We have, indeed, criticised the government for many of the harsh health cuts made. But in this measure I think it is very important to note that we do have an agreement. I think it is fair to say that such a bipartisan view reflects the community's view across so many varying and differing sectors.

As an example, I note and commend groups such as the CWA, which supports measures like this. I look at the New South Wales CWA annual state conference in Tamworth in May 2015. They moved a motion there that controlled medical marijuana use should be allowed and sanctioned by the government. So we can see the support that is there. There is that massive support right across the community. It is for this reason that this bill is indeed a step in the right direction.
The reason for supporting this legislation is very clear. We know there are Australians suffering from pain or dealing with medical conditions who have sought relief from other medications that just have not worked. These same people are telling us that medical cannabis is providing relief for them. Even for those people who may not have met these people and heard firsthand of some of the very difficult situations that people are in, many would have seen some of those really disturbing television reports—particularly of young children suffering multiple seizures and so desperate for relief. I do not see how anyone cannot be moved by such personal stories.

In my electorate, I would like to read from a story that appeared in the *Tweed Daily News* in September 2014 by the journalist, Alina Rylko. It was a story called 'Cannabis oil soothes son'. It was in relation to a Tweed family with a 15-year-old permanently disabled son, who said:

… they have radically reduced his seizures with cannabis oil after exhausting all other legal treatments.

The couple, who do not want to use their real names for fear of prosecution, are calling for politicians to legalise the substance …

So that more families could experience the therapeutic benefits that their son had. They said:

… they have "exhausted" their neurologists, looking for ease from the seizures, which with every bout cause more brain damage.

"Some medications made him very aggro and had bad side-effects … It makes it hard for us to leave the house, go to special school, and to get out into the community."

The couple said that at special school their son was the only one using cannabis oil, due of course to the stigma attached to it:

"But there's of the kids there having seizures all the time … It would be so much more peaceful … if these kids were not having seizures, if they just legalised it."

That story was in the *Tweed Daily News*, as I said, from September 2014.

As it stands, the situation means that families who access medical cannabis products are now accessing it illegally and, in fact accessing it on the black market. That means, of course, that they are at risk of being arrested and convicted, it means they are unable to determine the exact ingredients and quality of the medicines that they or their loved ones are taking and it means they have no independent authority which has, in fact, assessed them. And, of course, no-one—no family—should have to choose between getting their loved one the medicine they need and breaking the law. It is simply an unfair choice to have to make.

I would like to point out the reaction from some of the locals in the town of Nimbin, which is in my electorate. Firstly, I would like to recognise that Nimbin is a wonderful, eclectic and creative town full of fantastic people who I think are sometimes criticised unfairly. When it was announced that this legislation would be brought forward to the parliament their reaction was one of being very pleased about it. But the point they made was—and this was a local anecdote in one of the papers—"We have been watching a long line of sick and dying people coming to town who are so desperate to get some sort of relief.' That is what they have been telling me in Nimbin for many years. Of course, many people were going to places like Nimbin, desperate to get some sort of relief for the pain that they were in. Indeed, there are thousands of Australians who are suffering from unbearable pain and chronic conditions who
may benefit from medicinal cannabis. As I have said, patients who are suffering from a terminal illness or other serious medical conditions should be allowed access it.

This bill will put in place the supply chain arrangement that will allow the legal production of medical cannabis products. It is important to note that with the governments of New South Wales and Victoria pushing ahead with some of their state based schemes, this has really forced the Commonwealth to act now. Whilst we acknowledge the work of the government in bringing this bill to the House, it has indeed been Victorian Premier Andrews who has really provided national leadership and driven the national agenda around this.

The Victorian government is committed to legalising access to locally manufactured medicinal cannabis products for use in certain circumstances from 2017. And, indeed, the New South Wales government has also pursued medical trials of cannabis. I also note New South Wales Labor's strong support for medicinal cannabis.

If we turn to the specifics of the bill, only the Commonwealth government can ensure there is a national scheme which ensures equity of access and a safe and reliable supply. The bill deals with supply, but also establishes a tightly-controlled supply chain with multiple security measures. It deals with demand by allowing the prescription of these medicines by a doctor through a number of ways: special access schemes, authorised prescriber schemes and, of course clinical trials. The legislation is about ensuring there is a legal and regulated market so that family members and carers are not forced to rely on the black market.

The amendments will establish a licensing scheme for the cultivation of cannabis for medical and scientific purposes and two types of licences will be created. Firstly, an authorisation to cultivate cannabis for manufacture into medical cannabis products and, secondly, an authorisation to cultivate cannabis for scientific research into the cannabis plant that is to be used for medical cannabis.

The bill amends the Narcotic Drugs Act to permit the licensing of growers of medical cannabis in Australia. It provides new definitions for the issuing of licences for cannabis cultivation and production and it provides for a fit-and-proper-person's test to be applied to licensees by the Department of Health. The bill also overrides states and territories where there are direct inconsistencies with the licensing provisions that are in fact contained in the bill.

In addition to a licence, a cultivator will need a permit, and permits will be issued to control the amount of cannabis that is actually going to be produced. It is also important to focus on the access by the end users—the patients. Access to medical cannabis for those patients will be determined by suitable medical practitioners in accordance with the Therapeutic Goods Act 1989 and will be through either clinical trials, authorised prescribers or the special access schemes. Of course, it will predominantly be state governments that determine those particular schemes that will be in place.

In terms of the national Criminal Code, this bill establishes a scheme that allows the cultivation of cannabis for medicinal purposes. In turn, this creates a supply chain for cannabis medicines. These products can then be accessed by patients and carers with appropriate medical oversight through existing pathways through the Therapeutic Goods Act 1989. The possession of cannabis products appropriately supplied under these provisions is not a criminal offence, and the national Criminal Code makes it clear that it will not be an
offence to possess cannabis if it is duly authorised under another law of the Commonwealth such as through this particular legislative scheme that we have been speaking about tonight.

There are some issues that we would like to see the government working on with the legislation. We would like to see them move quickly to ensure that we do not have a patchwork of medical cannabis legal access arrangements emerging across the various states and territories. As I have said, we have seen Victoria and New South Wales moving to have these trials in place, and we do not want to see that patchwork of schemes developing without the national scheme in place. I certainly encourage the government to work quickly with the states to ensure that this rollout happens in a very timely manner.

Furthermore, we acknowledge a concern that we have with the drugs being accessed using the special access scheme and the authorised prescriber schemes when they are not eligible for PBS listing. We are concerned that these drugs in fact would remain expensive. That would mean that some families may not be able to access them then, so we ask and look to the government for some leadership in ensuring a fair approach to accessing the medical cannabis and ensuring that that can be achieved without becoming prohibitive for many families who are very desperate to be able to access it.

Those are a couple of concerns that we have that we would like the government to address, but the fact is that this bill is a really important measure to address a very real problem in our community. This is a very important step on the pathway to reform and change in this area. We have heard from many speakers on both sides tonight that the community has called for action on this issue for a long period of time. We have heard so many personal stories tonight about the need to have medical cannabis in place. I think it is particularly good to see the bipartisan support for measures like this.

In conclusion, we on this side of the House certainly do support these measures and can see the benefits for so many people, particularly those who are suffering from terminal illnesses and very complex illnesses as well, to get some relief through medicinal cannabis. It is for those reasons that Labor supports these measures. I commend the bill to the House.

Mr WHITELEY (Braddon—Government Whip) (18:26): It is a pleasure tonight to be in this chamber to speak about the Narcotic Drugs Amendment Bill 2016—a bill that will enable the cultivation of cannabis for medicinal purposes while still being compliant with Australia's international obligations.

The aim of this legislation is to allow Australian patients and their doctors to have access to a safe, legal and reliable supply of cannabis for the management of chronic and painful conditions. This legislation addresses the issue of the supply of medicinal cannabis in the marketplace. Currently, there are reports of people with chronic or painful conditions going to black market suppliers, risking both their health and criminal prosecutions. With the cultivation of cannabis currently disallowed in Australia, the demand is far outstripping supply.

Cannabis is not like many other products that can be readily and easily imported. Cannabis cultivation is subject to strict international controls and supplies for medicinal purposes are incredibly limited as well as expensive. As a result, this legislation aims to create the opportunity to cultivate cannabis in Australia for people living here who need access to medicinal cannabis. The drug will be available as prescribed by a doctor or as a part of a
clinical trial. Let me repeat that: the drug will only be available as prescribed by a doctor or as a part of a clinical trial.

It is important to note that cannabis use for recreational purposes is illegal in Australia and will continue to be illegal under this legislation. The cultivation of cannabis for recreational purposes will also continue to be illegal. Australia has shown that it is able to cultivate narcotics for legitimate and medicinal purposes safely. This has been evidenced in the success of the poppy industry in Tasmania, with Australia being the world's largest supplier of painkillers derived from poppies.

This bill does not add cannabis to the therapeutic goods register, nor will this legislation make it available over the counter. Cannabis will not become a medicine that is available like paracetamol at the local chemist. It will still be tightly controlled, and those looking to use it for recreational purposes will not have access to the plant or its derivatives. The Turnbull government recognises that cannabis, whilst an illicit substance in most circumstances, does have medical benefits when used and prescribed carefully and correctly. This legislation is about minimising the harm for those who rely on cannabis for medicinal purposes but obviously cannot purchase the drug due to its legal status.

By allowing cannabis for medicinal purposes to be grown in Australia, the need to source black market products, to cultivate plants for personal use or to be a blatant abuser of the law will no longer be present. Instead a safe, legal, regulated supply will be available to those who have a genuine medical condition which can be managed with cannabis. I anticipate that this legislation will be of enormous benefit to a small but worthy number of people in my electorate.

I want to inform the House of some of the people in my electorate who this legislation may make a difference to. One woman in my electorate, Natalie Daley, has been in the local paper numerous times for her advocacy in relation to the use of cannabis for medicinal purposes. Mrs Daley, who lives with an adrenal gland carcinoma, a rare cancer of the adrenal glands, uses cannabis oil to help manage the symptoms of cancer and the chemotherapy treatment. Mrs Daley credits cannabis oil with relieving the symptoms of her treatment and in helping her gain weight. She has also said that it helped in reducing her nauseous feelings, made her able to eat and sleep, and improved her overall quality of life. Mrs Daley said: ‘without this oil I would honestly be bedridden’.

Cannabis oil has also helped some of the youngest people in my electorate. April Tognoni, a little girl who suffers from myoclonic epilepsy, has been given cannabis oil by her parents and it has helped enormously in managing her condition. Myoclonic epilepsy is an incurable illness, and prior to using cannabis oil April was having about 1,000 seizures per day. By taking the cannabis oil every day, the seizures have reduced to as few as six per day. This has changed April's life and she has started to reach the development milestones of other children her age. For small children, where chronic conditions can delay their development and put them behind their peers well into adult life, the impacts of remedies like cannabis oil are significant. And I would not for a moment want to underestimate that.

As well as these two personal stories I have told you, I have heard of a number of elderly constituents in the community who suffer chronic pain and would potentially benefit from controlled use of cannabis for medicinal purposes. The problem is that these people are not
willing to break the law to relieve their pain, and due to a lack of legal supply they are unable to get access to the drug, even with the support of their GPs.

In telling these stories from my electorate I must be clear that this bill does not do a number of things. It does not add cannabis to the therapeutic goods register, making it easily accessible for medicinal purposes by the wider population. Cannabis is and will still be a prohibited drug for recreational purposes. This legislation simply addresses the supply issue that is faced by those who wish to use cannabis for medical trials or for an approved medicinal purpose.

Cannabis will continue to be a very strictly controlled drug with very limited access. It will only be available when prescribed by a doctor or as part of a clinical trial. The Commonwealth government will work closely with state and territory governments on developing mechanisms to enable access to therapeutic cannabis products. There is already individual patient access available through the Therapeutic Goods Act 1989 under the special access and authorised prescriber schemes, with proper medical supervision. This bill does not mean that anyone who suffers chronic pain or other conditions that cannabis has been used to treat will have access to the drug overnight. What this bill does is make cultivation of the plant legal in Australia for medicinal and scientific purposes.

I am sure there are those in the community who believe this is insufficient law reform, or that cannabis needs to be more accessible for medicinal purposes. I acknowledge that cannabis has many benefits in medicine and that access to medicinal cannabis under strict medical prescription and guidance for those it can genuinely help is something to be pursued in the future. However, in doing so we need to ensure it has had thorough clinical trials and that it is backed by science first. Otherwise, we just may create more harm than we seek to remedy in the first place.

In an extended interview with my local newspaper back in 2014, I was asked about my views on medicinal cannabis. This is what I said:

It's hard not to be moved on this by the stories I'm reading …

My view in life, from my Christian perspective, God makes every plant and it's like life, we make choices with what we do with things …

We can do … things that are good and we can do things with stuff that are evil.

I'm keeping a very open mind on this.

I am concerned about the control measures, but I don't think we should let that stand in the way of a good community discussion.

Those words from me were from 18 months ago. I can say tonight that I am convinced that the appropriate mechanisms are in place through this legislation. This legislation is a strong step towards exploring how cannabis can be safely used for medicinal purposes. I strongly support it and encourage all members of parliament to do so as well. I commend the bill to the House.

Ms MARINO (Forrest—Chief Government Whip) (18:35): The Narcotic Drugs Amendment Bill 2016 will provide a legislative framework that will enable cannabis cultivation in Australia and provide Australian patients in need with access to medicinal cannabis for a range of therapeutic purposes in the future. Often this is for the alleviation of
serious and chronic pain and will have to be prescribed by a doctor or as part of a clinical trial.

Currently in Australia, there are systems in place to license the manufacture and supply of cannabis based products; however, there is no mechanism to allow the cultivation of a safe, legal and sustainable local supply of cannabis raw material. This bill does not legalise cannabis use and cultivation for recreational purposes. The government understands that there are some Australians suffering from severe medical conditions for which cannabis may have some application, and we want to enable access to the most effective medical treatments available.

A 2013 New South Wales parliamentary report stated:
… on the present medical evidence, cannabis based treatments will only be appropriate for a small number of people in specific circumstances, and under the supervision of medical practitioners with suitable expertise. Those patients would necessarily be people with severe and distressing symptoms that are not able to be addressed by existing medications.

At the same time, it is important we maintain the same high safety standards for products derived from cannabis that we apply to any other medicine. It is imperative that we have a clear national licensing system to ensure that we maintain the integrity of crops for medicinal or scientific purposes only.

The national approach will allow the Commonwealth, acting with the states and territories, to closely manage the supply of cannabis products from farm to pharmacy. There is no question that this will have to be carefully managed, inspected, monitored and investigated, given that Australians, including adolescent Australians, are frequently addicted to cannabis. This will be particularly important. A secure process of growing, harvesting, manufacturing and delivery will need to be very carefully managed. The amendments will also ensure that, when cultivation and production of cannabis and manufacture of products for medicinal purposes begin, Australia will remain compliant with its international treaty obligations as defined in the United Nations Single Convention on Narcotic Drugs of 1961.

The Commonwealth currently has laws to regulate the import, export and manufacture of cannabinoids and cannabis raw material, but these do not allow the cultivation in Australia of cannabis plants for medicinal purposes. The manufacturing provisions in the Narcotic Drugs Act 1967 are considered inadequate to properly manage the risks associated with the potential for diversion of medicinal cannabis products and other narcotic drugs. The reason that this is necessary is very clear. The Australian Crime Commission’s Illicit drug data report of 2013-14 states:
Cannabis continues to dominate the Australian illicit drug market and remains the leading illicit drug in Australia in terms of seizures, arrests and use.

The critical point here is that cannabis is the leading illicit drug used in Australia. The weight of cannabis border detections in 2013-14 was the highest reported in the last decade, and there were 53,404 border detections and 66,684 arrests nationally, which is another reason appropriate federal legislation is required.

There will be significant pressure on the growers and manufacturers from organised crime and opportunists. Law enforcement will be taking a very close look at the regulations that we are providing. The requirements for cannabis cultivation under the international single convention are quite different from those for poppies grown for non-opium-producing
purposes, because of the significantly different risks to public health from the diversion of the crop that I have just spoken about.

As we know, cannabis is dangerous to adolescents during their developmental years. It is a drug that is associated with schizophrenia, psychosis, the development of mental illness and the risk of suicide. Parents talk about changes in their children's moods, anxiety and difficulty with thinking, learning and problem solving, so the strength in this legislation is particularly important to parents. Of course, we do see people taking risks in this space—buying illegal drugs online, and through illegal suppliers. Often they have no idea what it is that they are buying and what is in that product.

There are a number of checks and balances in this bill, as we know, for cultivation, production, manufacture, importation and distribution. These are tightly controlled in Australia, and they are covered under a range of Commonwealth laws. The amendments to the Narcotic Drugs Act 1967 will ensure that any therapeutic product, including medicinal cannabis, also meets Australia's international obligations that safeguard its production, manufacture and distribution for medical and scientific purposes only.

As I said, there are a number of checks and balances to cannabis licences, including a strict fit and proper person test. This will be applied to the applicant and relevant business associates and will involve consideration of a range of matters, including criminal history, connections, associates and family, financial status, business history and capacity to comply with licensing requirements. Licence holders will be required and expected to remain fit and proper. This test is explicitly designed to ensure the exclusion of criminal elements, including organised crime, which may be tempted to use the licence system as a cover for illegal activities—and you can guarantee that criminal elements will try.

There will be a need to demonstrate a supply arrangement with a licensed manufacturer, a permit system for controlling how much cannabis can be produced, and conditions applying to the licence to ensure the security of the crop—that it is not diverted to illicit uses, and I see this as a really critical element of this bill. There will also be substantial penalties for breaches of conditions and for undertaking unauthorised activities. There is a comprehensive suite of regulatory controls and powers: to give directions to licence holders of inspection, monitoring and investigation; to issue infringement notices and seek civil penalties; to accept enforceable undertakings; and to seek injunctions. These are all to assist in ensuring the integrity of the system. In supporting this legislation, I have no doubt that these regulatory and enforcement requirements will be important in managing the effects of this legislation over time.

Mr PASIN (Barker) (18:43): I rise today to support the Narcotic Drugs Amendment Bill 2016. Currently in Australia there are systems in place to license the manufacture and supply of cannabis based products. However, there is no mechanism to allow the cultivation of a safe, legal and sustainable local supply of cannabis. This is a situation which limits the options available to patients when it comes to pain prevention medication. Provisions enabled by the legislation currently before the House will deliver responsible and reasonable supply of raw material for the manufacture of medicinal cannabis for therapeutic and scientific purposes. This bill is consistent with public opinion. In 2013 the National Drug Strategy Household Survey showed that 69 per cent of Australians support a change to legislation permitting the use of cannabis for medicinal purposes.
The bill takes a reasonable approach to provision of medical services and enables a strong framework to be put in place for the cultivation and manufacture of medicinal cannabis in this country. It is a bill which provides the critical missing piece, if you like, for the Commonwealth to enable a sustainable supply of safe medicinal cannabis products to Australian patients in the future. In conjunction with established mechanisms, the amendments provide a secure supply chain from farm to pharmacy.

We have taken a balanced and comprehensive approach to this legislation which will deliver a strong balance between patient access, community protection and Australia’s international obligations. This approach has been informed by a debate which has occurred within the community around this issue. There is currently growing concern for the welfare of those with terminal diseases and multiple sclerosis and of children with intractable forms of epilepsy. It is widely acknowledged that, due to supply issues, these individuals may be being unfairly denied access to effective pain relief. There is an undeniable consensus that persons suffering from such conditions should have ready access to affordable medicinal cannabis products that their doctor can prescribe.

The Australian government is in broad agreement and is taking action today, through this bill, to deliver better outcomes for our health system and its patients. The intent of this bill is not to legalise the use of cannabis in Australia. Rather, it is a bill which delivers a strong, sustainable and safe supply of medicinal cannabis for the use of some in our society most in need when it comes to pain relief. The status quo is simply not sufficient, with some patients turning to the black market, sadly, for cannabis products for their use. Not only do they risk their own physiological safety, through a lack of medical assurance; they also inadvertently fund organised criminal networks, which affects the safety of us all.

It is the role of government to deliver assistance to those least able to deal with things themselves, and certainly the provision of adequate health care is part of that social compact. This government believes that, in the same way that the use of pain medication derived from opiates should not be conflated with the use of illegal substances such as heroin, the use of medicinal cannabis should not be conflated with the recreational use of marijuana. This bill employs such a distinction and it delivers a sound policy framework which protects the legitimate needs of the industry in delivering adequate supply from the corruptive influences of organised crime.

There are some important steps and safeguards that must be enacted to ensure that the system delivers for those in need. Because of the criminality associated with the use of cannabis, decisions to use medicinal cannabis are often made without appropriate medical advice from suitable medical specialists. Further, due to strict supply safeguards which are rightly imposed on the export of cannabis, both domestically and internationally, supply is a significant issue for many users.

As I have said, currently in Australia there are systems in place to license the manufacture and supply of cannabis based products. However, there is no mechanism to allow the cultivation of a safe, legal and sustainable local supply of the raw material. In order to rectify this situation, the coalition government is today putting in place an architecture which will inform the cultivation, production and manufacture of medicinal cannabis across the nation.

It is vital that we have a clear national licensing system to ensure the integrity of crops for this purpose and this purpose alone. These legislative amendments allow the government to
track the development of medicinal cannabis products from cultivation to supply. When it comes to cultivation, this bill provides two types of licences: one for the production of cannabis for medicinal purposes and one for the production of cannabis for research purposes related to medicinal purposes. This will put in place the legal avenues which will deliver producers clear guidelines about their rights and responsibilities. This will provide clarity to the industry and accountability to government.

Part of the licensing arrangement will be the application of a 'fit and proper' test. This test will apply to applicants for a licence to cultivate, licence holders and relevant business associates and family members. In putting in place this testing arrangement, the Commonwealth is taking on board advice from the Australian Crime Commission and the Australian Federal Police. The test will ensure that prospective participants in the industry will have the financial wherewithal to discharge the obligations of holding a cultivation licence. This will ensure that organised criminal networks cannot leverage instability in the marketplace to manipulate cultivators and distributors. Such a test ensures that organised criminal elements do not use the scheme as a cover for their illicit activities. The 'fit and proper' test delivers an adequate level of protection to the industry and will fundamentally ensure the industry’s integrity. In so doing, it will enable the industry to provide the consistency required in supply.

The last thing this government wants to do is provide an avenue for organised criminal networks to exploit the legitimate needs of Australian citizens when it comes to health care. That is why, on top of applying the 'fit and proper' test to prospective cultivators through to distributors, the government is updating the outdated deterrent penalty provisions which were enacted in 1967 and have, unfortunately, lost the gravity of their intended deterrent effect. This is particularly the case with financial penalties for unauthorised cultivation.

Further, this bill will not override any state or territory legislation dealing with criminal activities associated with the illegal cultivation and trafficking of cannabis that occurs outside the regulatory scheme established by this bill. The Australian government has made a commitment to work collaboratively with state and territory governments to not only share knowledge and information on issues related to the appropriate use of therapeutic products derived from cannabis but also consider health and law enforcement concerns for the control of cannabis in Australia.

This bill is taking steps to satisfy the supply issues that plague the provision of medicinal cannabis in Australia. It provides clarity to industry about their rights and responsibilities as cultivators and delivers strong accountability and integrity to the community. The bill sets the framework in place for a sustainable supply of locally cultivated raw material for the provision of medicinal cannabis, whilst ensuring the system is not manipulated by organised criminal networks. I cannot think of a better place for growing medicinal cannabis than in my electorate, be it in the Riverland in the north or the irrigated areas of the south-east, but that of course will be a matter for industry and government in full consultation. This bill provides better outcomes for our health system and ultimately better outcomes for our citizens. I commend it to the House.

Mr ENTSCH (Leichhardt) (18:52): I also rise to speak on the Narcotic Drugs Amendment Bill 2016. From my perspective, it is a very significant day when medical cannabis is acknowledged as being a product that makes a real difference to people suffering
from chronic conditions or terminal disease. It will mean that patients and their family members will no longer have to hide in the shadows to source cannabis off the street. They will have a pathway to access safe and effective product and to access that product legally.

This evening I would like to provide a brief overview of the bill, but more importantly I would like to talk about the people that have contributed in so many ways to my journey of acknowledgement and recognition of the properties of this product.

Through the bill, the Commonwealth will oversee all regulatory aspects of cultivation of cannabis for medical and research purposes through one national scheme. The products that are likely to be available are cannabis tincture for children, oil for adults and raw product for vaporising. Patients would be able to access the product either by taking part in clinical trials or through a scheme whereby GPs, or other medical professionals, would be able to apply to become authorised prescribers. This would initially focus on childhood epilepsy where the effectiveness of medical cannabis is very well documented, to the treatment of nausea resulting from chemotherapy, to HIV treatment and palliative relief. However, other patients suffering from chronic and ongoing conditions will also be able to apply to the authorised prescriber for access to these products.

I cannot thank enough the people that have helped on this journey by sharing their stories and/or by educating me. From a personal perspective, I first became aware of the value of this product from my late brother-in-law Joel Garrett. At the age of 28 Joel was diagnosed with MS. His physician said that it was the most aggressive form of MS that he had ever seen or treated. Sadly, Joel died at the age of 33 on 21 June 2005.

During the course of his illness, in an effort to give him relief, his mum and his sister had to source product in Adelaide. Speaking to them, they explained how difficult it was having to go out to try and get product. It was the only thing that gave Joel the relief that he needed. He had uncontrollable shakes towards the end of his life and no amount of medication that they could give him would make any difference at all to his circumstance. However, by accessing this substance he was able to control his shakes. It gave him a quality of life that he could achieve from nowhere else, and this was right up until the day he died. In reflecting on Joel's journey, that has had a huge impact on the family. I know for a fact that Joel will be up there somewhere saying, 'At last they've recognised it,' and he would be greatly appreciative of what we are doing here.

It was quite some time later when I was watching a 60 Minutes program—I think it was in 2014—that I saw Lucy and Lou Haslam, and the battle their son, Daniel, was having facing bowel cancer. Lou was a former drug squad officer, yet he and Lucy were also forced to access cannabis to address Daniel's chemotherapy induced nausea, and they shared that story with all of Australia. That really brought back to me the memories of the challenges that Joel's mum and sister had all those years ago.

I made an effort and was privileged to meet Lucy at a meeting of the cross-party Parliamentary Group on Drug Policy and Law Reform in mid-2014. We had a chat about it. We also had a chat about Daniel's condition, and the fact that the only way that he could get relief to stop the nausea to allow him to have a meal after chemotherapy—and allow him to maintain his weight to continue to have his treatment—was by using this substance. Sadly, Daniel is not with us anymore. Nevertheless, I would like to acknowledge the legacy that has been left by Daniel and particularly Lucy and Lou Haslam for the work that they have done.
I also spoke to Lanai Carter in Brisbane. She told me about her family's trips backwards and forwards to the United States to access treatment for her son Lindsay, the benefit it had for his brain tumour induced seizures and their ongoing challenge in navigating the TGA's Special Access Scheme.

While they are anecdotal, these stories reinforced my understanding of the benefits of medical cannabis. This was further strengthened by Dr Alex Wodak, who is an Emeritus Consultant for Alcohol and Drug Service at St Vincent's Hospital and President of the Australian Drug Law Reform Foundation; Dr David Caldicott, head of the emergency department at Calvary Hospital; and Dr David Allsop, research fellow at the School of Psychology at the University of Sydney, who told me about the 'regulatory thicket', as he called it, in trying to deal with this problem.

I also had the opportunity of meeting with the Therapeutic Goods Administration, who briefed me on the regulatory environment to help to try and get some understanding on it, and to speak with Lachie Stuart from the Australian Cannabis Industry Association for their perspective on how legal marijuana markets overseas work and the role of licensed producers and regulators, with Debbi Cliff in Cairns, who has a wealth of knowledge about medicinal cannabis together with her own chronic health conditions and intolerance to traditional pain medications, and Josh Waldron, who promoted medicinal cannabis through public meetings and organised the Medical Marijuana March for the Sick and Dying. I think it is also important to acknowledge the efforts of the Queensland state LNP convention to rally support at the Queensland legislative level. I was really proud of the fact that they did that.

All along I have been in contact with hundreds and hundreds of people from all around Australia and I have been overwhelmed by the level of support. Locally, I was touched by the families who contacted me—desperate for an opportunity to use medicinal cannabis in a safe, legal and regulated way. In particular, I mention Sherri Hickey of Cairns, whose daughters Emily and Elysha suffer a rare genetic condition called Ehlers-Danlos syndrome. This causes them to suffer constant pain, dislocations, migraines and allergies to pain medication. Sherri said:

I have been tempted many times to consider trying cannabis for Elysha. But the risk of getting caught for doing something illegal stops me. It would be so much safer under the supervision of a doctor … Thank you for supporting the needs of sick children.

Also in Cairns, Jodie Higginson's nine-year-old daughter, Kiara, has a rare form of epilepsy called Jeavons syndrome, which causes hundreds of light-triggered seizures every day. She is on constant medication, which causes side effects and severe reactions. Jodie said:

Thank you so much for advocating for this natural alternative to drugs. I hope kids and adults who suffer daily unnecessarily will soon get the chance to see if this wonderful natural alternative offers them relief.

This bill is a vital step. It will enable the cultivation and manufacture of a legal product in Australia and it is the 'missing piece' that we have been struggling with. It will enable states and territories to put in their own legislation to allow this to happen. Let us make sure we get the basics right—things like crop security and avoiding the stockpiling of product. After that, we may even be able to look at exporting Australian medicinal cannabis to address the global shortage of legal product. In the meantime, I will do everything in my power to help get this
through as quickly as possible so that the states can allow cultivation to start and so that patients can have legal access as soon as possible.

In closing, I would again like to commend the members of the cross-party group, including Dr Sharman Stone, Senator Richard Di Natale and Melissa Parke, for their ongoing advocacy. I also offer my heartfelt congratulations to our Minister for Health, Sussan Ley, for her work in introducing this bill. Today I am very proud to support legislation which will have a profound, positive impact on so many Australians' quality of life. I commend the bill to the House.

Ms PRICE (Durack) (19:02): The Turnbull government is building an innovative and sustainable economy for a safe and secure Australia, and this bill is a demonstration of the compassion of those of us on this side of the chamber. I am pleased to rise today to speak on the Narcotic Drugs Amendment Bill 2016.

This government is a progressive government. Not only are we creating a more sustainable economy; we are also making Australia a better place to live. This bill will allow the cultivation of cannabis for medicinal purposes while remaining compliant with Australia's international obligations. To my constituents I stress that we are not legalising marijuana; we are allowing those who need to access cannabis to do so. I think it is worth repeating: we are not legalising marijuana. We are allowing those who need to access cannabis to do so in a safe manner.

Presently there is a global shortage of legal product capable of being supplied through existing pathways under the Therapeutic Goods Act; so clearly we need to address this supply side problem. I think this is a historic day in Australia's parliamentary history. For years, decades and generations, people in this country have fought to legalise marijuana for medicinal purposes. For many families and friends, this bill is the missing piece in their relative's or friend's journey in managing the impacts of serious health conditions—such as epilepsy, Crohn's disease and multiple sclerosis—as we heard in the very emotional speech from the member for Leichhardt, who outlined many very personal stories of people who would have liked to have the opportunity to use medicinal cannabis. So I do stand here today as a proud member of the Turnbull government, who have taken the first steps towards that goal.

I assume that we do count on bipartisan support for this much-needed legislative change. This measure will ensure that when cultivation, production and manufacture of cannabis for medicinal purposes begins, Australia will remain compliant with its international treaty obligations as defined in the Single Convention on Narcotic Drugs 1961. The bill provides that the Commonwealth will oversee all regulatory aspects of the cultivation of cannabis for medicinal purposes through a national scheme. This removes the need for states and territories to implement legislation to set up individual cultivation schemes and ensures that laws are consistent across Australia.

Two types of cultivation licences will be available once this bill passes. One allows for the cultivation of cannabis plants for the production of cannabis for medicinal and related purposes, and the other authorises cultivation for research purposes related to medicinal cannabis.
As a member of parliament, I see my duty as being to ensure the safety of all Australians, not just to the people in my electorate of Durack. I am concerned that some people are so desperate to obtain medicinal cannabis that they are currently accessing unsafe, illegal supplies of cannabis which in many cases are administered by unqualified and untrained individuals—which exposes them to health risks, not to mention the possibility of prosecution.

This measure will enable the domestic cultivation of cannabis for use in clinical trials, scientific research and medicinal purposes. I must repeat once again that this is not legalising marijuana. We are not and we will not. We will only be allowing those who need to access medicinal cannabis the opportunity to do so in a safe manner.

Where the cultivation of cannabis is for production into medicinal cannabis products for supply to patients, these patients will be managed to ensure that the amounts of product manufactured are planned in advance, are relative to proposed usage and do not exceed permitted manufacturing limits.

Under this measure, Australia must report regularly to the International Narcotics Control Board, which oversees the implementation of the single convention on quantities of narcotics produced, manufactured and used, with a view to preventing stockpiling of raw material beyond national and global needs. These amendments are designed to ensure the Commonwealth is able to fulfil this obligation. And just so we are clear, this measure will not override state legislation dealing with criminal activities associated with the cultivation and trafficking of cannabis.

While this measure was not a 2013 coalition election commitment, I truly believe it does demonstrate that this government is not only listening to but in touch with the needs of the Australian public. It is worth noting that those opposite had the opportunity to bring in the same reforms during their six years in government but they failed to do so. I am pleased that we are here today discussing its introduction.

In closing, I would like to acknowledge the hard work of Minister Ley, the Minister for Health, in getting this measure to the House. I note that we will require state and territory governments to pass their own legislation and I wish them all swift passage in this regard. I commend this bill to the House.

**WYATT ROY** (Longman—Assistant Minister for Innovation) (19:08): It is a great honour to speak on this bill. My support for it is predicated not only on the soundness of its principles. In meeting local families distressed by painful and chronic conditions, I have been granted a personal window on an anguished existence, where access to a safe, legal and reliable supply of medicinal cannabis would bring enormous relief. The sooner a robust legislative and regulatory process can be put in place the better. And this, the Narcotic Drugs Amendment Bill 2016, will achieve that, for the first time creating a nationally consistent licensing scheme, regulating the controlled cultivation of cannabis for medicinal or scientific purposes.

The cultivation of cannabis is not currently authorised and regulated under the Narcotic Drugs Act 1967. This bill is about common sense and balance, reconciling the right to patient access with an undiminished commitment to community protection and Australia’s international obligations under the Single Convention on Narcotic Drugs 1961. The bill
allows for a legal supply of cannabis to be incorporated in safe and quality-assessed medicinal cannabis products. Patients will no longer have to turn to the black market as a means of mitigating their suffering and that of those who love and care for them, predominately their family and friends. The new laws will enshrine appropriate medical supervision around the use of these products. And when they are accessed in accordance with the Therapeutic Goods Act 1989 and relevant state and territory law, patients will not be exposed to criminal prosecution or the health risks associated with materials of unknown safety and quality.

Indeed, in straddling many sensitivities, these laws have demanded the stamp of consistency. The Commonwealth will control all regulatory aspects of the cultivation of medicinal cannabis through one national scheme, removing the capacity for states and territories to implement legislation to set up individual cultivation schemes. The result will be strong, consistent regulation right across the nation. In allowing the government to closely track the development of cannabis products for medicinal use from cultivation to supply, a national regulator will also curtail any attempts by criminals to get involved.

This is no accidental bill. We are here today because the overwhelming voice of our collective community, supported, I am happy to say, by bipartisan political leadership, has made it so. The last thing seriously ill patients or those plagued by chronic conditions need to contend with is an acute brush with the law. It is a real concern when desperately unwell people are forced to turn plain desperate, accessing unsafe, illegal supplies of cannabis and, in so doing, exposing themselves to both health risks and potential prosecution. At the same time, this government has the greatest compassion for these very same Australians and wants to ensure they are afforded access to the most effective medical treatments. To address this, the government is allowing for domestic cultivation and manufacture. I have no doubt that if passed, the legislation will see a reduction in the suffering of so many Australians, wherever their doctors determine medicinal cannabis to be of potential benefit.

There are provisions relating to the production and distribution of medicinal cannabis dating back to the Narcotic Drugs Act 1967 and the Therapeutic Goods Act 1989. Authorised prescribers include specialists working with particular patient groups and clinical trials run by research institutions and state and territory governments. However, these historic statutes are out of step with best practice, contemporary regulation. And the fact remains that Australia does not have a safe, legal and reliable supply of locally grown cannabis to satisfy the community expectation that it could and would provide relief for some patients, including those with terminal cancer, multiple sclerosis and children with intractable forms of epilepsy.

What we are talking about here is a ready source of medicinal cannabis products that doctors may prescribe, if appropriate. This legislation which has been described as the missing piece to patient access, establishes a licensing scheme for safe cultivation in Australia in complete accordance with Australia's international obligations and domestic interests, including minimising the risk of diversion to illicit use.

The obligations on Australia under the Single Convention on Narcotic Drugs 1961 are to control the cultivation, distribution and use of cannabis in a manner consistent with the legal uses provided for within the single convention. As well, the introduction of a rigorous 'fit and proper persons' test in the bill is squarely aimed at shutting out organised crime elements, protecting public health and preventing the risks of diversion and profiteering from the black market. Australia must also report regularly to the International Narcotics Control Board,
which oversees the implementation of the single convention on quantities of narcotics produced, manufactured and used in order to preventing stockpiling of raw material beyond national and global needs.

To be clear, the bill amends the manufacturing provisions under the Narcotic Drugs Act 1967 to: ensure the integrity and security of the scheme such as through introduction of the 'fit and proper person test' for applicants for a manufacturing licence; update enforcement and penalty provisions to be consistent with modern regulatory practice; require applicants for a manufacturing licence for medicinal cannabis products to demonstrate a lawful supply pathway to patients, such as through a specific clinical trial or other supply that is permitted under the provisions of the Therapeutic Goods Act 1989 such as the authorised prescriber scheme.

Importantly, the bill does not override state and territory legislation dealing with criminal activities associated with the cultivation and trafficking of cannabis that occurs outside the regulatory scheme established by the amendments. This is a hugely significant moment for Australia and for the many patients, families and advocates who have fought loudly and relentlessly to demystify and destigmatise medicinal cannabis products.

The Turnbull government has worked closely with the states and territories, law enforcement agencies and other stakeholders over a long period to ensure the efficacy and robustness of the bill. After years of minefields and roadblocks, we now have the opportunity to secure a smooth legislative passage for these new laws. It is our chance to make a real difference in the lives of many Australians and their loved ones. We must do it and, for those reasons, I commend the bill to the House.

**Dr GILLESPIE** (Lyne) (19:16): I rise to speak on the Narcotic Drugs Amendment Bill 2016, which is to enable legally controlled cannabis cultivation in Australia whilst meeting Australia has obligations under the United Nations Single Convention on Narcotic Drugs 1961. Currently we can already import or export cannabinoids or derivatives of cannabis sativa or raw cannabis material but it is certainly not legal to grow it in Australia. As no doubt the House has already heard, we have had opium and opiate production on an industrial agricultural scale in Australia for many years. In fact, we are demonstrably probably one of the biggest legal supplies of opiates in the world. That has been controlled under the Narcotic Drugs Act 1967, under which cannabis is classified.

Before we go into what is proposed, I will say a few words about why it is needed. Many people have had stories outlined to them in the popular press of people with unfortunate diseases, whether it be advanced malignancy, multiple sclerosis, some children afflicted with intractable forms of epilepsy, finding great relief that finally, after many variations of pharmacology treatment, they can get something that helps the condition.

The first time I as a medical practitioner came to this awareness was many years ago when my late brother-in-law, who suffered from breast cancer in his midtwenties, had advanced disease. The only thing that helped him with his protracted vomiting as a result of the horrible cancer that spread to his meningeal system inside his brain was marijuana. Many children suffering from paediatric epilepsy have had miraculous responses to cannabis derived oils. People with multiple sclerosis and other painful conditions have responded; although some of those pain responses are not uniform. There are very many other analgesics or painkillers available.
For the record, there are many people in Australia, particularly in my electorate, who have raised their eyebrows and thought, 'Are you really legalising cannabis?' I would just like to place on the record that is not the intent of this legislation. We know in other countries, particularly North America, the medicinal or the so-called medicinal use of marijuana for vague and ill-defined medical conditions has been a soft convenient avenue to obtain marijuana. That is not what is intended by this bill. There have been derivative drugs from cannabis made—CBD oils, and an inhalant medication—which have been useful for the wasting and fading away that is seen in advanced HIV, AIDS and in malignancy, and they are very useful. So it is great that we are going to apply some due process and allow the production and cultivation of specific strains of marijuana and subsequently down the track of cannabis oils and tinctures and get some science behind it all. There is a crying need for it and it is great that we have got this bipartisan support to the process.

What is proposed under this bill are two streams of licensing. First of all, there will be a licence for the cultivation of cannabis so that medicinal cannabis products can be manufactured. The second is a licence for research into cannabis plants and the many other potential uses. The literature is filled with ad hoc descriptions of benefit from cannabis but this will allow us to apply some science to it. There will be strict conditions. People who obtain a licence must fall under the definition of a fit and proper person, and that will be applied rigorously. Business associates, partners and any other criminal linkages would be exhaustively checked, and there must be a substantial business history. The licence holders are designed to be people without any criminal elements or links, of course. There has to be an obvious supply arrangement between the manufacturers or the processors in order to get such a licence. The amount of cannabis that can be produced will be controlled by the licence, and that is very important if we are going to meet our commitments under the single convention so that we cannot stockpile huge amounts of marijuana that could then be diverted into illegal trade.

The security of the crop of marijuana, or cannabis, is paramount. You only have to visit the Apple Isle to see the security around the production of opium poppies for the production of opiates and heroin and all the other opiates that are required for medicinal purposes, and that same principle will apply with this. There will be penalties for offences or breaches of any of the conditions of the licence. There will be regular inspection, monitoring and investigation processes in place, and there will be the ability to give infringement notices for those licence holders that breach their conditions. As I mentioned earlier, there has to be a formal and a demonstrable business relationship between the licenced manufacturer and having a recognised and legitimate supply chain in place to meet the criteria for a licence.

The amount that needs to be produced will be determined by licenced medical practitioners in association with the TGA, and all the regular state licensing and scheduling of drugs will continue. It is not going to bypass any of the existing regulatory pathways in place; it will just complement them and allow the development and research of further cannabis related products—perhaps further CBD and low-hallucinogenic forms of cannabis. The main emphasis is to expand the area of medicinal cannabis, not regular marijuana use and the use of medicinal reasons as an excuse to get it. That is far away from the intent of this legislation or the push from around the country to legalise it.
I am looking forward to some good outcomes. New South Wales has taken a lead in the research. This legislation will permit their initiatives to go further. I commend the bill to the House.

Mrs WICKS (Robertson) (19:25): Today's legislation has been described as a landmark bill and the missing piece for patients and doctors around Australia. Through the Narcotic Drugs Amendment Bill 2016, the Turnbull government is proposing to allow patients and their doctor access to a safe, legal and reliable supply of medicinal cannabis products. I stand today in full support of this legislation, and I commend the Minister for Health and the Turnbull government for their work in helping to make this a reality.

For people like Michael from Calga, in my electorate on the Central Coast, it is a day that he thought would never come. Michael sent me a moving letter about his daughter, Katelyn, who has a genetic fault that is linked to catastrophic epilepsy and uncontrollable seizures. At one stage, Michael said that his daughter was suffering 1,400 seizures a day from the age of six months and was hospitalised nine times in just four months. I am advised that not even the attention of qualified health professionals in Sydney and the Central Coast could help Katelyn recover, with what some described as a one in two chance of dying before she was 18 years of age and a 100 per cent chance of intellectual disability.

When he first approached me—and I met both Michael and Katelyn—Michael pleaded with me to do whatever we could as a government to help save his little girl. He wrote: 'Please help us by doing what needs to be done to give the families of catastrophic epileptics and the terminally ill access to safe, legal and reliable medicinal cannabis.' That struck me as a heartfelt plea from a father about his daughter. I am pleased to say that Michael has found some relief through an arrangement with the New South Wales government, which has set up a register for terminally-ill users of medicinal cannabis. But, in speaking with Michael this week and as this bill comes before the House, he emphasized to me that the federal government needs to take the lead. I am pleased to say that today's legislation is the step forward that could change his and his daughter's situation for the better.

Another family who may benefit from providing safe access to medicinal cannabis is Brendan from Umina Beach. Brendan's teenage daughter has been diagnosed with a rare disorder. When she has an attack arising from this disorder, the pain is so severe that she is hospitalised for weeks. It has been a really difficult journey for them and for their family, and even their experience in obtaining a diagnosis was frustrating, devastating and confusing, all at once. After numerous tests and quite a few hospital visits, Brendan was told that there was nothing wrong with his daughter. A few more visits later and the pain was eventually traced to the gall bladder. They were informed that, if the gall bladder was removed and the pain attacks kept happening, then it was likely to be revealed as a very rare dysfunction known as the sphincter of Oddi dysfunction, more common in women over 40. Sure enough, the gall bladder was removed, but just a couple of months later the attacks returned.

I am told that Brendan's daughter was given 20 different types of medicines, but, according to Brendan and his family, it only made it worse. By this time, of course, Brendan's wife was struggling to hold on to her job because of the frequent hospital visits, and I dare say that this is an all too common occurrence for the many families in this situation. It was also taking an emotional toll on their other daughter, who was impacted every day by seeing her sister in pain. I am advised that the family were told that access to medicinal cannabis may have been
beneficial to Brendan's daughter. Brendan told me that they were desperate and begging for help and felt that they were at a dead end. Writing from beside his daughter's hospital bed, Brendan told me, 'At the current moment our lives are ruined, and the only thing that could help is medicinal cannabis oil.' Thanks to this legislation, this may now be possible.

Finally, I would also like to share Clare's story. She is a resident of Davistown. Clare's husband suffered two melanomas. One was very aggressive. Clare said it was a very painful time for him, and, although the heavy pain killers did give him some bearable relief, he was severely nauseated, could not eat and was having nightmares, all because of the medicine. He died in January 2000. Only after this terrible and devastating loss did Clare find that medicinal cannabis may have actually been able to help her husband through this awful time. She told me she would have accessed it at the time if she could, but of course it just was not possible.

Thanks to this legislation, we have a positive story to tell Michael, Brendan and Clare and many other families and residents on the Central Coast and indeed around our nation. But, before I go on, it is also fair to say that what we are debating today has been contentious, at times misunderstood, and described by critics as part of a slippery slope to the decriminalization of drugs. It is a discussion that we need to have, but I believe that this is a separate debate. What we have in this legislation is a potential solution to assist people in painful and chronic situations who are being denied access to potentially legal drugs that could provide significant help. Doctors are at the centre of the decision-making process, which is strictly controlled. This legislation opens the way for patients who need it most, as I have outlined in these three real-life stories, and helps them to be able to get access to the help they need: medical relief as determined by medical practitioners.

Part of making today possible has been the process undertaken by the Turnbull government in working closely with states and territories, law enforcement agencies and other stakeholders in recent months. I understand that the priority was to ensure that this legislation was robust before bringing it to the parliament and to seek to eliminate any potential for criminal involvement. Part of this involves establishing a safe, legal and reliable supply of locally grown cannabis so the drugs can be manufactured to help patients who need them.

The solution outlined in this bill is a single nationally consistent cultivation scheme that meets all of our national and international obligations. Indeed, Australia is a signatory to a global convention which requires that production, manufacture, export, import, distribution, trade and possession of narcotic drugs such as cannabis is restricted exclusively to medical and scientific purposes. In many cases the long-term evidence is not yet complete about the ongoing use of various medicinal cannabis products—which we heard earlier this evening— which means that the central role of medical professionals is to monitor and authorise its use, and this is so important. I am advised that this set-up will allow the government to closely track the development of cannabis products for medicinal use, all the way from cultivation to supply.

I believe that this bill goes a long way towards assuring people in my electorate of Robertson about the importance of making medicinal cannabis available in an appropriate, legal and regulated way. It is bold, groundbreaking and essential policy, and I commend this bill to the House.
Ms GAMBARO (Brisbane) (19:33): I rise tonight also to speak on the Narcotic Drugs Amendment Bill 2016. This is a very important issue to me, but, more importantly, it is a hugely important issue to the many electors and constituents that I represent in the federal seat of Brisbane. I want to thank them very much for their input to this debate. I thank them for the comments that I have been receiving. Many of them are very, very pleased that we are speaking to this bill and supporting this bill from both sides of the House.

The Narcotic Drugs Amendment Bill 2016 will for the first time create a nationally consistent licensing scheme which will regulate the controlled cultivation of cannabis for medicinal or scientific purposes. The use of marijuana for medical purposes has been a very contentious issue, and I think everyone who has spoken to this bill tonight has said that. It has been a contentious issue, and it has been an ongoing discussion not just for this parliament or the people of Australia but for many, many people around the world, and many governments have looked at this. I want to pay tribute to the Minister for Health, the Hon. Sussan Ley, for the work that she and her department have done on this. Time and time again, we were confronted with the unquestionable evidence that is out there, particularly the scientific evidence, so it was time to see this legislation passed so that the people who need this legislation to go through, who are in dire need of the treatment, can finally get what they need to help them through some very difficult and very, very hard illnesses that they are suffering from.

The cultivation of cannabis is not currently authorised, and it is not regulated under the Narcotic Drugs Act 1967. The Commonwealth will control all regulatory aspects of the cultivation of medical cannabis through one national scheme, removing the capacity for states and territories to implement legislation to set up individual cultivation schemes. That is going to be a very good thing because it will mean that across the board there will be consistent regulation across the country.

This amendment typifies the government's brave leadership on what I said earlier was often a contentious and very often a hugely contested issue for many aspects of society. The need for the bill arose to address the community expectation about the need for certain patient groups to access medicinal products derived from cannabis. Many of the speakers tonight have spoken about those very groups. International supply is limited. To address this, the government is allowing for domestic cultivation and manufacture and making sure that it will be safe, it will be legal, and it will be reliable.

We have seen many examples in the media in recent months of honest parents who just needed to help their children. Many of these cases were absolutely heartbreaking. They were breaking the law at the time, but they wanted to seek the absolutely optimal treatment for their children so their children did not have to suffer endlessly. It was a concern at the time that there were very desperate patients. They needed to access safe supplies of cannabis and not expose themselves to health risks by accessing those unsafe, illegal supplies of cannabis. Also we needed to make sure there was no risk of prosecution for those parents and members of the community. No-one blames anyone for this; no-one is blaming police about prosecutions in the past.

We are here today to make sure that this legislation is put right so that many families can access the treatment that they need and deserve. The new legislation will enable domestic cultivation of cannabis for use in clinical trials, for scientific research and for other medicinal
purposes as allowed under the Therapeutic Goods Act 1989. The bill also sets up a licensing scheme that enables safe cultivation in Australia that meets Australia's international obligations and domestic interests, which include minimising the risk of diversion to illicit use. The obligations on Australia under the Single Convention on Narcotic Drugs 1961 are to control the cultivation, distribution and use of cannabis in a manner consistent with the uses provided for in the single convention. Some of the obligations are exclusive obligations placed on the Commonwealth as a signatory to the single convention. These exclusive obligations relate to the cultivation of cannabis and related matters.

The bill will include the introduction of a strong fit-and-proper-persons test and is designed to exclude organised crime elements from participation in this scheme. That again is a measure to ensure that we protect the public and prevent the risk of diversion and particularly prevent unscrupulous people from doing what unscrupulous people sometimes do—profit on the black market. That has been a very welcome move. This bill also strikes a balance between providing the treatments that patients so desperately need and ensuring that illicit use does not prosper.

It is also important to note that the requirements for cannabis cultivation under the single convention are quite different to those for opium poppies grown in Australia. They represent significantly different risks to public health from the diversion of crop. Australia must also report regularly to the International Narcotics Control Board, which oversees the implementation of the single convention on the quantities of narcotics produced, manufactured and used, with a view to preventing stockpiling of raw material beyond what is needed nationally and globally of such products. The amendments are also designed to ensure that the Commonwealth is able to fulfil this obligation.

The bill amends the manufacturing provisions under the Narcotic Drugs Act 1967 again to ensure the integrity and security of the scheme, such as through the introduction of a fit-and-proper-persons test for applicants for a manufacturing licence. It also updates enforcement and penalty provisions to be consistent with modern regulatory practice. It requires applicants for a manufacturing licence for medicinal cannabis products to demonstrate a lawful supply pathway to patients—for instance, to a specific clinical trial or through supply that is allowed for under the provisions of the Therapeutic Goods Act 1989, such as the authorised prescriber scheme. It provides licence holders with a new right to request a variation or revocation of a condition imposed on their licence.

This bill does not override state and territory legislation dealing with criminal activities associated with the cultivation and trafficking of cannabis that occurs outside the regulatory scheme established by the amendments. At this stage the new medicinal cannabis scheme will be domestically focussed with a provision for exports to be addressed at a later date when the scheme has demonstrated that it is sufficiently secure and robust to meet international and domestic expectations surrounding security and safety.

Allowing Australia to cultivate legal cannabis crops for medicinal use under strict local controls strikes the balance between patient access, community protection and our international obligations. I know that there are many people in my electorate tonight who will be very pleased to see this bill pass this House. I commend the bill to the House.
address the structural issues of the Regulator of Medicinal Cannabis Bill 2014 introduced in the parliament in November 2014. The cultivation, production, manufacture, import, export, distribution, trade, possession, use and supply of cannabis and cannabis derived products are regulated by a number of Commonwealth laws, including the Narcotic Drugs Act 1967. Importantly, it will allow people suffering from debilitating and painful health conditions to access, as early as next year, medicinal cannabis to relieve their suffering.

Access to medicinal cannabis will only be available when prescribed by a doctor or as part of a clinical trial. It will not be available over the counter. Non-medical use of cannabis will still be illegal, as will its cultivation. There are wild concerns about someone using this bill to have greater access to the street form of marijuana, weed or whatever other name you like to give the illicit substance. Those fears, or even anticipations, are wrongly founded. This is not the case with medicinal cannabis or access to it by people with very serious illnesses, often terminal illnesses, in Australia.

We have long experience in Australia, of course, of cultivating poppy for the production of medicinal substances. There is no known leakage of the production of legal poppy in Australia onto the illegal or illicit drug market. We have morphine being produced, not street heroin. So there should be no concern about the cultivation of the appropriate plants which will lead to medicinal cannabis production.

There are many stories of patients who have had to resort to buying cannabis illegally to relieve their suffering from serious illnesses in Australia. This bill will begin the process of ultimately enabling many people who have had to endure debilitating pain over long periods of time to have an opportunity to obtain a medical solution to relieve their pain.

There have been many champions for the cause of legalising medical cannabis. I am sure everyone will remember the visits to this parliament by Lucy Haslam, whose son Daniel died at the very young age of 25 last year. Having been diagnosed with bowel cancer, Daniel used cannabis to stave off crippling nausea that was a by-product of some of his chemotherapy treatments.

Professor David Penington AC, one of Australia’s leading public intellectuals and health experts, has been an advocate for sensible drug policy in his roles as former chairman of the National AIDS Task Force, the Victorian Premier’s Drug Advisory Council, and the Victorian government’s Drug Policy Expert Committee. Professor Penington’s other leadership roles have included those of professor of medicine and dean and Vice-Chancellor at the University of Melbourne. He, of course, has been a champion of the introduction of medicinal cannabis to Australia, and I pay great tribute to Professor Penington. He was persistent and calm. He met all of the challenges to the idea of having medicinal cannabis introduced into Australia. His intellectual force and expertise made a great difference in this debate.

In my own electorate of Murray, I have had constituents write to me or contact me, talking about the particular tragic circumstances of their loved ones’ conditions, often terminal conditions, where they were dying in great pain and suffering and losing weight, without any capacity for other drugs to bring any relief. In one particular case, the wife of a sufferer knew that there was possible relief for him if she could find some medicinal cannabis, but being a woman in a country region—a woman who had never been in touch with any illicit substance markets or dealers in her life—she had no idea where to go to get this substance. Then there was the pressure of other relations saying to her, ‘Why don't you find some cannabis for your
husband? You can imagine the distress of this woman and the lack of any relief for her husband, who died at a very young age. The additional stress for the wife from not being able to support her husband to the extent that she imagined might be possible brought a great deal of additional pain and suffering to her, not to mention her husband. If it had been only a year or two later, she might have been able to access this drug through a legal process. Her husband could have had the prescription. He would still have been in a terminal situation, but he would have died with less suffering. That, of course, is the right of everybody: to die with dignity.

We also have people suffering from incurable back pain, acute abdominal pain and serious constipation—the result of calcium build-up in the bloodstream. This is the story of another case. This person was diagnosed with a rare blood cancer called multiple myeloma. This condition eats at the bone marrow, the interior of bones, and naturally she then had severe osteoporosis, along with fractures and cancerous lesions on her spine and pelvis. Her immunity was poor because of this multiple myeloma, a cancer of the immune cells and blood plasma which effectively took over the immune system and all other blood cells. She was told there was no cure and she was going to die from this disease. The prognosis was extreme lethargy, bone lesions, permanent fractures, living in a wheelchair, horrific pain and kidney malfunction. This woman was taking chemotherapy and morphine, but she wanted to have some hope of living to a normal age. She was a qualified nurse and also a trained agricultural scientist. She considered that the cannabis she was able to access was an effective aid and a treatment for her cancer, severe pain and tremors, along with other conditions that she suffered. She now looks forward to not having to go through the trauma of finding a product illegally or illicitly and to people with her sort of condition being able to have the dignity of going to a medical practitioner, accessing a prescription and taking a substance which she and others can be more trusting of in terms of its content and its medicinal value.

There are so many cases like this. You can imagine a family with a young child who has many fits per day, with each round of fitting leading to potential or real brain damage, knowing that, if they could only access medicinal cannabis, the numbers of fits could be reduced and the risk of brain damage could be lessened. For us to withhold the capacity for that family to access medicinal cannabis, which has been found to help, to my mind is just not a sign of a compassionate society.

So this bill will allow, with the work of the states, a sense of real relief for those currently suffering and those who may suffer in the future. These are often not commonplace conditions, but they are conditions which other medications cannot treat; they cannot relieve the pain and suffering. In Australia, we can regulate very carefully. We know we have strong systems of pharmaceutical quality control. We can control the growing of substances which have the potential in other countries to leak onto illicit markets. We have the proof of the poppy growing, which has now moved from Tasmania to Victoria. We can grow these other medicinal plants just as securely as we do poppies.

I think we have taken possibly longer than we should have to come to this point in this House where we have this Narcotic Drugs Amendment Bill put in place. I commend the states who have already made moves to trial various ways to grow these substances and to authorise cultivation for medicinal purposes. This will enliven the Commonwealth's obligations under article 23 of the United Nations Single Convention on Narcotic Drugs. This legislation will

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override state and territory legislation for the cultivation of cannabis for medicinal use or related research. However, the Commonwealth will work with the states and territories in relation to existing manufacturing provisions. We will work in tandem, as we currently do with the poppy industry.

I want to particularly commend the work of Dr Richard Di Natale, the leader of the Greens, who, as a medical practitioner himself, has been aware of the great relief of some suffering with the use of these products. He has spent a lot of time researching the use of medicinal cannabis in other countries. He has been tireless in carefully and painstakingly ensuring that Australia will have best practice when it comes to regulation and legislation. I want to congratulate Dr Richard Di Natale for the work he has done. I have been proud to co-sponsor the bill, which was initially introduced into the Senate in relation to this issue, and to stand beside him and argue that Australia is a compassionate society. We should not let false rumours and fears overtake what can be and should be the compassionate response to people who are often in last stages of a terminal illness which has caused them great pain and suffering. This substance may also become an assistance to those suffering from multiple sclerosis or Parkinson's disease; we keep finding other conditions that medicinal cannabis can assist with. Who knows how else this substance might be used to relieve suffering in the human condition in the future.

So I commend this bill to the House. I hope that some of the new crops of medicinal cannabis are grown in northern Victoria. Mr McCormack, are you still the member for Riverina?

Mr McCormack: Yes, it is still the Riverina.

Dr Stone: I hope they are also grown in the member for Riverina's electorate because he is always looking, I am sure, for crops that can be grown well in his area. We have had trials close to my electorate of Murray—in fact, some in Murray—and I am pleased to say those trials have gone well. We will have substantial penalties for offences involving breaches of any conditions or undertaking unauthorised activities in relation to this substance, as with so many under other pharmaceuticals.

May there be great relief for many sufferers today when they realise that it will not be long before they can legally obtain either Australian produced products or imported products. Ensuring that we relieve suffering when we can is what we are about in Australia. I commend the bill to the House.

Ms Ley (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (19:55): I rise to speak on the Narcotic Drugs Amendment Bill 2016. I have spoken many times of my concern for Australians suffering from chronic pain and other severe medical conditions. Only last week, I met Associate Professor Richard Chye, a palliative care physician from St Vincent's Hospital Sydney, who is involved in the New South Wales clinical trials for medicinal cannabis. He described some of those trials to me and explained very well that for somebody in palliative care—and I understand that the indications for medicinal cannabis are not only going to be palliative care—their biggest fear is pain and distress at the end of their life. While accepting that life is coming to an end and dealing with everything that that brings, the thought of unbearable pain and the associated indignity that goes with it is often too much for them to cope with. This very kind, gentle man explained to
me, as I am sure he does to many of his patients, that, if that pain can be relieved, then the opportunity for a person to confront death in a meaningful way is made so much easier.

The trials that are happening right now are quite exciting. The ways that different quantities of both the cannabinoid and the THC in cannabis are combined and the effect that they produce on different individuals are really an area of exciting medical research. I said, when we introduced this bill, that we will lead the world in this. With our world-class regulator, the TGA, at the centre of what we are doing, Australia will, indeed, lead the world.

These amendments to the Narcotic Drugs Act will, for the first time, provide a source of legally grown cannabis for the manufacture of suitable medicinal cannabis products in Australia. It is recognised that, while there are existing mechanisms by which medicinal cannabis from overseas can be accessed under Australian law, the problem is that limited supplies and export barriers in other countries have made this difficult. Under this scheme, a patient with a valid prescription can possess and use a medicinal cannabis product manufactured from cannabis plants legally cultivated in Australia where the supply is appropriately authorised under the Therapeutic Goods Act 1989 and relevant state and territory legislation. Further, my department has proposed down-scheduling cannabis for therapeutic uses to schedule 8, the poisons schedule, which would also simplify arrangements around the legal possession of medicinal cannabis and address some of the issues raised earlier by the member for Fremantle.

The decision to treat any condition with a medicine is one that should be made in consultation with a medical professional who has weighed up the available medical and scientific evidence to determine if there is a likely benefit for their patient and whether that benefit outweighs the risks. The government's model puts the medical professional at the centre of clinical decision making, where they should be. This bill will allow medicinal cannabis products that are manufactured in Australia to be supplied for the purposes of clinical trials or to be prescribed for patients with particular conditions by medical practitioners authorised to do so by the Therapeutic Goods Administration.

The bill also enables research—in particular, clinical trials—to expand the evidence base so that more products could potentially be approved through the medicines registration processes under the Therapeutic Goods Act, provided they meet efficacy, safety and quality standards required for prescription medicines. As that evidence base expands, it is possible that more patients will be prescribed medicinal cannabis products if their doctor considers it appropriate.

More recently, I have had discussions with the Greens and Labor about creating an advisory council to provide expert, balanced and timely advice to government on the implementation of these amendments and the development of this scheme in Australia. This is a further demonstration of our ongoing bipartisan approach and our keenness to ensure there are no unnecessary delays to the passage of this legislation or its implementation. I envisage this would be a time-limited group that will report to government and involve experts from, but not limited to, the medical profession and pharmacology, biotechnology and patient groups.

The required amendments to the Narcotics Drugs Act 1967 significantly affected both existing Commonwealth legislation and state and territory legislation. I provided exposure drafts to state and territory jurisdictions for comment in December 2015 and January 2016. In
addition, jurisdictions met face to face on two occasions and participated in several national teleconferences to discuss specific issues. We received feedback and contributions on a range of issues, which greatly contributed in developing this robust legislative framework. I would like to take this opportunity to thank our state and territory counterparts for their overall support and contribution to this legislation.

I have previously acknowledged Lucy Haslam, who has done an amazing job in advocating for change. However, I also acknowledge that there are many more advocates and everyday Australians who have played a tremendous and tireless role in bringing this important issue to the attention of the nation. I must acknowledge my parliamentary colleagues from across the political spectrum who have come together in this place to work in a completely bipartisan fashion to ensure we are able to stand here on this historic day.

Again, we are, I believe, the only jurisdiction in the world that will have the right regulatory framework, the right authorisations and the integrity that we need for a system that is already producing clinical trials, whether it be for palliative care, whether it be for everyday pain management or whether it be for children with epilepsy—all of the examples we have heard during the course of this debate—products thoroughly tested, thoroughly trialled and able to be on our Pharmaceutical Benefits Scheme.

I know for many there have been so many frustrations along the way and even times when they felt progress was not being made. However, today's outcome is a demonstration of this parliament's commitment to not only ensure we get access to a safe, legal and reliable supply of medicinal cannabis products for Australian patients but also that we get it right. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (20:02): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Dr LEIGH (Fraser) (20:03): In summary, Labor will refer schedules 1 and 2 of this bill, the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016, to the Economics Legislation Committee. Labor supports the intention of both these measures, but we want to leave open the option of moving amendments in the Senate subject to the committee's findings.

This is another tax bill and another reminder of the Treasurer's play-it-by-ear approach to tax reform. The member for Cook has been engaged in an extended jazz improv solo for a few
months now. It would be fine if he were a musician. He could just say, 'A couple of off notes but, hey, that's jazz.' The fact is, though, tax reform is not a jazz solo. You cannot get away with hitting off notes or just turning up not to play the gig at all. You have to be in tune with your stakeholders, in tune with the Australian public and willing to come out and say clearly what you mean. That action of being out of step with stakeholders and the Australian public is shown again in this bill today.

Labor has concerns about the haphazard approach of this bill, which I will go on to detail later. But, at the outset, I want to highlight the larger consequences of the member for Cook's haphazard approach. The Treasurer has floated numerous thought bubbles about an expanded or an increased GST over the last five months, since the coalition thought they had hit the refresh button. The mooted GST change led to widespread uncertainty. It did not help consumer confidence, still down from the election. It did not help business confidence. It did not help growth, which has been downgraded each quarter since the coalition came to office. It did not help unemployment, which has risen under this government. This government did not seem to realise what regular Australians realised—that raising a GST would not boost growth but would worsen inequality. Extraordinarily, it took until they received the Treasury modelling for this basic fact about a 15 per cent GST to finally pop the thought bubble.

On multinational tax reform the Treasurer continues to take a haphazard approach. After cutting 4,700 jobs at the Australian Taxation Office and after watering down multinational transparency laws, in another secretive deal with the Greens—which seems to be a regular feature of this parliament—we see the Treasurer this week talking up yet another multinational tax announce-able that yet again has no revenue estimate attached to it. So, while the Treasurer talks a big game on multinational tax, all he brings to the budget is more asterisks—just more waffle; not a coherent, clear idea about how to tax multinationals and add to the budget bottom line.

Labor has been clear about our policy on multinational tax. It better aligns debt deduction loopholes with economic first principles and it adds $7.2 billion to the budget bottom line over the course of the decade. They are resources that we badly need to make sure that Australians have the schools and hospitals that they demand and that they deserve. Labor's policy reforms now amount to some $100 billion in savings in additional measures over the course of the next decade. This includes our measures on multinational tax and high-end superannuation, on not proceeding with an expensive marriage equality plebiscite and on not proceeding with a slush fund for polluters. We do not believe it makes sense to reinstate the baby bonus and we believe that it is possible to have a measure on changing cigarette excise that delivers a health reform and a budgetary reform at the same time.

On top of that, we have announced measures on housing affordability which will help boost housing supply, improve housing affordability and help young Australians attain the dream of owning their own home. As Bill Shorten said at this dispatch box earlier today, Labor does not believe that the Australian dream is being able to negatively gear your tenth home; it is being able to buy your first home. And what does the Treasurer have in response? He has a 'no unicorns' policy—tough on unicorns, tough on the causes of unicorns. Well, it is great that he has finally nailed down his policy on fantasy animals. It would be nice if he could actually lay down his policy on multinational tax. When the Treasurer is getting beaten
up by Ray Hadley, you know he is in some deep doo-doo. It led Ben Fordham to ask today: 'Treasurer, is there any truth to the rumour that you were hiding under the desk?'

Labor's policies on negative gearing and the capital gains tax discount will deliver $32 billion to the budget over the next decade. The current budget settings on negative gearing and the capital gains tax discount amount to a significant distortion that make housing less affordable, particularly for first home buyers. Again, we have seen a few thought bubbles floated from the government and a Prime Minister who, in 2005, thought that our negative gearing settings were among the more generous in the world. He was right then, and 11 years on he is even more right.

The concerns about negative gearing that the Prime Minister raised in his tax paper with Jeromey Temple in 2005 have led to Sydney becoming the second most unaffordable city in the world, measured by price to income ratios, behind only Hong Kong, and Melbourne becoming the fourth most unaffordable city in the world. The Prime Minister seems to think that is okay. He seems to think that the main role of government is to ensure that every tax loophole that assists people with a dozen homes is maintained. But the fact is young Australians are finding it harder than ever before to afford their own homes. We see the home ownership rate for 25- to 34-year-olds dropping 25 percentage points in a generation. For the low-income members of that bracket, it has dropped by 30 percentage points over the course of the last generation. Ninety-three per cent of new investment loans goes to people buying new housing stock. The current tax settings have a failure rate of 93 per cent if their aim is to boost the housing supply. Labor believes that we need tax settings that improve housing supply and that make sure that the benefits of this tax loophole flow not just to those who are fortunate enough to afford an investment property but to the entire Australian community.

We heard the Prime Minister at the dispatch box today touting misleading statistics about the beneficiaries of negative gearing. More benefits of negative gearing go to teachers than surgeons, he said. Well, I have a fact for the Prime Minister: it turns out there are rather more teachers than surgeons in Australia—roughly 300,000 teachers to 5,000 surgeons. So, although on a per-person basis, teachers do get far less of the benefits of negative gearing than surgeons, it probably turns out that if you have a group that is 60 times as large then when you aggregate up their benefits it becomes bigger. But the fact is that if you look at the Grattan Institute numbers, you can see that the average benefit in negative gearing for cleaners is $41, for nurses it is $254, for teachers it is $372, for anaesthetists it is $3,352 and for surgeons it is $4,161. In other words, the average surgeon gets 100 times more benefits from negative gearing than the average cleaner. That gap would narrow if we looked at the total benefit of all of the cleaners and compared it to the total benefit of all of the surgeons because there are more cleaners than surgeons in Australia. But let us not play fuzzy math with an issue as important as inequality in Australia—now at a 75-year high. We know that in the case of the capital gains tax discount that, again, 70 per cent of the benefits go to the top 10 per cent of income earners.

Labor aims for a plan which adds to housing supply and adds to equity. The coalition's defence of tax loopholes is at odds not only with the position that the Prime Minister took in 2005 but with dozens of outside experts. Joe Hockey stood on that side of the parliament and said that negative gearing should be restricted to new-built homes. Jeff Kennett has criticised his own side of politics for playing politics on negative gearing and has praised Labor for
bringing positive policy ideas to the table. The Grattan Institute's John Daley, Saul Eslake, Chris Richardson are not people who instinctively line up with Labor on every issue, but they recognise good policy when they see it. The current tax settings burn a hole through the budget. The capital gains tax subsidy is blowing out from $4.2 billion in 2014 to a projected $8.6 billion in 2019. Labor's policies rein in the cost of the capital gains tax subsidy. The government's failure to come up with policies does not.

Just as we would welcome the government's adopting Labor's policies on restricting negative gearing to new-built homes for properties purchased after the middle of next year, so too we would welcome the government adopting our multinational tax plan. That would be more economically efficient and it would add to the budget bottom line. Indeed, the government does not have to listen to Labor; it could just heed the advice of the Financial System Inquiry it commissioned. Right under the headline 'Major tax distortions', it outlined the case for reform and the economic benefits that would follow.

Another tip for the Treasurer would be to tell stakeholders how they will be affected. Labor has carefully detailed our structural reforms with the long run in mind, whilst giving certainty to investors under the current regime. No-one is made worse off by Labor policy. Just to be clear about that: any investor who has purchased property before 1 July 2017 can carry on without concerns that the rug will be ripped from beneath them. Investors purchasing new housing stock from 1 July 2017 onwards can carry on with the confidence that they can still enjoy negative gearing if they can help contribute to housing supply. Investors who buy an existing property after 1 July 2017 will still be able to deduct costs relating to that investment against their rental income—or, indeed, against other investment income. That is how the system works in Britain, that is how the system works in the United States and—news flash for members opposite—these are places where house prices have been steadily rising over the last generation. So this scare campaign about Labor's policy causing house prices to fall is just that: a not very scary scare campaign, as someone famously put it before being scared off by a scare campaign.

The fact is that the coalition's first critique of Labor's policy was to say it did not raise very much revenue, that it did not do very much, that it was a very small policy over the next four years. They realised pretty quickly, though, that they could not run a scare campaign about our policy and keep on saying it raised more revenue in the long run than in the short run. They have, now, quietly dropped that discussion point—I did see it appear on their daily talking points today, but you did not hear it from the Treasurer or the Prime Minister—in favour of this outrageous suggestion that Labor's policy will have an impact on existing investors. The fact is, it does not. It has been grandfathered. And that is more than the government can say for their suggestions. They have been unwilling to rule out decisions that affect existing investments.

The suggestion that they might change the capital gains tax discount for superannuation funds should send a chill down the spines of Australian mums and dads with investments in superannuation—that they might be affected by changes to the capital gains tax discount for superannuation. Labor's policy does not touch superannuation. The coalition's sure does. Recently, when asked whether the Abbott-Turnbull tax white-paper process was still alive, the head of Treasury said the department was still 'waiting for direction' from the government. That is, nearly three years on, $7 million spent after the white paper was promised in the first
two years of the Abbott-Turnbull government. The Australian people want to know what direction the coalition will take on tax reform, but in 46 minutes at the National Press Club the Treasurer was unable to offer a skerrick of direction on his tax policy. That is clear at a broad policy level but it is clear, too, in the minutiae of tax changes, such as those in schedules 1 and 2 of this bill.

Labor supports the intent of these measures but wants to make sure they operate as intended and that there are no unexpected adverse consequences. Levelling the playing field between local and overseas businesses is a goal that Labor supports. As the rules currently stand, overseas competitors can offer products 10 per cent cheaper than Australian companies because they are not required to pay the GST. Labor has real concerns about the operation enforcement of the cross-border tax treatment measures in this bill. Scrutiny is vital for tax measures, particularly ones thought up by this government. That is why Labor will refer the bill to the Senate Economics Legislation Committee.

Treasury was consulted twice in the GST treatment of digital product services and other intangibles: once in May 2015 and once in October 2015. But the submissions have not been made public. We do not know what concerns were raised or what modifications were made to the exposure draft to the legislation in response to these consultations. Stakeholder and media commentary has broadly welcomed the intended cross-border measures but has also raised concern about the collection of revenue and the treatment of GST-exempt services, such as those related to health and education.

We simply do not know how the government will effectively enforce GST compliance under these new rules. Where is the detail of the steps taken to make sure overseas retailers collect and remit GST revenue? What measures does the government take to penalise retailers who do not comply with the measures? These measures were announced in the 2015 budget, in May last year. Coming up towards the anniversary of that budget we are still waiting for direction in the operation of these measures. The Senate Economics Legislation Committee will openly and transparently examine this package and Labor will reserve its position until the committee reports. If the government wishes to split schedule 3 from this bill and progress it while the committee inquires into schedules 1 and 2, Labor is open to that course of action.

Labor supports schedule 3 and notes that in this instance, as part of the Agricultural competitiveness white paper, the government has had a rare instance of consultation and flagging potential reforms. Yet even within this very portfolio the government consults on one measure and acts unilaterally on another. That is why Labor opposes the Deputy Prime Minister's thought bubbles to arbitrarily relocate three agricultural research and development corporations and the Australian Pesticides and Veterinary Medicines Authority—moves opposed by the agricultural community and the organisations themselves. Moving these organisations out of Canberra is a blatant pork-barrelling exercise. The government has not consulted with producers or the research corporations about the appropriateness of relocating them into electorally-significant regional electorates rather than keeping them in proximity with the very scientific organisations they collaborate with.

Where there has been good consultation with stakeholders, Labor is open to sensible policy proposals. We will support measures that help make Australia's agricultural sector robust in the face of numerous challenges. The measures in schedule 3 were developed in response to the Agricultural competitiveness white paper released in July 2015 and they have been well-
received by stakeholders. Labor welcomes the changes to the Farm Management Deposits Scheme, which follow on from a range of initiatives Labor led. In government, Labor demonstrated a commitment to advancing the agricultural sector and consulting on policy reforms. We have a strong record on assisting farmers through tough times, including the $420 million concessional loans program in the farm finance package announced in the 2013-14 budget. That Labor program came after significant consultation with stakeholders, including through the Rural Finance Roundtable Working Group in 2012. Labor provided three years of funding to the Rural Financial Counselling Service to expand by the equivalent of 17 full-time councillors. Those measures were accompanied by an awareness campaign to ensure farmers requiring assistance were aware of the programs available to them. But, as the bill as a whole currently stands, it is a reminder of the Abbott-Turnbull government's haphazard approach to tax reform and to governing itself.

In the past few months, it has become transparently clear for everyone that the government does not have the reformist zeal to match the rhetoric espoused by the new Prime Minister when he toppled the member for Warringah. In September the new Prime Minister promised 'new economic leadership', but starting over was no way to begin. The Prime Minister has dithered and delayed on tax policy. As Adam Giles, the Northern Territory chief minister, said recently: 'The national tax reform discussion has become even more uncertain.' No plans. No policies. The member for Wentworth promised he would change his party, but his party has changed him.

He seems to lack political capital, and the best he has been able to do is to hide the Treasurer in witness protection. Tax reform is hard and requires scrutiny. Being Treasurer, you expect scrutiny. You do not expect to be running away even from your best mate, Ray Hadley.

The measures in schedules 1 and 2, though having an intent that Labor supports, require further scrutiny. We will refer them to the Economics Legislation Committee and reserve our position until that committee reports.

Mr PASIN (Barker) (20:22): I rise to speak on the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016. It is late, and I am imbued with a sense of collective spirit, but I have to point out to the member for Fraser that, as good as the now opposition was to the agricultural sector, the agricultural sector will never forget what Labor did to the live export trade and what that meant all the way down in the south-east. The Prime Minister has spoken about this. He spoke about the shock to our industry, the cattle job as we know it, or the live export industry for cattle in particular in Australia. He said that it was not limited to those who were involved in the live export trade out of the north. And it was not, because I can tell you that cattle markets in my electorate could not be further away from that sector. They are at the southernmost part of Australia, and we felt the impact that week. That will never be forgotten.

Can I also say to the member for Fraser that he knows well that if you are to reduce the demand for existing house stock and take investors out of the market, that will have a deleterious effect on demand for existing house stock, which will inevitably put downward pressure on prices. That is a very bad thing for everyday Australians who invest in their own homes, their primary asset. They know it and I am sure he knows it. I am reliably informed that he is a former professor of economics. I know that he knows it well, and he cannot run
away from that. But I am not here to be combative. I do enough of that from time to time, as those opposite have pointed out.

Wyatt Roy: And on this side!

Mr PASIN: Really? Well, I have learnt to fight. In the choice between fight or flight, I am pleased to say it is fight and fight and fight. In any event, I am here because the coalition and only the coalition can deliver the best outcomes for rural, regional and remote Australians. My electorate of Barker is the engine room of the South Australian agricultural industry. It produces some 50 per cent of the value of all agricultural products of my great state of South Australia. Whilst this government has delivered significant opportunity through the free trade agreements with China, Japan and Korea and signed up to the Trans-Pacific Partnership, there is more that needs to be done to secure the future of agriculture in this nation. Decisions made here in Canberra have a massive effect on the ground in my electorate, particularly when it comes to agricultural policy. Many of us on this side of the chamber have grown up in regional Australia and understand the challenges faced by our farming families and primary producers. That is why we consistently deliver better policy in this space. That is why we would never have taken the measures that resulted in the prohibition of the live export trade. But I will not go back there.

Whether it is drought, bushfires, flood or extreme weather, farmers and primary producers feel the variable effects of climate more acutely than most. Indeed, in few industries is the success of an enterprise as tied to variables out of the control of human agency as it is in farming and primary production. Across my electorate, from Renmark to Angaston, from Karoonda to Loxton, from Lucindale to Lameroo, I consistently hear the same themes arising when it comes to equity in farms and the pressure that climatic conditions puts on households budgets, especially with respect to small- and medium-size farms.

I myself am the son of farmers and understand the difficulties that often plague farm financing. It is from this position of firsthand experience and through a long engagement with the vast agricultural community in Barker that I can unreservedly say that the legislation before the House, particularly in relation to part 3, is a big win for farmers and primary producers. Today, obviously, I rise to speak in favour of it. I do so because the bill strikes at the very heart of the issues confronting our agricultural sector. I am particularly supportive of the changes to the Farm Management Deposits that are delivered in schedule 3 of the bill, changes that will deliver better outcomes for farmers. This will relieve the pressures they often face in tough years when growing is hard and budgets inevitably tighten.

I rise today from a position of experience in the agricultural sector, informed by an extensive and longstanding dialogue with farmers across my electorate. From such a position I say that today's legislation is squarely in their interests. This bill will deliver better outcomes to farmers across my electorate of Barker, from Naracoorte right across to Riverland and down to Penola and Nangwarry. The bill will deliver some real and meaningful options when it comes to financial security for small- and medium-size enterprises.

This bill will deliver more opportunities, particularly for younger farmers seeking equity in their property. If you speak to farmers across my electorate, indeed across the nation, they will tell you that there is a dire need to get more young Australians into the agricultural sector—more young people like Christian Biele from Loxton High School. Christian was this year's Australian school-based trainee runner-up at the Riverland and Mallee Vocational
Awards for his efforts in translating his theoretical understanding of agriculture into good practical skills. We need generational renewal in the agricultural sector but, as you can appreciate, farmers and aspiring farmers today face significant challenges when it comes to financial pressures.

I came to this place to make it easier for young Australians like Christian to get into the agricultural sector, because I know that the prosperity of my electorate, and indeed the nation, is inextricably linked to the engagement with agriculture and primary production. I have long fought in this place for greater opportunity for regional Australians. Opportunity is a core coalition value, and we believe in our very heart that, through making room for the individual, industry flourishes.

This bill delivers on that commitment to the individual. We in the coalition understand that through ensuring greater autonomy and increasing farm equity our hardworking farmers and primary producers will succeed. Farmers know best how to spend their own money, but it is imperative that the government take steps to unlock the full financial potential of our farming sector—steps taken considerably forward through this bill.

Our financial system, when it comes to loans, is fundamentally set up in a way that demands absolute consistency. Each and every month we are expected to pay interest on our debt. Day in, day out, rain or shine, interest is charged. Whilst this is the reality which cannot be changed it is the reality which is often incongruent with the cycles of agricultural production. The ever-marching and ever-compounding interest on loans often has a massive impact on our farming communities, especially as they face natural disaster and global market pressures which are increasingly beyond their control.

The problem facing many younger farmers, in particular, is acquiring equity in their property. It is against such challenges that the mechanism of farm management deposits seeks to deliver some certainty to our farming sector, particularly to those young producers. Farm management deposits are primarily a risk management tool that enables primary producers to deal with the often uneven income between years. Eligible primary producers utilise these deposits to set aside pre-tax income from their primary production in a special account for use when times are tough or through, for example, periods of drought.

It is a sensible approach to easing the inconsistency between the often uber-variable outcomes of farming enterprise with the ever-consistent demands of financial institutions placed on those who borrow to invest in their farms. This approach is one which takes into account the importance of the long-term perspective required when it comes to growth in the agricultural sector. It is an approach which has worked and it is an approach which the bill seeks to expand upon, both to capture more farmers and to assist them in delivering greater equity in their property.

This bill delivers three key changes to farm management deposits, with each delivering excellent results for farmers and primary producers. Firstly, the bill doubles the maximum amount that can be held in farm management deposits from $400,000 to $800,000, capturing more farmers in need and reflecting the reality of modern farming practices. Secondly, the bill allows primary producers experiencing severe drought conditions to withdraw an amount that has been held in a farm management deposit for less than 12 months without affecting the income tax treatment of the farm management deposit. Thirdly, the bill allows amounts held
in farm management deposits to offset a loan or other debt relating to the deposit holder's primary production business.

This bill takes steps to deliver more equity to farmers in delivering them a more secure future when it comes to their finances. The ability to offset loans and decrease the pressure of interest costs to our farmers is a measure of such importance that I cannot overstate it. It is an excellent policy. Indeed, it is a measure which gets me particularly excited because I know how positive an impact this will have on our young farming sector in particular. The reality is that in the hard times—a time which some and, indeed, much of my electorate is currently experiencing because of drought—those interest payments can often be the difference between a full pantry and an empty one.

There is a perception, of course, that surfaces from time to time that farmers are well off or, indeed, are extremely well off—that they always have food on the table and that they do not face the same day-to-day challenges that those in the cities do in making ends meet. It is a perception which is wholly out of touch, and it is most certainly out of touch with the reality in my electorate today as it grapples with a one-in-100-year rainfall deficiency. The truth is that farmers and primary producers may be asset rich but they are very often cash poor, especially when it comes to dealing with drought or low commodity prices. It is in such times that interest payments really bite. As such, I am proud of the steps this government is taking to alleviate the pressures through the offset measures in this bill.

Of course, during periods of drought, the likes of which my electorate is experiencing, farmers will not have the capacity to deposit significant sums in their farm management deposits. But by this bill—and particularly part 3 of it—we are establishing the architecture for the good times, to ensure that young farmers in particular, but all those across the farming sector, can invest in their farm management deposit, offset their debt, achieve a higher level of equity in their property and, in that sense—pardon the pun, Mr Deputy Speaker—'drought-proof' their enterprise. As I have conveyed in this place before this will be particularly important to my electorate, because it is experiencing a rainfall deficiency that is not only starting to pinch but is really starting to hurt.

It is excellent to see a focus on delivering equity to our farmers. And whilst I understand that in the short term, as I have explained, this will be of limited benefit, in the medium to long term it will be a measure that will be most useful. This bill is particularly good news, as I said, for young farmers experiencing disruption to growing cycles due to poor weather conditions—drought or other intervention. This bill will ease the financial burden through delivering more reasonable and up-to-date provisions when it comes to farm management deposits. Measures delivered in this bill will make the lives of farmers and primary producers easier through delivering financial peace of mind.

Whilst these changes were announced in the agricultural competitiveness white paper, the legislation before the parliament today must be passed before 1 July this year in order to deliver the changes for the next financial year—something that is, of course, an absolute priority. I am very pleased to see this piece of legislation before the House today, because it delivers farmers and primary producers in my electorate some much-needed certainty when it comes to farm management deposits. It provides a ray of hope for them in what are clearly difficult times.
These changes are the product of an extensive process of consultation across the spectrum of stakeholders in the agricultural and primary production sectors. The substance of this bill is surely an endorsement of the effectiveness of that process. This bill is a win for farmers, it is a win for primary producers and it is a win for Barker. It is a bill of which I am particularly proud and I commend it to the House.

Mr BANDT (Melbourne) (20:36): I rise to speak on the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016. I am conscious of the time, and so I will not be speaking for a very long time, but I have to respond to the previous speaker. It is amazing that when the issue of housing affordability gets raised that the government's first response is to talk about live cattle exports! I mean, if that is going to be their line between now and election day then bring it on. Bring it on!

I must say, as someone who had to go to about five or six auctions before getting the house that my wife and I are now living in, and at each stage, at auction after auction, being outbid by property agents and buyer's advocates—who were there not to give a home to someone who wanted it in the area but who was just engaging in what was effectively part of a tax scheme that allowed them to rent it out at a low rent and then flip it and get a discount at the end of it—that there are hundreds and thousands of people, if not millions of people, in this country who want housing to be made more affordable. They want to see action on negative gearing and they want to see action on capital gains tax, because they know that that is what has contributed to pushing up prices not only to buy a house but also to rent to the point where people are not able to live near where they work or study. So, if the response from the Liberals to a debate about making housing more affordable so that people can buy their first home is to talk about live cattle exports, bring it on. I cannot wait for the next few months if that is going to be the debate.

Over the last 6 months the Greens have fought hard against the government's push to increase the GST by 50 per cent—a push that, had it been successful, would have seen many ordinary Australians slugged to enable the government to keep unfair tax breaks for the super wealthy—like the capital gains tax that they do not seem to have the courage to tackle. We said that tax reform needs to start at the top, not at the bottom, and that fair tax reform should be about closing the gap between rich and poor. We opposed the GST when it was introduced, we have opposed it being spread to food and medicines and we have supported campaigns to remove it from tampons.

We have done this because it is a regressive tax. In other words, you pay the same amount regardless of your income. To use the classic example: if you are a millionaire and you buy a birthday cake for your kids, you will pay the same amount of tax as a low-income worker who buys the same cake. What this means in practice is that the poor end up funding the unfair tax breaks of the rich. So we fought the GST and we fought off the GST rise, and as a result the Prime Minister has said that any changes to the GST have been taken off the tax reform table.

But now, despite what the Prime Minister has said, government is continuing with their budget plan to extend the GST to digital services like Netflix and software apps on iPhones. This bill will mean the GST is extended to cross-border supplies of digital products and services imported by consumers. In other words, this Netflix tax is a great big new tax on everything on the internet. Downloadable books, music and movies will all be affected. Business and work apps, fitness apps and games will all be affected.
And there has been virtually no debate, despite the tax reform debate we are supposed to be having as a country, on the implications for everyday Australians. The government has said this Netflix tax will raise $350 million, but there have been suggestions that the compliance costs for the ATO will be large and so in terms of revenue it may not have much impact on the budget. But so far there has been no modelling released on how it will affect consumers. What we do know is that one of the biggest cheerleaders for the tax is Foxtel, who own the on-demand TV service Presto. Obviously they are hoping it will put a dent in the success of Netflix, but is helping Rupert Murdoch a reason to put in place a Netflix tax?

The Greens are concerned about this bill. We want to see it properly scrutinised by a senate committee, we want to see Treasury's modelling and independent modelling on who will be hardest hit and we want to hear from the industries affected as to what it will mean for them. We do accept that there is some merit in ensuring that, generally, tax treatment of non-resident companies and Australian companies that operate online should be similar. We do not want to see multinationals avoiding paying tax, and that is why we have been fighting hard for tax reform that reins in multinational companies' diverted profits. But we are equally concerned that the government is extending the reach of the regressive GST and doing so when there is a clear alternative, which is to end unfair tax breaks and maintain and extend our progressive income tax system.

So we will reserve our position on this bill until it has been closely examined by the Senate committee, but we reiterate to the government that, if your concern is about balancing the books—although we do not hear much about the budget emergency anymore—there is an unfair way to do it and there is a fair way to do it. So far you have been trying the unfair way. If you want a plan that has a chance of getting through the Senate, try the fair way. Try saying that we are going to start tax reform at the top by removing some of the unfair tax breaks that are enjoyed by very wealthy and large companies in this country, and you will find that there is a lot more money there than by asking everyday Australians to pay a bit more to go see the doctor or get a blood test.

We have a choice: we can do it fairly or we can do it unfairly. Sadly, in the same way that we hear capital gains tax reform is not on the table but maybe it is and we are told GST rise is off the table and then a bill comes before us to say it is not, it is unclear if this government has any plan when it comes to tax other than to defend their large and wealthy backers who put them there and who never seem to get hit by any of the tax bills that come before this parliament. So we are going to scrutinise this bill closely, but we urge the government to go back to the drawing board and start tax reform at the top, not at the bottom.

Mr WILSON (O'Conner) (20:43): After that contribution by the member for Melbourne, I was wondering whether I was speaking on the correct bill, because the bill that I am here to discuss will make changes to the farm management deposit scheme, which is an instrument used by primary producers across Australia to assist them with financial management of their business to promote self-reliance and make them less affected by commodity price cycles and adverse weather events. There is nothing about GST in this bill. The Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016 will improve upon the scheme by raising the sum a primary producer may hold in a farm management deposit, introduce greater commercial flexibility and allow the farm management deposit holder to access their funds held in deposit earlier if required.
But first a little history. In 1992 the Senate Standing Committee on Rural and Regional Affairs conducted an inquiry into the national drought policy and reported on the response of the recommendations of the Drought Policy Review Task Force. The lead-up to the Senate inquiry in 1992 had seen some pivotal changes in Australian agriculture. The 1980s was a period of structural adjustment in the sector, with the scale of individual farm enterprise expanding and the subsequent reduction in the number of farms. The natural attrition as farmers retired from the sector and neighbours bought the farm next door to achieve greater economies of scale has been a feature of the sector for over a hundred years.

I was at university in the late 1980s, studying agribusiness at the Muresk Institute of Agriculture and learning agronomy, animal science, agricultural economics, accounting and tax law.

One of the major shocks imposed on the rural sector at the time was the demise of the wool reserve price scheme in 1991. The termination of the scheme was inevitable, as agripoliticians, the Australian Wool Corporation and the state farmer organisations failed to grasp the realities of the scheme running out of control in earlier years.

The Pastoralists and Graziers Association of Western Australia was the first farmer representative group in Australia to come out and call for the end to the reserve price scheme. The PGA's wool committee, led by Lyn Johnstone and Alan Cleland and supported by PGA president Tony Boulbee, recognised that the wool industry was on the road to ruin as wool growers were taxed at 25 per cent of their gross wool income to keep buying back their own product and storing it in a stockpile.

The demise of the wool reserve price scheme meant that wool growers needed to start learning how to manage price risk for themselves. Another structural change in that era, which actually opened up opportunities for grain producers in the eastern states of Australia, was the deregulation of the domestic wheat market in 1989. Up until that time, every grain of wheat produced in Australia was technically the property of the Australian Wheat Board when it left the farm it was grown on. The only legal option for the wheat grower prior to 1989 was to deliver it to the AWB pool manager. That wheat may have ended up in the domestic market or it might have gone for export, but the pool manager would have control of its marketing, and any associated costs could not be avoided by the farmer. For the first time since prior to World War II, wheat growers could legally sell their wheat directly to the flour mill down the road, and gain feedback from the miller on the quality of his wheat.

Prior to domestic deregulation, the Grains Council of Australia prevailed with an argument that the Australian Wheat Board should be provided with a capital base that would allow it to compete in the domestic market. The Wheat Industry Fund was designated for this purpose and it came into existence from the 1 July 1989. When I say it ‘came into existence’, it was not magically conjured up; it was imposed upon growers by government edict. Every wheat grower across the nation was required to contribute two per cent of their gross wheat proceeds to the Wheat Industry Fund, the WIF, that would be used as a capital base for the statutory Australian Wheat Board to trade wheat domestically.

At this point I pay tribute to the work done in the early 1990s on the issue of the WIF by the former member for O'Connor, Wilson Tuckey, some farm consultants from WA and some of my former colleagues on the grain committee at the PGA. The farm consultants and advisors had done the sums, as had many farmers themselves, showing that in a production
year when wheat prices were depressed, two per cent of your gross wheat cheque could exceed your entire net surplus from growing that crop.

Wilson Tuckey and some other Liberal members from WA were instrumental in having the legislation controlling the WIF amended in the early 1990s. Members of the PGA grain committee, including Gary McGill and Leon Bradley, travelled to Canberra to make the case to parliamentarians to amend the legislation to introduce the WIF buyback. This allowed wheat growers that knew they possessed business acumen superior to the Grains Council of Australia, to get back their money out of the WIF and use it in their farm business.

Young wheat growers these days would probably not believe me if I told them that an agri-political system could support the confiscation of your business's entire annual net surplus. I remind the House of these events as it highlights the evolution of the Australian farming sector. The removal of government intervention meant that farmers had to learn to manage the vagaries of weather and commodity price changes, without the security blanket of a price stabilisation scheme or regulation of some form. Farmers were having to upskill themselves, or seek out professional help to manage aspects of their increasingly complex businesses. Fortunately, through the 1990s, government had been developing instruments that would assist primary producers in one aspect of farm finances: the Farm Management Deposit Scheme.

The 1992 Senate inquiry, which I referred to earlier, highlighted that a common view from individual farmers and state farmer organisations was that the national drought policy should encourage and facilitate a self-reliant approach to drought. This is still a common view from many in the agricultural, pastoral, forestry and fisheries sector. One of the instruments available at the time to assist the sector in achieving that self-reliance was the income equalisation deposits, or IEDs. IEDs, however, featured a number of drawbacks in that they lacked commercial flexibility, were not tax effective and featured restrictions around their withdrawal.

Farm Management Bonds were another financial instrument available to primary producers at the time but they also featured a number of restrictions that did not fully meet the needs of the sector. In November 1995, the economics committee at the PGA released its plan for an improved financial instrument, the Farm Management Deposit Scheme.

Some of the names that had provided important leadership during the debate around the wool reserve price scheme and changes to the Wheat Industry Fund again featured—McGill, Johnstone and Boultee—all successful farmers and deep thinkers who contributed to the development of the FMD Scheme. The PGA were the first to propose the commercialisation process of the scheme, with the banking sector to become involved, as up to that point the funds were on deposit exclusively with the Reserve Bank of Australia.

The PGA proposed a scheme with greater commercial flexibility, with deposits to be non-assessable in the year the deposit was made and fully assessable in the year of withdrawal. Features of the PGA policy were subsequently picked up by the coalition government elected in 1996 and were legislated in 1998. The amendment bill in 1998 allowed financial institutions to take the deposits, as government knew that the commercial sector was more likely to innovate and offer increased flexibility to farmers.
The limit on holdings in 1998 was raised to $300,000 per taxpayer, and interest would be earned on the entire deposit. An income equalisation deposit earned interest only on 61 per cent of the total sum under deposit. The success of the FMD Scheme from 1999 onwards can be measured in the sums held in deposits across Australia. In June 1999, the total funds on deposit in FMDs was $228 million. The scheme topped $1 billion in June 2001; over $2 billion in June 2003, and $3 billion by June 2012.

In 2006, the scheme was reviewed for its efficacy and to assess whether it was meeting its intended purpose. One of the improvements recommended at the time was to adjust upwards the off-farm income limit that was permitted, while still allowing the business access to the FMD Scheme. The threshold sum at the time was $50,000 and the review recommended it be indexed to $65,000 per individual taxpayer. As is very common, a partner in the business, often a spouse, could be earning an off-farm income. This income alone may not exceed $50,000, but other sources of income, such as the earnings from a modest share portfolio may push the off-farm income over the threshold.

I welcome the changes in the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016 to allow for FMD monies to be used as an offset account against a mortgage or other debts owing to the financial institution. A flaw in the scheme up to this point has been the inability of an FMD to be used in this manner. Farmers have been paying one interest rate on their debt to the bank, and earning a lower return on the funds they have in an FMD with the same institution. And if I just do some mental arithmetic: $3 billion times a two per cent margin is probably around $60 million that will be put back into farmers’ pockets without a single cent cost to the Treasury.

Financial institutions will, as ever, choose what rates they apply to loans and offset accounts. I do, however, expect that the marketplace will drive improved financial products for primary producers as farmers shop around for a better deal from rural financiers offering FMDs alongside their regular accounts.

This amendment bill will also double the amount a primary producer may hold in their FMD from $400,000 to $800,000. This is a welcome development. The input costs of broadacre cropping have continued to escalate over the years and the scale of individual farm businesses continues to grow. Many family farms in my electorate of O'Connor can spend several million dollars on a single cropping program. The complete failure of a crop, or a poor year, combined with depressed grain prices, can result in a year being loss-making, or break-even at best. Without instruments like FMDs, that farmer may well be struggling to finance the sowing of a crop when the drought inevitably breaks.

Looking back at the record, there are many times when there has been a clamour for the taxpayer to bail out farmers in that financial position. This risks putting the government in the perceived position of choosing who wins the lottery of taxpayer support. Such a situation also raises the question of whether this decision making can be equitable to all and not prevent the necessary structural adjustment occurring in the sector.

The bill makes an amendment allowing for primary producers affected by drought to gain earlier access to their funds if required. Currently, the funds must stay under deposit for at least 12 months before they can be withdrawn, or the tax advantages are lost. The unpredictability of seasonal conditions in Australian agriculture is well known. I believe that
allowing farmers prompt access to funds under deposit will encourage improved decision making before a business comes under financial pressure.

In December 2015, the Farm Management Deposit Scheme across Australia held $5.789 billion, which is a very good outcome for the nation and for farmers, pastoralists, fishermen and foresters seeking to manage the challenges of their chosen profession. That $5.7 billion is a buffer fund for the rural sector to manage the inevitable poor seasons that are a feature of the Australian climate. We are in a globalised economy, so commodity price cycles are a reality to be managed with business acumen, not a reason to go seeking government intervention.

The value of the Australia dollar will fluctuate, and some years rural businesses will be squeezed. The ability to draw upon equity in a farm management deposit account will assist thousands of primary producers across the nation to withstand these challenges. I commend the bill to the House and commend the minister for taking this action to assist the sector in becoming more independent of government, financially robust and self-reliant.

Dr JENSEN (Tangney) (20:54): The world economy is never still. It continues to be reinvented and redefined. We have seen the industrial revolution come and go, and the emergence of the new economy. Services and other intangibles are now the demand of the day.

Australia's GST system has been in place for 15 years. Since its introduction in 2000, there have been a significant number of changes in Australia and throughout the world. One of the most notable changes has been in the growth in cross-border supplies of services and other intangibles. This has radically changed the economic playing field. We need a tax system that understands the changes of the times—a system which incorporates the growing digital economy: simple, fair and growth friendly. That is the tax system the coalition wants to create.

The Tax and Superannuation Laws Amendment (2016 Measures No.1) Bill 2016 enables us to future-proof our tax system, allowing us to repair tomorrow's problems today. Schedule 1 and 2 both contain measures that both modernise the GST and address the challenges we currently face. When the GST was introduced in 2000, cross-border supplies of services and other intangible transactions were fairly unusual, especially for consumers. Now, at the click of a button or the tap of a screen, consumers can purchase music, films, eBooks, apps and software, along with a slew of other intangibles. Local businesses should not be disadvantaged. Walking into the local bookstore should be no different to buying a book online. We want our small businesses, our local businesses, to have the same chances as those that are online. We want a tax system that paints all businesses with the same brush strokes.

In the growing and changing economy it is important that we have a tax system that is prepared and ready for the challenges of tomorrow. Cross-border supplies now form a large and growing part of Australian consumption. The importance and now commonplace nature of these types of transactions highlights that the GST was designed with a focus on Australian-based rather than cross-border supplies. For cross-border supplies that are for private or domestic use, the GST often does not apply to supplies made by nonresidents to consumers in Australia.
Increase in cross-border transactions and the growth of the digital economy has led to an expanding area of consumption which is now outside the scope of the GST. This harms the integrity of the GST tax base and can disadvantage local suppliers. Amendments made by schedule 1 update the GST law to ensure that GST applies consistently to all suppliers of digital products and other imported services made to Australian consumers. The government will require overseas vendors to collect and remit GST on the sale of their digital products and services to consumers in this country. Overseas vendors and multinationals who sell digital products like music, apps, and other intangibles will be required to register, collect and remit GST on their sales to Australian consumers. This ensures that Australian businesses selling digital products and services are not disadvantaged relative to overseas businesses that sell equivalent products in Australia.

Schedule 1 removes an anomaly that has existed in the GST for a while. The tax system we inherited from Labor clearly failed to keep up with the times. Although the internet and the digital economy have been around for some time, it is this government, the coalition government, that has taken action on these matters. Our government is determined to reform our tax system and ensure that it fits with the changing times. Schedule 1 is the product of our government's work with international tax authorities.

Australia has been working with the G20 and the Organisation for Economic Co-operation and Development, or OECD, to address weaknesses in the current rules. The OECD's Base Erosion and Profit Shifting report *Addressing the tax challenges of the digital economy* highlighted the impact of the evolution of technology. It is noted that technology has dramatically and drastically increased the ability of private consumers to shop online and the ability of businesses to sell to consumers around the world without the need to be present physically or otherwise in the consumer's country. It further noted that this more often than not results in no GST being levied at all on these sales and a negative and adverse effect on countries' GST revenues.

Debate interrupted.

**ADJOURNMENT**

The **SPEAKER** (21:00): Order! It being 9 pm, I propose the question:

That the House do now adjourn.

**Royal Commission into Institutional Responses to Child Sexual Abuse**

Ms **KING** (Ballarat) (21:00): The last few weeks have once again seen a spotlight fall on my region, with the return of the focus of the Royal Commission into Institutional Responses to Child Abuse to the terrible events that occurred in the Ballarat region. There has been a lot said, some good, some bad, some controversial, some of it hard to hear. No-one but the survivors and those who care for them can truly ever understand the pain and harm caused by this terrible part of our community's story, but a part of our story it is. But also part of that story is what we as a community do to embrace the survivors, what we as a community do to hear their stories, what we as a community do to understand who they are today and what they need from us. There are some in my community who wish this could just all go away and that we would just stop talking about these terrible events. There are those totally bewildered by what they are hearing, so at odds is it with their own experiences of growing up and of faith.
Then there are those who have lost faith in the institutions they trusted. There are those who keep that faith but are still finding their way, as we all are, as to what they can do to help.

All these are entirely understandable responses but they of course pale against the harm and damage done to the many innocent children in our region who were not believed and not protected and who were irreparably harmed. It is therefore incumbent on all of us to tell all those who have come forward—and those who are unable to do so yet: we hear you; we believe you. One very visual way my community is doing that is through 'Loud Fence'. Started by Maureen Hatcher in Ballarat, Loud Fences are made up of ribbons. Each colourful ribbon, tied to the fence outside a place where someone was hurt, symbolises the end of someone's silence. Each colourful ribbon is a symbol that victims and survivors are not alone. As Maureen said:

The idea is that it's a loud fence full of bold colours because there's been too much silence surrounding the issue for too long.

… children weren't listened to and they weren't supported, so it's time to support them now and give them a voice.

The Loud Fence ribbons have now reached around the world, with ribbons in London, New York, Boston and the Vatican. Every ribbon on every fence and post and door tells a story, and the message back from our community is: 'We believe you. What happened was wrong, and the harm done to you must be acknowledged and never repeated, and redress must be given.'

Of course, it is not possible to focus on the events of the past week without commenting on the actions of Cardinal Pell. And I want to address my remarks directly to him. Of course it is quite correct that you have the right to be treated by the royal commission fairly, as is every other witness. This is not, nor should it be, a kangaroo court. But I am not here to speak for you. You are a person of great authority and great power who, unlike many of those where were stripped of their voice, has had many powerful and influential friends speaking on your behalf, particularly through the media. I do not begrudge you that but, as someone who sees every day the impact of your decision not to appear in Ballarat in person to give evidence, let me use my voice in this place to speak on behalf of those who were the survivors of these events and say: these are not the actions of a man of courage. My community looked up to you, revered you and trusted you. You are one of them—a Paddy boy, Ballarat to the core. As you prepare to give testimony on the 29th, I want to say to you: please do not let them down again.

As I speak here in this place, there are 15 survivors and their supporters on their way to Rome. I acknowledge the work of Gorgi Coghlan, who I know, and Meshel Laurie, who I do not, in raising the funds to get them there. These survivors will represent not just those hurt by past misdeeds but also the whole community who want to help them finally find some closure and heal, and they take with them the voices and thoughts of all of us. While the coming week will be a difficult one, what I am sure of is that the survivors groups, the local media and the wider community will be unflinching in our support. I note that funding remaining from Gorgi and Meshel's efforts is to be put in trust to assist survivors into the future, and I do hope that the work of the Ballarat Centre Against Sexual Assault is part of that.

As I said at the start of this contribution, these terrible events are part of our story, but also part of our story is what we do next—what we as a community do to understand the needs of
those harmed and give them redress, what we as a community do to continue to include and support them on the many hard days ahead and what we as a community do to make sure this never, ever happens again, because, at the heart of it, that is why we are having this royal commission: to make sure this never happens again. (Time expired)

**Bass Electorate: Community Projects**

Mr NIKOLIC (Bass) (21:05): I am pleased to reflect on more good news for Bass, with the announcement last week of just under $150,000 worth of projects for my community. These high-quality projects will improve recreational, sporting, cultural and community facilities. Successful projects included: the installation of filtered-water drinking-fountains in four key locations across Launceston: Cataract Gorge Reserve, Heritage Forest Reserve, Punchbowl Reserve and the Inveresk cultural precinct. We will also be removing and replacing old and unstable roofing materials at the Launceston City Mission.

Another project is equipping the new barbecue facility at Tailrace Park in Riverside, incorporating three free-to-use electric barbecues, seating and shelter. The project is led by the magnificent Riverside Lions Club, which celebrated its 50th anniversary last year. I congratulate Lion John Oldenhof, the project director and a tireless worker for our community.

At the Kings Meadows YMCA and community centre, we will upgrade stadium lighting, replace the old scoring system and do some roof repairs. The Scottsdale Football Club will get a much-needed upgrade of their clubroom facilities. George Town will receive new playground equipment at Lagoon Beach reserve at Low Head. George Town Swimming Pool will receive a new shade structure and chemical storage and dispensing system and repair of the water-heating system.

Flinders Island will receive a natural play-scape garden around the perimeter of the Emita community hall and the purchase of a portable, removable stage that can be rented out. At the Lady Barron Hall, dated facilities will be upgraded and a dedicated space for fitness equipment set aside. Prospect Vale Park will see the construction of Meander Valley's first natural play space. There are many other worthy projects to mention, including a weights room upgrade at the Launceston Police and Community Youth Club and a new playground at Hadspen Recreation Ground.

It is particularly noteworthy that round 2 of the Stronger Communities Program has been open for some time now. Expressions of interest can be registered at my office at 100 St John Street Launceston until Friday, 11 March.

I am also pleased to advise the House that another four local businesses in Bass have received an Industry Skills Fund grant for staff training and to take advantage of new growth opportunities. The Brent Wranmore Swim School received a grant to upskill with the latest available training. Australian Honey Products received a grant to improve the skills of their employees as part of a large business expansion. I am very proud of the owner, Lindsay Bourke, who last year won a prize in South Korea for the world's best honey, with a magnificent Tasmanian leatherwood. Kooee! snacks in Legana will be able to provide a Certificate IV in Food Processing to staff that produce the best beef jerky I have ever tasted. Tones Electrical has received a grant for specialised training for staff who work on hybrid solar systems.
Finally, I would like to touch on recent news that four mobile phone black spots I nominated in Bass will be given priority for consideration in round 2 of the program. The four locations I nominated were: Killiecrankie and Palana on Flinders Island; Musselroe Bay; Blackstone Heights; and Beechford-Lefroy. I know from speaking with residents how important reliable mobile phone services are, and I am delighted these areas will be given priority.

I am proud to say that we have achieved a lot in Bass during the last two years, but there is always more to do. I am currently distributing an electorate update to my community recalling the things that we have achieved together in the last two years. I thought I would touch on some of these things. They include $34 million for north-east freight roads; $10 million to save the John L. Grove rehabilitation centre; $6 million to develop North Bank, which is currently an old, dirty industrial facility, into something that is more family friendly; $3 million in innovation and investment grants to local businesses; $2½ million to keep removing silt from the Tamar River; $2½ million for the Blue Derby mountain bike trails where Australian championships are now being held; $1.47 million for the North East Rail Trail project; $1¼ million to rejuvenate Invermay Park where former Australian cricket captain Ricky Ponting first made his mark; and $1.15 million for the Flinders Island Airport upgrade.

It is the greatest honour of my life to represent the people of northern Tasmania. I will continue working with them to build on our momentum, so our community can look to the future with even greater confidence.

Child Care

Ms McGOWAN (Indi) (21:10): Tonight I would like to talk about children's services that are a fundamental building block in any person's development and in a nation's wellbeing. This afternoon, representatives of the Secretariat of National Aboriginal and Islander Child Care—SNAICC—visited my office. When they left, they left me feeling stunned and shocked. The SNAICC provides research, policy development, resources and training support on early childhood development issues, particularly for Aboriginal and Torres Strait Islander early childhood education, and care services and they have been doing this for over 35 years. They are an extremely reputable organisation. They told me today how the Jobs for Families Child Care Package will significantly change how children's services, education and care are provided.

They specifically talked about the Budget Based Funded Program, the program that is specifically designed for areas in Australia where a user-paying model is not viable. It will be abolished. Eighty per cent of services in the program work with Indigenous children.

The second area is access to subsidised early childhood education and care services, which will be halved from 48 to 24 hours per fortnight for children. This is for children whose families earn less than $65,000 per annum and who do not meet the activity test.

The SNAICC is deeply concerned that the package will lead to significantly reduced participation in quality early childhood learning for Aboriginal and Torres Strait Islander children who are currently experiencing vulnerability. They told me that all these concerns have now been confirmed by Deloitte Access Economics.
Tonight, I call on the minister for education to absolutely reconsider this package. I call on members of parliament from rural and regional Australian electorates, especially those with large Aboriginal and Torres Strait Islander populations, to pay attention to what is being done in our name.

This month we have all been talking in this place about Closing the Gap and we have lamented the very poor progress that we have made for Aboriginal and Torres Strait Islander families. How can we in full conscience cut services to children and their families in such a blatant way when we are doing so poorly in all those areas of Closing the Gap. We know that if we do this we do it deliberately, we do it knowingly and we do it in full conscience, and we cannot stand up here in this House and say, 'We didn't know.'

In his reply to my letter—when I raised these concerns with the minister—he used these words: 'The package represents an important investment in Australia's future and is a key element of the government's plan to build a strong, safe and prosperous Australia for the future.' The people who visited me today did not agree. They ask, 'How so? What are the details of the transition package? What are the details for funding that you are going to put in place of this service?'

The president of the National Association of Mobile Services—covering remote and rural families—told me that 43 of the 46 services will be absolutely wiped out. There are no details of transition and there are no details of what will be in their place.

I would like to finish with some words from Deloitte. In their report that will be launched at breakfast tomorrow morning Deloitte say, 'Without additional funding from alternative government revenue schemes it will be expected that services will increase their fees, reduce their size and reduce their staff and the absolute consequence of that is less in service.' So of course it will happen. Vulnerable children in rural and regional Australia will be significantly disadvantaged. I call on the government to reconsider the legislation that they have put before the House.

**Taxation**

**Mr BROAD (Mallee) (21:14):** We build a strong economy so we can build a great society, and there is power in stating a focus. If you do not know where you are aiming, you do not know in which direction you should go. So I think that there should be two key focuses as we start to talk about tax reform and what sort of economic modelling we need to do for the country. The first focus is: every Australian who is able-bodied should be able to have a job. There is value in honest work. Norm Jefferies, an old farmer, once said to me after I had been shearing: 'It is an honest feeling to be physically tired at the end of the day after some hard work.' And a job gives self-worth. It creates self-esteem and allows self-determination. But how do we do this?

I think we have got to recognise that small business creates jobs. We have got to create incentive to employ people. We have got to work with the state governments to lift the payroll tax threshold. Lifting payroll tax obligations off small business would be a great incentive to help those businesses employ more people. We have got to create mutual obligation upon able-bodied recipients of welfare. They are receiving something from the taxpayer; we are saying that they are not welfare recipients but they are actually job seekers.
As a result of the free trade agreements we have a changing face of the Australian economy, and now is the time to look at creative financing models to remove productivity constraints within the Australian infrastructure network. We can access finance at very low cost using government bond rates. Also, given that we are no longer in the construction phase of the mining boom, those who used their skills during that phase can reapply them to build the roads, the rail and the infrastructure we need to be able to capitalise on the market opportunities that are before us.

The second focus is: every person who wants to buy their first house should be able to afford to do so. Low-income earners who are purchasing their first home should be able to access some superannuation to assist them to get a deposit on their first home. If you look across some of the country towns in my patch, those people will be paying rents of $200 a week on a property that has a net value of about $100,000. They may not be able to save for a deposit. If they are given some assistance to pay a deposit, they would easily be able to pay the loan off, given that it is in line with what they are already paying in rent, and that would create a sense of pride and a sense of community. This would not undermine a person's retirement savings, as establishing and owning a residence is the fundamental core to financial security in retirement. There is also something better about a house. To quote Darryl Kerrigan from The Castle: 'A house is more than a house. It is a home.' You can build better relationships and build stronger communities.

I think there is value in having some restrictions on negative gearing. Deductions should be considered but only on the third and fourth premises. You could work this out with a financial figure or you could work it out in premises numbers, but people should be able to buy their first house and then buy an investment property, but I do think it is slightly unreasonable that someone should be able to gain negative gearing benefits when they are on their third, fourth or fifth premises. That is putting competitive tension against someone who is purchasing their first home. I also think that it is unwise to say that that concession should only be on new premises. I think that is market distorting and it needs to be across all premises.

Getting a job and buying a first home are the statutes of a strong economy. This is the point we should be aiming for when we have discussions about tax reform. My fear is that we are having a lot of general discussion around the parliament without clearly defining that the two most important things for a strong economy are, firstly, people having the sense of self-worth that comes from working, and, secondly, families being able to buy a house, put down their roots and make a home—using creative financing to build and address the infrastructure constraints across our economy so that we can grow our net wealth as Australian people.

Turnbull Government

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (21:19): The Prime Minister came to office on 15 September last year promising a new approach. He would be different, he assured us. Here is what he said as he announced his challenge for the Liberal Party leadership in the Senate courtyard on 14 September:

… we need a different style of leadership. We need a style of leadership that explains those challenges and opportunities; explains the challenges and how to seize the opportunities. A style of leadership that respects the peoples' intelligence, that explains these complex issues, and then sets out the course of action we believe we should take, and makes a case for it. We need advocacy, not slogans. We need to respect the intelligence of the Australian people.
He promised us no more of the brashness of the man he deposed, the member for Warringah. He promised: no more of the meanness and the divisiveness that characterised the miserable Abbott government—no more of its trademark hostility for anyone who held a view different to its own. These promises matter. The Prime Minister loves the sound of his own voice, make no mistake, but these were not idle musings. They were, and they are, the entire premise of the Turnbull government. They were the entire justification for the Prime Minister rolling his predecessor. They were the justification for the immense political and policy disruption this caused and continues to cause. But how hollow those promises have proved to be.

As soon as the Prime Minister faced his first real challenges, as soon as he was called upon to actually do something rather than just talk and talk, he abandoned the measured, calm and rational approach he promised us. Today in question time—caught empty handed by an opposition rolling out detailed, considered policy—the Prime Minister did his best impersonation of the member for Warringah, and it really was uncanny. He ranted and raved at the dispatch box, trying his best to whip up a desperate scare campaign about Labor's tax policies. It was vintage Abbott. The member for Warringah must have been deeply flattered by the imitation.

The SPEAKER: I remind the member for Isaacs to refer to members by their correct title.

Mr DREYFUS: Thank you, Mr Speaker. The Prime Minister talks about agility, about flexibility. But increasingly it is clear just how brittle he is, how brittle the agenda of the Abbott-Turnbull government is. This is not just a matter of style. It is not just about the government having a glass jaw in this place, no. One of the worst features of the Abbott-Turnbull government is its hostility to all those who have a view different than their own; a hostility to open debate and discussion; a hostility to the vibrant civil society required to foster that kind of debate. Ever since taking power, this government have been unremitting in their attempts to suppress civil society, to intimidate those voices which do not agree with them.

A report released yesterday by the Human Rights Law Centre details just how serious the Abbott-Turnbull government's attacks on Australian civil society have been and how dangerous that is for our democracy. Since being elected in 2013, the Liberals have cut funding to community groups and legal services which work on the reform of the law. They have forced community groups receiving government funding to sign agreements gagging them from weighing in on public policy debates.

The government have not only defunded the Environmental Defenders' Office—legal groups which work to defend the environment and to improve our environment protection laws—but also attempted to stop all kinds of community groups as well as ordinary farmers and private citizens from challenging government environmental decisions in the courts. And though these combative, small-minded policies were introduced under former Prime Minister Abbott, there has been no change in direction from the new Prime Minister. If anything, he has doubled down. He is just as committed to stripping funding from community legal organisations. He is just as committed to gagging independent voices in policy debates. And he is just as committed to banning ordinary people and their communities from challenging government decisions which threaten them in the courts—the most basic of rights in a democratic system like ours.
On 14 September, the member for Wentworth said that we needed a different style of leadership. He was right then. But he has had nearly six months to do something about it now—six months in the highest elected office in the land. And he has proved over and over and over again that he is no different, no different at all to the man he was willing to do anything to depose. He is a man who is full of talk who says one thing and does another, and he has proved that to us on a daily basis since coming to office. (Time expired)

Corangamite Electorate: Bushfires

Ms HENDERSON (Corangamite) (21:24): Almost two months ago, the community of Wye River and Separation Creek in my electorate of Corangamite suffered a Christmas Day like no other: a devastating bushfire swept through the town destroying 116 homes. The two caravan parks, the Wye River general store, the pub and the surf lifesaving club were saved and, through a sheer miracle, there was no loss of life.

The Commonwealth, in partnership with the state, quickly stepped in to assist. Under the Natural Disaster Relief and Recovery Arrangements that are administered by the state, emergency grants were provided and emergency re-establishment payments were announced. These provide up to $32,500 for each eligible household for clean-up, emergency accommodation, repairs and rebuilding and the like. There was also provision made for affected individuals and families to seek personal and financial counselling, and affected local councils to seek assistance with the cost of clean-up operations and restoration of essential public assets.

About six weeks ago, I held a community meeting with Emergency Management Commissioner Craig Lapsley. Many issues of concern were raised. There were tears, high emotions, fear and uncertainty about the future but, at the same time, a great deal of resilience echoed throughout the community. The Victorian government then announced a community recovery fund. There was funding for a one-stop shop to assist with rebuilding and planning, and funding for water infrastructure and for marketing to boost tourism. That will build on the assistance that has been provided jointly by the state and the Commonwealth.

Last week, I again visited Wye River and Separation Creek to mark the commencement of construction of a new Separation Creek bridge—a $4 million investment under our $50 million Great Ocean Road upgrade project. So there was great celebration for that. I also held another community meeting and it is with some regret that I raise a number of concerns about the Natural Disaster Relief and Recovery Arrangements process.

Some residents have had difficulty accessing a certificate to say their house burned down—a certificate needed for insurance purposes. To date, only one family who lost their home has been able to access an emergency re-establishment grant. For instance, Tony Maly, a member of the Wye River fire brigade who watched his house burn to the ground as he was defending another, and his wife Lesley have not been able to access an emergency relief payment.

I wrote to Victorian emergency services minister Jane Garrett a number of weeks ago on behalf of the Malys, making representations that the criteria should be changed because it is based on income earned last year. The Malys, of course, are not able to earn any income at the moment. They have no income and no house. Tony Maly is a builder and has no tools, and Lesley is a cleaner and has no equipment to clean. I have not received a response from the
minister. It is very disappointing that the Malys still do not know whether they can access any financial help.

There is no central website for communications and the one-stop shop bringing together all the services that are needed for rebuilding and planning has been established in Melbourne, not in Wye River or Apollo Bay. That is a big issue. A welfare officer and a counsellor are desperately needed in this community, and that has not been provided. Also, there has been no help for small businesses.

Recovery from natural disaster is complex and extremely challenging, but it is imperative that the state government does everything it possibly can to provide the help community members need at this very important time. There are, for instance, many people struggling with insurance claims who feel alone and lost. It was devastating to hear that Sherryl Smith, who lost everything in the fire—her house, all of her goods and her business—has just had her insurance claim knocked back by AAMI. Just as I took on BP Australia when it tried to shut down the petrol station at Lorne, which of course affected the community of Wye River and Separation Creek, I am determined to join with Sherryl to fight AAMI's unjust decision.

In Christchurch in New Zealand, residents are still battling insurance companies five years on. This cannot happen in Wye River and Separation Creek. I believe we need to think outside the square and the state needs to establish some sort of fast-tracking process and authority to deal with all of these issues as quickly as possible. The community needs much more help. I have already announced my determination to fight for more funding for the Great Ocean Road and for tourism infrastructure. They need more help with better communications. Paddy's Path also needs some funding. This is a path between Separation Creek and Wye. I am determined to stand with this community and I will continue to support them every step of the way.

The SPEAKER: It being 9.30 pm, the debate is interrupted. 

House adjourned at 21:30

NOTICES

The following notices were given:

Mr Fletcher to present a bill for an act to amend the law relating to territories, and for related purposes.

Mr Christensen to present a bill for an act to amend the Flags Act 1953, and for related purposes.