INTERNET

Proof and Official Hansards for the House of Representatives, the Senate and committee hearings are available at http://www.aph.gov.au/hansard

For searching purposes use http://parlinfo.aph.gov.au

SITTING DAYS—2015

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>9, 10, 11, 12, 23, 24, 25, 26</td>
</tr>
<tr>
<td>March</td>
<td>2, 3, 4, 5, 16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
<tr>
<td>May</td>
<td>12, 13, 14, 25, 26, 27, 28</td>
</tr>
<tr>
<td>June</td>
<td>1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25</td>
</tr>
<tr>
<td>August</td>
<td>10, 11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>September</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
</tr>
<tr>
<td>October</td>
<td>12, 13, 14, 15, 19, 20, 21, 22</td>
</tr>
<tr>
<td>November</td>
<td>9, 10, 11, 12, 23, 24, 25, 26, 30</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

- ADELAIDE 972AM
- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

For information regarding frequencies in other locations please visit http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

House of Representatives Office holders
Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker's Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Mr Patrick Martin Conroy MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP, Mr Ewen Thomas Jones MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry, Ms Clare Ellen O'Neil, MP,
Mrs Jane Prentice MP, Mr Donald James Randall MP, Mr Ross Xavier Vasta MP,
Mr Brett David Whiteley MP, 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. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Mr Scott Buchholz MP
Government Whips—Mr Andrew Alexander Nikolic, AM, CSC and
Ms Nola Bethwyn Marino MP

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

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

Printed by authority of the House of Representatives
<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, The Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Albanese, The Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Alexander, Mr John Gilbert OAM</td>
<td>Bennelong, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, Mrs Karen Lesley</td>
<td>McPherson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, The Hon. Kevin James</td>
<td>Menzies, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, The Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bandt, Mr Adam Paul</td>
<td>Melbourne, VIC</td>
<td>AG</td>
</tr>
<tr>
<td>Billson, The Hon. Bruce Fredrick</td>
<td>Dunkley, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, The Hon. Sharon Leah</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, The Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, The Hon. Julie Isabel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, The Hon. Chris Eyles</td>
<td>McMahon, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Briggs, The Hon. Jamie Edward</td>
<td>Mayo, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Broad, Mr Andrew John</td>
<td>Mallee, VIC</td>
<td>NATS</td>
</tr>
<tr>
<td>Broadbent, Mr Russell Evan</td>
<td>McMillan, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Brodtmann, Ms Gai Marie</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Brough, The Hon. Malcolm Thomas</td>
<td>Fisher, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Buchholz, Mr Scott</td>
<td>Wright, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Ms Anna Elizabeth</td>
<td>Chisholm, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, The Hon. Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, The Hon. Mark Christopher</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, Ms Terri Megan</td>
<td>Griffith, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, The Hon. Anthony Michael</td>
<td>Holt, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Chalmers, Dr James Edward</td>
<td>Rankin, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Champion, Mr Nicholas David</td>
<td>Wakefield, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Chester, The Hon. Darren</td>
<td>Gippsland, VIC</td>
<td>NATS</td>
</tr>
<tr>
<td>Chesters, Ms Lisa Marie</td>
<td>Bendigo, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Christensen, Mr George Robert</td>
<td>Dawson, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Ciobo, The Hon. Steven Michele</td>
<td>Moncrieff, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Clare, The Hon. Jason Dean</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Claydon, Ms Sharon Catherine</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Cobb, The Hon. John Kenneth</td>
<td>Calare, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Coleman, Mr David Bernard</td>
<td>Banks, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Collins, The Hon. Julie Maree</td>
<td>Franklin, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Mr Patrick Martin</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Coulton, Mr Mark Maclean</td>
<td>Parkes, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Danby, The Hon. Michael</td>
<td>Melbourne Ports, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Dreyfus, The Hon. Mark Alfred QC</td>
<td>Isaacs, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Dutton, The Hon. Peter Craig</td>
<td>Dickson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Elliot, The Hon. Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, The Hon. Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Entsch, The Hon. Warren George</td>
<td>Leichhardt, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Feeney, The Hon. David</td>
<td>Batman, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Mr Laurie Donald Thomas</td>
<td>Werriwa, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Fitzgibbon, The Hon. Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Fletcher, The Hon. Paul William</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Frydenberg, The Hon. Joshua Anthony</td>
<td>Kooyong, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Gambaro, The Hon. Teresa</td>
<td>Brisbane, QLD</td>
<td>LP</td>
</tr>
</tbody>
</table>
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giles, Mr Andrew James</td>
<td>Scullin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillespie, Dr David Arthur</td>
<td>Lyne, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Goodenough, Mr Ian Reginald</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Gray, The Hon. Gary AO</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, The Hon. Alan Peter</td>
<td>Bruce, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Griggs, Mrs Natasha Louise</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Hall, Ms Jill Griffiths</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hartsuyker, The Hon. Luke</td>
<td>Cowper, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Hawke, Mr Alexander George</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Mr Christopher Patrick</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Henderson, Ms Sarah Moya</td>
<td>Corangamite, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Hendy, Dr Peter William</td>
<td>Eden-Monaro, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hockey, The Hon. Joseph Benedict</td>
<td>North Sydney, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Hogan, Mr Kevin John</td>
<td>Page, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>Howarth, Mr Luke Ronald</td>
<td>Petrie, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Hunt, The Hon. Gregory Andrew</td>
<td>Flinders, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Husic, The Hon. Edham Nurreddin</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hutchinson, Mr Eric Russell</td>
<td>Lyons, TAS</td>
<td>LP</td>
</tr>
<tr>
<td>Irons, Mr Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jensen, Dr Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Mr Ewen Thomas</td>
<td>Herbert, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Mr Stephen Patrick</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Katter, The Hon. Robert Carl</td>
<td>Kennedy, QLD</td>
<td>AUS</td>
</tr>
<tr>
<td>Keenan, The Hon. Michael</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Mr Craig</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>King, The Hon. Catherine Fiona</td>
<td>Ballarat, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Mr Andrew</td>
<td>Bowman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Landry, Ms Michelle Leanne</td>
<td>Capricornia, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Laundy, Mr Craig</td>
<td>Reid, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Leigh, The Hon. Dr Andrew Keith</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ley, The Hon. Sussan Penelope</td>
<td>Farrer, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Macfarlane, The Hon. Ian Elgin</td>
<td>Groom, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Macklin, The Hon. Jennifer Louise</td>
<td>Jagajaga, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>MacTierman, The Hon. Alannah Joan Geraldine Cecilia</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Marino, Ms Nola Bethwyn</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Markus, Mrs Louise Elizabeth</td>
<td>Macquarie, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Marles, The Hon. Richard Donald</td>
<td>Corio, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Matheson, Mr Russell Glenn</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>McCormack, The Hon. Michael Francis</td>
<td>Riverina, NSW</td>
<td>NATS</td>
</tr>
<tr>
<td>McGowan, Ms Catherine AO</td>
<td>Indi, VIC</td>
<td>IND.</td>
</tr>
<tr>
<td>McNamara, Mrs Karen Jane</td>
<td>Dobell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Mitchell, Mr Robert George</td>
<td>McEwen, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Morrison, The Hon. Scott John</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Neumann, The Hon. Shayne Kenneth</td>
<td>Blair, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Nikolic, Mr Andrew Alexander AM, CSC</td>
<td>Bass, TAS</td>
<td>LP</td>
</tr>
<tr>
<td>O'Connor, The Hon. Brendan Patrick John</td>
<td>Gorton, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>O'Dowd, Mr Kenneth Desmond</td>
<td>Flynn, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>O'Dwyer, The Hon. Ms Kelly Megan</td>
<td>Higgins, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>O'Neil, Ms Clare Ellen</td>
<td>Hotham, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Ms Julie</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Palmer, Mr Clive Federick</td>
<td>Fairfax QLD</td>
<td>PUP</td>
</tr>
<tr>
<td>Parke, The Hon. Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Pasin, Mr Antony</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Perrett, Mr Graham Douglas</td>
<td>Moreton, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Pitt, Mr Keith John</td>
<td>Hinkler, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Plibersek, The Hon. Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Porter, The Hon. Charles Christian</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Prentice, Mrs Jane</td>
<td>Ryan, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Price, Ms Melissa Lee</td>
<td>Durack, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, The Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ramsey, Mr Rowan Eric</td>
<td>Grey, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Randall, Mr Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Ripoll, The Hon. Bernard Fernando</td>
<td>Oxley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Rishworth, The Hon. Amanda Louise</td>
<td>Kingston, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, The Hon. Andrew John AO</td>
<td>Goldstein, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Robert, The Hon. Stuart Rowland</td>
<td>Fadden, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Rowland, Ms Michelle Anne</td>
<td>Greenway, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Roy, Mr Wyatt</td>
<td>Longman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Ruddock, The Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Ryan, Ms Joanne Catherine</td>
<td>Lalor, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Scott, The Hon. Bruce Craig</td>
<td>Maranoa, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Scott, Ms Fiona Meryl</td>
<td>Lindsay, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Shorten, The Hon. William Richard</td>
<td>Maribyrnong, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Simpkins, Mr Luke Xavier Linton</td>
<td>Cowan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, The Hon. Anthony David Hawthorn</td>
<td>Casey, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Snowdon, The Hon. Warren Edward</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Southcott, Dr Andrew John</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, The Hon. Dr Sharman Nancy</td>
<td>Murray, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Sudmalis, Ms Ann Elizabeth</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Sukkar, Mr Michael</td>
<td>Deakin, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Swan, The Hon. Wayne Maxwell</td>
<td>Lilley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Taylor, Mr Angus James</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Tehan, Mr Daniel Thomas (Dan)</td>
<td>Wannon, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Thistlethwaite, The Hon. Mr Matthew James</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Thomson, The Hon. Kelvin John</td>
<td>Wills, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Truss, The Hon. Warren Errol</td>
<td>Wide Bay, QLD</td>
<td>NATS</td>
</tr>
<tr>
<td>Tudge, The Hon. Alan Edward</td>
<td>Aston, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, The Hon. Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vamvakinou, Ms Maria</td>
<td>Calwell, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>van Manen, Mr Albertus Johannes</td>
<td>Forde, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Varvaris, Mr Nickolas</td>
<td>Barton, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vasta, Mr Ross Xavier</td>
<td>Bonner, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Watts, Mr Timothy Graham</td>
<td>Gellibrand, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Whiteley, Mr Brett David</td>
<td>Braddon, TAS</td>
<td>LP</td>
</tr>
<tr>
<td>Wicks, Mrs Lucy Elizabeth</td>
<td>Robertson, NSW</td>
<td>LP</td>
</tr>
</tbody>
</table>
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
<td>IND.</td>
</tr>
<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
<td>LP</td>
</tr>
<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>
</tr>
<tr>
<td>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</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—Katters Australia Party; AG—Australian Greens; PUP—Palmer United Party

### Heads of Parliamentary Departments
- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—D Elder
- Acting Secretary, Department of Parliamentary Services—D Heriot
- Parliamentary Budget Officer—P Bowen
# ABBOTT MINISTRY

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon. Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on Counter-Terrorism</strong></td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for Women</strong></td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Charles Porter MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon. Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon. Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon. Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>The Hon. Steven Ciobo MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Trade and Investment</strong></td>
<td>The Hon. Steven Ciobo MP</td>
</tr>
<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Assistant Minister for Employment (Deputy Leader of the House)</td>
<td></td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon. George Brandis QC</td>
</tr>
<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon. George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td></td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Justice</td>
<td>The Hon. Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Attorney-General</strong></td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon. Joe Hockey MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon. Bruce Billson MP</td>
</tr>
<tr>
<td>Assistant Treasurer</td>
<td>The Hon. Joshua Frydenberg MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td><em>The Hon. Kelly O’Dwyer</em></td>
</tr>
<tr>
<td><strong>Minister for Agriculture</strong></td>
<td>The Hon. Barnaby Joyce MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Agriculture</strong></td>
<td>Senator the Hon. Richard Colbeck</td>
</tr>
<tr>
<td><strong>Minister for Education and Training</strong></td>
<td>The Hon. Christopher Pyne MP</td>
</tr>
<tr>
<td>(Leader of the House)</td>
<td></td>
</tr>
<tr>
<td>Assistant Minister for Education and Training</td>
<td>Senator the Hon. Simon Birmingham</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Education and Training</strong></td>
<td><em>Senator the Hon. Scott Ryan</em></td>
</tr>
<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon. Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Minister for Social Services (Manager of Government Business in the Senate)</td>
<td>Senator the Hon. Mitch Fifield</td>
</tr>
<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon. Marise Payne</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Social Services</strong></td>
<td><em>Senator the Hon. Concetta Fierravanti-Wells</em></td>
</tr>
<tr>
<td><strong>Minister for Industry and Science</strong></td>
<td>The Hon. Ian Macfarlane MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Industry and Science</strong></td>
<td><em>The Hon. Karen Andrews MP</em></td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>Minister for Defence</strong></td>
<td>The Hon. Kevin Andrews MP</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon. Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Darren Chester MP</td>
</tr>
<tr>
<td><strong>Minister for Communications</strong></td>
<td>The Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Communications</td>
<td>The Hon. Paul Fletcher MP</td>
</tr>
<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>The Hon. Robert Baldwin MP</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon. Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon. Michael McCormack MP</td>
</tr>
<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon. Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon. Sussan Ley MP</td>
</tr>
<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon. Fiona Nash</td>
</tr>
</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>TITLE</th>
<th>SHADOW MINISTER</th>
</tr>
</thead>
<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 for Small Business</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</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 to the Leader of the Opposition</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition</td>
<td>Hon. Tanya Plibersek MP</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td></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 Minister for the Centenary of ANZAC</td>
<td>Hon. David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon. Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Penny Wong</td>
</tr>
<tr>
<td>Shadow Minister for Trade and Investment</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Trade and Investment</td>
<td></td>
</tr>
<tr>
<td>Deputy Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Stephen Conroy</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Hon. David Feeney MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans’ Affairs</td>
<td>Hon. David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Gai Brodmann MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Transport</td>
<td>Hon. Anthony Albanese MP</td>
</tr>
<tr>
<td>Shadow Minister for Cities</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon. Julie Collins MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Development and Infrastructure</td>
<td>Hon. Alannah MacTiernan MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Western Australia</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Treasurer</td>
<td>Hon. Chris Bowen MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer</td>
<td>Hon. Dr Andrew Leigh MP</td>
</tr>
<tr>
<td>Shadow Minister for Competition</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Treasurer</td>
<td>Hon. Ed Husic MP</td>
</tr>
<tr>
<td>Shadow Minister for Finance</td>
<td>Hon. Tony Burke MP</td>
</tr>
<tr>
<td>Manager of Opposition Business (House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Environment, Climate Change and Water</td>
<td>Hon. Mark Butler MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Environment, Climate Change and Water</td>
<td>Senator the Hon. Lisa Singh</td>
</tr>
<tr>
<td>Shadow Minister for Higher Education, Research, Innovation and Industry</td>
<td>Senator the Hon. Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister for Vocational Education</td>
<td>Hon. Sharon Bird MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Higher Education</td>
<td>Hon. Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Tony Zappia MP</td>
</tr>
<tr>
<td>TITLE</td>
<td>SHADOW MINISTER</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Shadow Minister for Communications</td>
<td>Hon. Jason Clare MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Communications</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Attorney General</td>
<td>Hon. Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Shadow Minister for the Arts</td>
<td>Hon. David Feeney MP</td>
</tr>
<tr>
<td>Deputy Manager of Opposition Business (House)</td>
<td>Graham Perrett MP</td>
</tr>
<tr>
<td>Shadow Minister for Justice</td>
<td>Hon. Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney General</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Arts</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Education</td>
<td>Hon. Kate Ellis MP</td>
</tr>
<tr>
<td>Shadow Minister for Early Childhood</td>
<td>Hon. Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Education</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture</td>
<td>Hon. Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Minister for Resources</td>
<td>Hon. Gary Gray AO MP</td>
</tr>
<tr>
<td>Shadow Minister for Northern Australia</td>
<td></td>
</tr>
<tr>
<td>Shadow Special Minister of State</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Minister for Health</td>
<td>Hon. Catherine King MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td>Senator Hon. Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Sport</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Nick Champion MP</td>
</tr>
<tr>
<td>Shadow Minister for Families and Payments</td>
<td>Hon. Jenny Macklin MP</td>
</tr>
<tr>
<td>Shadow Minister for Disability Reform</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon. Doug Cameron</td>
</tr>
<tr>
<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator the Hon. Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Carers</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Shadow Minister for Communities</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Border Protection</td>
<td>Hon. Richard Marles MP</td>
</tr>
<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Hon. Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Affairs</td>
<td>Hon. Shayne Neumann MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Pooley</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon. Brendan O'Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment Services</td>
<td>Hon. Julie Collins MP</td>
</tr>
</tbody>
</table>
CONTENTS

MONDAY, 1 JUNE 2015

Chamber
PETITIONS—
   West New Guinea............................................................................. 5139
PETITIONS—
   Responses.......................................................................................... 5139
   Fuel Prices......................................................................................... 5139
   Islam in Australia ............................................................................. 5140
   Melville Amnesty Group .................................................................... 5140
   Maleny: NBN ................................................................................... 5141
PETITIONS—
   Statements ....................................................................................... 5143
COMMITTEES—
   Law Enforcement Committee—
      Report ............................................................................................ 5144
   Australian Commission for Law Enforcement Integrity Committee—
      Report ............................................................................................ 5146
Economics Committee—
   Report .............................................................................................. 5148
   Reference to Federation Chamber .................................................... 5150
Standing Committee on Tax and Revenue—
   Report .............................................................................................. 5150
Infrastructure and Communications Committee—
   Report .............................................................................................. 5153
   Reference to Federation Chamber .................................................... 5156
Agricultural and Related Industries Committee—
   Report .............................................................................................. 5156
   Reference to Federation Chamber .................................................... 5158
BILLS—
   Foreign Death Penalty Offences (Preventing Information Disclosure) Bill 2015—
      First Reading ................................................................................ 5159
      Second Reading ............................................................................. 5159
   Marriage Amendment (Marriage Equality) Bill 2015—
      First Reading ................................................................................ 5161
      Second Reading ............................................................................ 5161
   Iron Ore Supply and Demand (Commission of Inquiry) Bill 2015—
      First Reading ................................................................................ 5164
      Second Reading ............................................................................ 5164
PRIVATE MEMBERS' BUSINESS—
   Small Business .................................................................................. 5166
BILLS—
   Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015—
      Second Reading ............................................................................ 5173
### CONTENTS—continued

| Third Reading | ........................................................................................................................................ | 5188 |
| Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015— | ........................................................................................................................................ | 5188 |
| Second Reading | ........................................................................................................................................ | 5188 |

**STATEMENTS BY MEMBERS**

| Same-Sex Relationships | ........................................................................................................................................ | 5194 |
| Garvan Institute of Medical Research: Connie Johnson Fellowship | ........................................................................................................................................ | 5194 |
| Richmond Electorate: Murwillumbah District Hospital | ........................................................................................................................................ | 5195 |
| Tangney Electorate: Pets of Older Persons WA | ........................................................................................................................................ | 5195 |
| Rankin Electorate: Struggle Street | ........................................................................................................................................ | 5196 |
| Queensland Government | ........................................................................................................................................ | 5196 |
| Migration | ........................................................................................................................................ | 5197 |
| McNamara, Air Vice Marshal Francis Hubert (Frank), VC | ........................................................................................................................................ | 5197 |
| Lalor Electorate: Regional Rail Link | ........................................................................................................................................ | 5197 |
| Secondary Education | ........................................................................................................................................ | 5198 |
| Indi Electorate: Manufacturing Forum | ........................................................................................................................................ | 5198 |
| Hinkler Electorate: Wide Bay Whirly Birds | ........................................................................................................................................ | 5199 |
| University of Newcastle: 50th Anniversary | ........................................................................................................................................ | 5199 |
| Foreign Investment | ........................................................................................................................................ | 5200 |
| Budget | ........................................................................................................................................ | 5200 |
| Macquarie Electorate: Light Years Ahead Project | ........................................................................................................................................ | 5200 |
| Canberra Electorate: Economy | ........................................................................................................................................ | 5201 |
| Budget | ........................................................................................................................................ | 5201 |
| Kingsford Smith Electorate: Aboriginal Health College | ........................................................................................................................................ | 5202 |
| Western Australian Bushfires | ........................................................................................................................................ | 5202 |

**MINISTERIAL ARRANGEMENTS**

| ........................................................................................................................................ | 5203 |

**QUESTIONS WITHOUT NOTICE**

| Cabinet | ........................................................................................................................................ | 5203 |
| Budget | ........................................................................................................................................ | 5204 |
| Cabinet | ........................................................................................................................................ | 5205 |
| Infrastructure | ........................................................................................................................................ | 5205 |
| Superannuation | ........................................................................................................................................ | 5206 |
| Food Labelling | ........................................................................................................................................ | 5207 |
| Small Business | ........................................................................................................................................ | 5208 |
| Housing Affordability | ........................................................................................................................................ | 5209 |
| Budget | ........................................................................................................................................ | 5210 |
| Small Business | ........................................................................................................................................ | 5211 |
| Border Protection | ........................................................................................................................................ | 5211 |
| Economy | ........................................................................................................................................ | 5212 |
| National Security | ........................................................................................................................................ | 5213 |
| Budget | ........................................................................................................................................ | 5214 |
| Education | ........................................................................................................................................ | 5215 |
| Budget | ........................................................................................................................................ | 5216 |
| Environment | ........................................................................................................................................ | 5217 |
| Budget | ........................................................................................................................................ | 5218 |
| Home Insulation Program | ........................................................................................................................................ | 5219 |
## CONTENTS—continued

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Agriculture</td>
<td>5219</td>
</tr>
<tr>
<td>Victoria: Infrastructure</td>
<td>5220</td>
</tr>
<tr>
<td>MOTIONS—</td>
<td></td>
</tr>
<tr>
<td>Dissent from Ruling</td>
<td>5222</td>
</tr>
<tr>
<td>DOCUMENTS—</td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td>5230</td>
</tr>
<tr>
<td>PERSONAL EXPLANATIONS—</td>
<td>5230</td>
</tr>
<tr>
<td>BILLS—</td>
<td></td>
</tr>
<tr>
<td>Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015—</td>
<td>5230</td>
</tr>
<tr>
<td>Second Reading</td>
<td></td>
</tr>
<tr>
<td>Third Reading</td>
<td>5245</td>
</tr>
<tr>
<td>Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014—</td>
<td></td>
</tr>
<tr>
<td>Second Reading</td>
<td>5246</td>
</tr>
<tr>
<td>ADJOURNMENT</td>
<td></td>
</tr>
<tr>
<td>Powerhouse Museum</td>
<td>5300</td>
</tr>
<tr>
<td>Mining</td>
<td>5301</td>
</tr>
<tr>
<td>Social Cohesion</td>
<td>5302</td>
</tr>
<tr>
<td>Australian Defence Force</td>
<td>5304</td>
</tr>
<tr>
<td>South China Sea</td>
<td>5305</td>
</tr>
<tr>
<td>Lyne Electorate: Surf Lifesaving</td>
<td>5306</td>
</tr>
<tr>
<td>NOTICES</td>
<td>5307</td>
</tr>
</tbody>
</table>

### Federation Chamber

#### CONSTITUENCY STATEMENTS—

<table>
<thead>
<tr>
<th>Electorate</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlton Electorate: Centenary of Anzac</td>
<td>5309</td>
</tr>
<tr>
<td>Hasluck Electorate: Women's Powder Room</td>
<td>5310</td>
</tr>
<tr>
<td>Chisholm Electorate: Budget</td>
<td>5310</td>
</tr>
<tr>
<td>Economy</td>
<td>5311</td>
</tr>
<tr>
<td>Lilley Electorate: Centenary of Anzac</td>
<td>5312</td>
</tr>
<tr>
<td>Crime</td>
<td>5313</td>
</tr>
<tr>
<td>Griffith Electorate: Bulimba Barracks</td>
<td>5314</td>
</tr>
<tr>
<td>Barker Electorate: River Communities</td>
<td>5315</td>
</tr>
<tr>
<td>Live Animal Exports</td>
<td>5315</td>
</tr>
<tr>
<td>Gilmore Electorate</td>
<td>5316</td>
</tr>
</tbody>
</table>

#### PRIVATE MEMBERS’ BUSINESS—

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Security</td>
<td>5317</td>
</tr>
<tr>
<td>Inborn Error of Metabolism Program</td>
<td>5328</td>
</tr>
<tr>
<td>Tasmania: Fruit and Vegetable Industries</td>
<td>5333</td>
</tr>
<tr>
<td>Shipping</td>
<td>5343</td>
</tr>
</tbody>
</table>

#### STATEMENTS BY MEMBERS—

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asylum Seekers</td>
<td>5353</td>
</tr>
<tr>
<td>Solomon Electorate: The Safety House Program</td>
<td>5354</td>
</tr>
<tr>
<td>Rankin Electorate: Daisy Hill Koala Centre</td>
<td>5354</td>
</tr>
<tr>
<td>South Australian Government</td>
<td>5354</td>
</tr>
</tbody>
</table>

---

**CHAMBER**
## CONTENTS—continued

Brisbane Valley Highway ................................................................. 5355  
Wigg, Mr Athol, JP ........................................................................... 5355  
Hunt, Mr Ian .................................................................................. 5356  
Robertson Electorate: Erina Community Men's Shed ....................... 5356  
Health Care .................................................................................... 5357  
Migration ......................................................................................... 5357  
Budget .............................................................................................. 5358  
Boothby Electorate: Roads ............................................................... 5358  
Canberra Electorate: Cercol Construction Services ......................... 5359  
Eden-Monaro Electorate: Fling Physical Theatre ................................. 5359  
Makin Electorate: Armenian Community ........................................ 5360  
Banks Electorate: Beverly Hills Parking ............................................ 5360  
Parramatta Electorate: Schools ....................................................... 5360  
National Security ........................................................................... 5361  
Dearing, Mr Paul ............................................................................. 5361  
Nobbs, Mr Eric ................................................................................ 5362  
Sheikh-Eldin, Dr Melika .................................................................. 5362  
Tourism ............................................................................................ 5362  
Indi Electorate: Australian Manufacturing and Farming Program .... 5363  
Calare Electorate: National Stronger Regions Fund .......................... 5363  
Inborn Errors of Metabolism ............................................................ 5364  
Dawson Electorate: Illicit Drugs ...................................................... 5364  
Western Australia Day .................................................................... 5365  
Forde Electorate: Beenleigh Police-Citizens Youth Club .................. 5365  

### BILLS

- Appropriation Bill (No. 1) 2015-2016—
- Appropriation Bill (No. 2) 2015-2016—
- Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016—
- Appropriation Bill (No. 5) 2014-2015—
- Appropriation Bill (No. 6) 2014-2015—
  - Second Reading ........................................................................ 5366

### BUSINESS

- Rearrangement ............................................................................. 5406

### GRIEVANCE DEBATE

- Budget ......................................................................................... 5406
- Western Australia: Property Rights ............................................... 5408
- Lingiari Electorate: Budget ............................................................ 5411
- Grains Research and Development Corporation ............................. 5413
- Goods and Services Tax ............................................................... 5413
- Youth Allowance ......................................................................... 5413
- Indigenous Affairs ....................................................................... 5416
- City of South Perth ....................................................................... 5418

### ADJOURNMENT ........................................................................... 5421

### Questions In Writing

- Wellard Rural Exports Pty Ltd—(Question No. 729) ......................... 5422
- Food Imports—(Question No. 739) .............................................. 5422
Australian Beef Exports—(Question No. 748) .............................................................. 5422
The SPEAKER (Hon. Bronwyn Bishop) took the chair at 10:00, made an acknowledgement of country and read prayers.

PETITIONS

Dr JENSEN (Tangney) (10:01): On behalf of the Standing Committee on Petitions, and in accordance with standing order 207, I present the following petition:

West New Guinea

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

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

our legal obligation to "promote" the 'self-governance or independence" of trust territories, and need for Australia to put the issue of United Nations General Assembly resolution 1752 on the agenda of the Trusteeship Council so the Council may commence work under the Charter of the United Nations article 85 part 2 in response to Australia and the General Assembly putting article 85 part 1 of the Charter into effect when we made resolution 1752.

We are horrified by the 53 years of unnecessary suffering endured by our neighbours and remind you that the West Papuan people were our staunch allies during the Pacific war. Nowhere in the Charter or in Australian law do we have a right to buy or sell people, so we believe the term "administration" used in the agreement ;43reveved by General Assembly resolution 1752 is a diplomatic term for "occupation" and that 'Nest New Guinea is an United Nations trust territory as can be confirmed by-the International Court of Justice under General Assembly resolution 171 by allowing the Trusteeship Council to commence its duties.

We therefore ask the House to:

instruct the Australian Permanent Mission to the United Nations to ensure that General Assembly resolution 1752 is pia on the agenda of the Trusteeship Council without further delay.

from 15 citizens
Petition received.

PETITIONS

Responses

Dr JENSEN (Tangney) (10:01): Ministerial responses to petitions previously presented to the House have been received as follows:

Fuel Prices

Dear Dr Jensen

Thank you for your letter of 24 March 2015 forwarding to me a petition regarding petrol prices in the Hamilton region in Victoria, submitted for the consideration of the Standing Committee on Petitions.

Let me assure you that I have listened to the concerns of Australian consumers and businesses regarding fuel pricing, including concerns about the disparity in regional pricing, and a desire to ensure that they too benefit at the bowser when international oil prices fall.

As you are aware, retail petrol prices in Australia are not regulated by the Government. Rather, prices reflect international oil prices and market forces. Nonetheless, the Government is committed to promoting transparent and fair petrol prices for all Australians. In December 2014, I issued a new direction under the Competition and Consumer Act 2010 (the CCA) to the Australian Competition and
Consumer Commission (ACCC) to monitor and analyse fuel markets in a more regular and in-depth way.

ACCC petrol monitoring reports are now produced quarterly instead of annually, to be more informative, responsive and able to identify areas of market concern or heightened interest for the community. The first quarterly report was released on 26 February 2015 and shows that petrol prices have decreased significantly since mid-2014, including in Victoria, but not by as much in regional areas such as Hamilton. For further information, a copy of the ACCC’s report is available at:


In addition, the new direction empowers the ACCC to undertake a 'deep dive' study into specific markets or aspects of the fuel industry requiring closer and more specific examination. This can be used to shine a light on specific markets where prices are relatively high and influence behaviour as consumers will be able to see where the profits are being made and seek change. Importantly, the ACCC will be able to use its compulsory information gathering powers under section 95ZK of the CCA to obtain necessary information from fuel companies throughout the supply chain to inform its studies.

from the Minister for Small Business, Mr Billson

Islam in Australia

Dear Dr Jen

Thank you for your letter of 23 February 2015 regarding the petition submitted for the consideration of the Standing Committee on Petitions regarding Islam in Australia (1009/1494). I have considered the petition and reject its proposition.

Section 116 of the Australian Constitution, which effectively establishes a freedom of religion at the Commonwealth level, provides that:

The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion, and no religious test shall be required as a qualification for any office or public trust under the Commonwealth.

All Australians are free to choose their religion, and should be able to express and practice their religion and beliefs, without intimidation and without interference, provided those practices are within the framework of Australian law. Australia affords people the freedom to express their opinions through peaceful and constructive means. In fact, the Government actively encourages all individuals and organisations to engage with our democratic processes and to make a positive contribution to public debate.

Religious freedom is of very great importance in Australian society. The Australian Government values freedom of belief as an essential feature of our multicultural and diverse democracy. This nation is home to many faiths, united by acceptance, mutual respect and a commitment to democratic traditions.

Thank you again for writing on this matter.

from the Attorney-General, Senator Brandis

Melville Amnesty Group

Dear Dr Jensen

Thank you for your correspondence of 24 March 2015 in relation to a petition regarding the immigration status of Mr Dileer Mezori (your reference 1029/1514).

As the Minister for Health and Minister for Sport, I am unable to provide information relevant to this petition. The matters raised in the petition are the portfolio responsibilities of the Minister for
Immigration and Border Protection, the Hon Peter Dutton MP, and the Minister for Human Services, Senator the Hon Marise Payne. I understand that you have written directly to Minister Dutton and Minister Payne respectively on this matter.

I trust this information has been of assistance.

from the Minister for Sport, Ms Ley

Maleny: NBN

Dear Dr Jensen

Thank you for your letter dated 2 March 2015 in relation to receipt of a petition by the Standing Committee on Petitions (ref. 1021/1506) concerning the proposed rollout of National Broadband Network (NBN) fixed wireless infrastructure in the Maleny district of Queensland.

The five issues the petitioners raise fall into two main groups. Firstly, they would prefer the NBN Co Limited (NBN Co) to service their area with fibre-to-the node (FTTN) rather than fixed wireless technology. They consider FTTN will provide superior performance and will provide access to the same outcomes available over the NBN in other areas of Australia. Secondly, they are concerned about possible health effects from exposure to electromagnetic emissions from wireless transmitters on towers. After making some general observations I will respond to each of these broad topics in turn.

General observations

The Australian Government appreciates that some people have concerns about the rollout of NBN fixed wireless towers and other telecommunications infrastructure. These concerns need to be balanced against the community's need for modern communications services.

In the case of the Maleny area, my understanding is that when this issue first arose NBN Co was undertaking preliminary work to identify possible suitable sites for wireless towers. Before construction of towers can commence, suitable sites need to be identified, access to the sites needs to be negotiated on commercial terms with the land owner, and then normal state planning processes need to be followed. NBN Co is only in the earliest stages of this process. It has recently advised that it has identified five possible initial sites. These include three co-location sites at Montville, Wilkes Knob and Witta, and two new sites, one at Peachester and the other at Palm Street. It will be providing further information for the community to review on 14 May 2015, at the Community Centre Main Hall, 23 Maple Street, Maleny, between the hours of 4pm and 7pm.

If NBN Co wished to proceed with fixed wireless towers, the installation of new freestanding towers is subject to normal state and territory planning laws, just the same as with other large construction projects. NBN Co needs to follow normal development approval processes. This ensures local communities have a say about such facilities, just as they would with any other large construction project. Participation in the usual development approval processes is the appropriate channel for raising concerns about a specific tower. The Commonwealth does not involve itself in such state, territory and local government planning processes.

I would now like to turn to the two broad issues the petitioners have raised.

Technology choice: fixed wireless and fibre-to-the-node (FTTN)

On 8 April 2014, Shareholder Ministers issued a new Statement of Expectations to NBN Co. The statement makes clear the Government's expectation that the NBN Co should continue the NBN rollout using a multi-technology mix model to complete the rollout as quickly and cost-effectively as possible. This approach will match the right technology to the right location and make use of existing infrastructure where possible. It is predicted to cost $32 billion less to implement and get the NBN finished four years sooner. The Statement of Expectations does not provide that equivalent broadband speeds will be delivered across fixed line and fixed wireless technologies, but rather it provides that...
Australians will have access to the most cost-effective next-generation broadband solution according to their locality.

NBN Co has been given the responsibility to determine the best and most effective technology to service an area. NBN Co is building the network at arm's length from the Government. The Government is not involved in day-to-day technology selection decisions, nor should it be. This is an operational decision. NBN Co has determined fixed wireless is the most cost-effective solution for the Maleny area.

The Maleny area, and adjacent small rural communities, are typical of the areas that are planned to be serviced by fixed wireless. Fixed wireless will generally be used in areas like the rural outskirts of larger regional centres and small rural villages. In such low population density areas, fixed-line broadband is not a cost-effective option. The Government does not support the provision of fixed-line broadband infrastructure by NBN Co where it is not the cost-effective option.

There are difficulties in using fixed-line infrastructure to provide faster broadband services to a locality like Maleny and its surrounds. Because broadband signals supplied over copper lines attenuate with distance, it is necessary to install new fibre infrastructure to a node or the premises to provide faster broadband, even if there are existing copper connections to individual premises. The more premises are spread out, the greater the difficulty in using existing copper lines to provide higher speeds and greater the need for additional fibre cabling to be installed. This all means a higher cost is involved in servicing rural premises by fixed-line infrastructure like FTTN and fibre-to-the-premises.

The next-generation NBN fixed wireless network is being engineered specifically to deliver high-speed broadband to regional and remote communities. Fixed wireless networks are not like mobile phone networks, in terms of congestion. They are designed to meet the speed and service requirements for a specific number of users in each coverage area. This means that, unlike mobile phone networks, only these customers are connected to the network, so the speed and connection remain consistent and stable, even during peak times like early evening.

NBN Co’s fixed wireless network uses 4G technology to deliver services to a fixed number of premises within each coverage area. The technology offers peak speeds of up to 25 Mbps download and 5 Mbps upload on the fixed wireless network. These speeds exceed those typically available to ADSL2+ users in metropolitan Australia today. These improved speeds will allow users to take advantage of telehealth and e-learning applications using videoconferencing. Downloading files, sending email attachments and using cloud backup services will be quicker on a 25/5 Mbps connection.

If there is clear community opposition to the use of fixed wireless technology to provide better broadband in an area, NBN Co has advised that the area would then be serviced by a satellite solution. While satellite will still provide a high grade of service, it has some limitations such as longer latency that fixed wireless does not have.

On 13 March 2015, NBN Co released its Technology Choice policy. Technology Choice will enable consumers to obtain an alternative technology to that which they would receive under NBN Co’s general rollout plan, where they are willing to meet the additional cost. A copy of the policy is attached for the Committee’s reference. If the residents of the Maleny area are interested in such an option, further information about Technology Choice can be found at www.nbnco.com.au/-connect-home-or-business-technology-choice-program.html.

**Exposure to electromagnetic energy**

The petition also raised concerns about possible health effects from exposure to electromagnetic energy (EME) coming from transmitters on NBN Co’s fixed wireless towers. The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) is the Government agency responsible for setting the exposure standard for radiofrequency (RF) EME. The ARPANSA exposure limits are set well below the level at which adverse health effects are known to occur and include a wide safety margin to protect the public. Typically transmitters on NBN fixed wireless towers operate at a tiny percentage of
the ARPANSA standard. ARPANSA has produced a factsheet on the National Broadband Network wireless base stations and health. A copy is attached for the Committee's reference.

Before an NBN fixed wireless base station is built, a report is produced that shows the predicted maximum levels of EME at ground level around the new facility. It should be noted that predicted EME levels are for a base station operating at its highest capacity and assumes that all transmitters are working at full rated power. In reality base stations typically operate below full rated power levels.

The effects of RF EME exposure have been, and continue to be the subject of extensive and rigorous scientific study around the world. It is the assessment of ARPANSA and other leading health authorities such as the World Health Organisation that there are no known health effects at low RF EME levels, such as those emitted by NBN Co's fixed wireless base stations.

ARPANSA maintains continual oversight of emerging research into the potential health effects of RF EME emissions. If credible scientific evidence ever indicates that the current ARPANSA Standard does not adequately protect the health of Australians, the Government would take immediate action to rectify the situation.

Further information about EME can be found on the ARPANSA's website at www.arpansa.gov.au/ScienceRF/.

For your information, my Department in conjunction with ARPANSA and the Australian Communications and Media Authority has developed a video and two fact sheets to help improve community understanding of EME regulation. The video can be viewed at http://youtu.be/XGI_LegtDIQ and the factsheets can be accessed at www.communications.gov.au/eme.

Thank you for bringing the petition to my attention. I trust this information will be of assistance.

from the Minister for Communications, Mr Turnbull

PETITIONS

Statements

Dr JENSEN (Tangney) (10:02): In recent statements that I have made as chair of the Petitions Committee, I have discussed the benefits of petitioners receiving ministerial responses to their petitions.

Today, I would like to provide you with an update on the rate of ministerial responses to petitions, their timeliness and outcomes.

As you know, petitions which are presented to the House are expected to receive a ministerial response within 90 days of presentation. Even when a parliament comes to an end a referral does not lapse, meaning that, if a petition has been referred to a minister, a response is still required in the next parliament. This is still the case if there is a change of government or minister.

In 2008, the Petitions Committee was established and standing orders relating to petitions were amended to specify that a 'Minister shall be expected to respond to a referred petition within 90 days of presentation'. This amendment aimed to help ensure that matters raised by petitioners were duly considered and responded to in a timely manner.

Prior to these changes, ministers were not expected to respond within any specified time frame and, as a result, only three ministerial responses were lodged between 1999 and 2007 to more than 2,500 petitions.

The current petitioning system of the House of Representatives has been in operation for more than six years and petitioners' requests are being responded to more efficiently than they
were before the 42nd Parliament. However, it is concerning that the number of responses lodged within 90 days has started to decline in recent times.

In the 42nd Parliament, 72 percent of responses to petitions were provided on time. In the 43rd Parliament, it was 70 percent. During this parliament, it is now 61 percent of ministerial responses that are provided within the expected time frame.

These figures do not indicate that petitions have gone unanswered—approximately 90 percent of all petitions have received responses. However, the numbers do indicate that some petitions are not being answered within the 90 days set out in standing order 209(b).

People lodge petitions because they are seeking action on matters which are important to them—some of these matters are time critical—and I would like to emphasise the importance of a minister's response to petitioners.

Petitioning the House is an involved process which can takes months for a petitioner to co-ordinate and once the petition is received, processing it and checking that it complies with standing order requirements can also take some time. Further, if a petition has been allocated to be presented by me as the chair of the Petitions Committee, it can only be presented on a Monday morning of a sitting week.

It is therefore extremely important for petitioners to receive a ministerial response as soon as possible after the presentation of their petition and I strongly encourage ministers to ensure that, wherever possible, responses are lodged according to standing orders.

I acknowledge that there are many factors which may delay ministers' responses. Recently the committee has undertaken an audit of outstanding responses, and has written to ministers seeking their assistance in getting responses for these petitioners.

Ministers' responses are extremely valuable to the Australian community, and of course to the individual petitioners who have taken the time to raise these matters with the House.

Once responses are tabled in the House and published on the committee's web page, petitioners are better informed about the government's position on the issues they have raised and are more aware of the government's reasons for actions or perceived inaction on these matters.

To respond to a petition is, in essence, a minister's opportunity to explain the details of government policy and how they intend to address the issue in the future.

Whether or not a minister is able to grant the requests made in petitions, part of the committee's role is to publish all ministerial responses on its web page. This helps to ensure that all Australians have the opportunity to be informed of the reasons behind decisions made by ministers.

**COMMITTEES**

**Law Enforcement Committee**

**Report**

Mr **CRAIG KELLY** (Hughes) (10:06): On behalf of the Parliamentary Joint Committee on Law Enforcement, I present the committee's report entitled *Examination of the annual report of the Australian Crime Commission 2013-14*, together with evidence received by the committee.
The Australian Crime Commission Act requires the ACC to provide an annual report to the parliament pursuant to subsection 61(2). The report details the ACC's key priorities in 2013-14, including:

- Investigations into high risk criminal targets;
- High risk and emerging drugs;
- Outlaw motorcycle gangs;
- National security impacts from serious and organised crime; and
- The National Indigenous Intelligence Task Force.

The ACC reported a deficit of $6.3 million that was the result of an unfunded depreciation of $7.3 million. But for this depreciation the ACC would have reported a modest surplus of $1 million for 2013-14.

The committee has revised the method by which it completes its review of the ACC's annual report. This includes a greater focus on whether agencies have met their key performance indicators.

In its annual report the ACC included information about its ongoing task force work which is of continuing interest to the committee. Coverage included updates on the Australian Gangs Intelligence Coordination Centre, an ACC led multi-agency taskforce that is a key element of the government's strategy to reduce outlaw motorcycle gang related crime. Some of the taskforce's successes have included:

- Contributing to more than 28 state and territory investigations;
- Releasing 60 intelligence reports to law enforcement partners; and
- Providing intelligence leading to the arrests of 10 outlaw motorcycle gang members.

The report discusses the ACC's requirement to manage several key federal law enforcement tools, databases and forums, including:

- the National Criminal Target List and National Target System;
- the Australian Criminal Intelligence Forum; and
- the Australian Criminal Intelligence Model.

The ACC also continued its advocacy for a replacement of the national criminal intelligence database, to be called the National Criminal Intelligence System (NCIS). This new system is being designed to replace the Australian Criminal Intelligence Database and Australian Law Enforcement Intelligence Network. The ACC raised the benefits an updated system would provide to the Commonwealth and state and territory governments in their efforts to fight multi-jurisdictional crime.

The ACC again cited task force Eligo as an example of effective reduction of money laundering through effective collaboration between law enforcement and other agency partners and the remittance industry. Eligo has been responsible for the seizure of $54 million in cash and over a tonne of illicit drugs.

Similarly, Task Force Attero has resulted in the arrest of more than 2,275 outlaw motorcycle gang members and its associates. This task force has subsequently been expanded.
to Task Force Morpheus, which will have a broader focus. Attero has also resulted in the seizure of 39 firearms and $15.4 million in taxation liabilities.

The committee notes that 2013-14 marks the first year of the ACC’s new KPIs. While the committee appreciates the ACC’s work in developing the new KPIs, and noting that some of the ACC’s work is unquantifiable, it is concerning there is a lack of quantitative KPIs. The committee notes the Australian National Audit Office’s preference for a mix of qualitative and quantitative KPIs.

The committee notes the high levels of satisfaction expressed in the ACC’s stakeholder survey. However, the committee is not convinced that the new KPIs provide a more measurable basis for performance assessment, noting that this year was their first full year of use by the ACC.

As noted last year, the committee expects that the performance results of the ACC will be measurable over time, and encourages the ACC to examine whether the KPIs are instructive, and achieve an appropriate mix between qualitative and quantitative indicators. The committee will continue to examine the performance of the ACC against the new KPIs in the ACC’s next annual report.

The ACC included results of the stakeholder survey in its annual report, but is not persuaded they provide a measurable basis for performance assessment.

The committee acknowledges the solid work of the ACC during the 2013-14 period and for their cooperation and engagement during this inquiry.

On behalf of the committee, I wish to thank the former CEO of the Australian Crime Commission, Mr John Lawler, and the new CEO, Mr Chris Dawson, for their preparation of the 2013-14 annual report, and the tireless work of the secretariat in supporting the committee.

**Australian Commission for Law Enforcement Integrity Committee**

**Report**

**Mr MATHESON** (Macarthur) (10:12): On behalf of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, I present the committee’s report entitled *Examination of the annual report of the Integrity Commissioner 2013-14*, together with evidence received by the committee.

I seek leave to make a short statement.

**The SPEAKER:** You do not need leave. You may proceed.

**Mr MATHESON:** Thank you, Madam Speaker. The Australian Commission for Law Enforcement Integrity, ACLEI, is responsible for preventing, detecting and investigating serious and systemic corruption issues in Australia’s law enforcement agencies. ACLEI is required, pursuant to the Law Enforcement Integrity Act, to provide an annual report to the parliament detailing its activities and investigations.

The annual report notes in detail the expanded jurisdiction of ACLEI. While ACLEI’s original jurisdiction included the Australian Crime Commission, Australian Customs and Border Protection Service and the Australian Federal Police, it has been expanded to include the Australian Transaction Reports and Analysis Centre, CrimTrac and biosecurity staff within the Department of Agriculture.
While the committee is concurrently inquiring into ACLEI's expanded jurisdiction, the annual report helpfully notes the challenges that the expanded jurisdiction poses to ACLEI.

The annual report notes the upcoming merger of the Department of Immigration and Border Protection and Australian Customs and Border Protection Service into the Australian Border Force, and that will be a high priority for ACLEI in coming years.

The annual report discusses the usefulness for ACLEI of its Sydney based task force, and is pleased to date with its results. The committee will continue to monitor ACLEI's work and expanded jurisdiction with close interest.

The committee notes that ACLEI's budget in 2013-14 was increased from $6.0 million to $7.6 million, and had an operating surplus of $0.8 million, due to ongoing difficulties in filling temporary vacancies.

The annual report also details some of ACLEI's effective operations, including Operation Heritage/Marca.

The committee notes comments raised by the former acting Integrity Commissioner, Mr Robert Cornall, relating to the significant leadership changes across both ACLEI and the majority of its partner agencies.

The committee agrees with the assessment of ACLEI officers that corruption enabled border crime remains a significant law enforcement integrity issue. It was with this fact in mind that the committee composed the terms of reference for its new inquiry into the integrity of Australia's border arrangements.

The committee notes that while ACLEI has largely met its KPIs in 2013-14, there has been some slippage in its performance on some measures. The committee notes the expanded jurisdiction and lack of suitable staff have prevented ACLEI from meeting its KPIs that relate to assessing notifications and referrals.

The committee also notes that there are large numbers of unresolved internal partner agency investigations/ from 2013-14 and 2012-13 and will seek a clearer explanation of the internal investigations completed and underway, and the reasons for significant delays. Similarly, the committee will seek an explanation from ACLEI as to the number of ongoing corruption issues carried over from the previous financial year.

Also, the committee congratulates the Integrity Commissioner and ACLEI officers for the quality and readability of the 2013-14 annual report and for their cooperation and engagement during the inquiry. The committee also thanks Mr Cornall for his work as acting Integrity Commissioner and congratulates Mr Michael Griffin on his appointment as Integrity Commissioner.

Lastly, I would like to thank the secretary of the Parliamentary Joint Committee on Law Enforcement and Integrity, Stephen Palethorpe, as well as senior research officer Josh See and his colleagues at the Senate committee office for their hard work and support, along with all the members of the committee for their valued and ongoing contribution.

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

Report

Mr ALEXANDER (Bennelong) (10:16): On behalf of the Standing Committee on Economics, I present the committee's report, entitled Review of the Australian Prudential Regulation Authority annual report 2014 (second report), together with the minutes of proceedings. This report follows a hearing with the chairman and other officials of the Australian Prudential Regulation Authority, APRA, on 20 March 2015 in Canberra.

The House of Representatives Standing Committee on Economics is pleased to continue its oversight of Australia's prudential standards for the banking, insurance and superannuation sectors through this review of APRA.

It was pleasing to learn at our recent hearing with APRA that the Australian financial sector has continued to demonstrate stability overall. However, there are clearly some emerging risks in the housing market which need to be carefully monitored.

The committee notes that APRA has recently written to authorised deposit-taking institutions to outline its plans around sound lending practices. An increased scrutiny of mortgage portfolios is an appropriate response to this issue and we will be requesting updates on APRA's activities and processes in this regard at future hearings.

The progress in implementing the new prudential standards through the Stronger Super reforms is of continuing interest to the committee. APRA stated at the public hearing in March that the superannuation industry's approach to managing conflicts of interest needed to be improved.

We also note from our discussions with APRA on its oversight of the super industry that new disclosure requirements are yet to be fully implemented and enforced. We welcome APRA's undertaking that it is continuing to monitor the efforts of this sector to strengthen governance and risk management frameworks and practices.

The prudential responsibilities of the Private Health Insurance Administration Council will be transferring to APRA in July of this year. APRA has outlined the resourcing of this transfer and its proposal to implement only the minimum changes required to achieve it. The committee will be monitoring this transition with interest over the coming months.

The outcomes of the Financial System Inquiry, FSI, and the work of the Basel Committee may well influence the future capital requirements of the Australian banking sector and we look forward to discussing this with APRA more broadly at the next public hearing.

On behalf of the committee I would like to thank the chairman of APRA, Mr Wayne Byres, and his colleagues for appearing at the public hearing on 20 March 2015. The committee looks forward to further discussions on upcoming prudential issues at the next hearing with APRA on Friday 23 October 2015 in Canberra.

I also thank the committee secretariat for their tireless work, and my parliamentary colleagues, in particular the Member for Chifley in his capacity as deputy chair, for the collegial manner in which this committee operates. I commend the report to the House.

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

Mr HUSIC (Chifley) (10:19): I also extend my thanks to the chair of the committee. Obviously there were a wide variety of views and issues that needed to be canvassed and he
has managed to cover all those views in a very fair and even way. I appreciate his efforts, as well as the efforts of the secretariat and my committee colleagues from all parties.

Last year, lending for investment in residential real estate was roughly double that for owner-occupiers. If you want to see how that translates on the ground, on the weekend in Sydney the clearance rate for property purchases hit nearly 90 per cent of 1,120 homes taken to market, slightly higher than the week before. In Melbourne it was close to 80 per cent. SQM Research is reported today as issuing its estimate that house prices in Sydney will lift by about 15 per cent this year and about 12 per cent in Melbourne. In the Financial Review the property analyst from SQM, Louis Christopher, is quoted as saying that the market is in a frenzy.

Much of the growth is being driven by investors who are getting access to finance in a relatively easy way, raising the eyebrows of the regulator, APRA, as canvassed in the comments that are contained in this report. APRA is taking a methodical but very slow-paced approach to dealing with what has been described, as I said earlier, as a market frenzy. The growth of house prices in two major cities is of great concern, particularly in terms of whether or not it is sustainable in the longer term. It is also creating social issues.

In the electorate I represent in this place, real estate agents often tell me that investors are well and truly taking the lion's share of new home purchases in areas like Mount Druitt. This causes a great issue in terms of affordability and young people getting a start in the market when they are being outbid by investors. It means that people get driven further and further onto the urban fringes, and there is enough evidence to show that governments at all levels take their time in investing in the type of infrastructure which the RBA even says will help in easing housing affordability—that is, better transport infrastructure close to employment.

So what is being done about it? APRA wrote to lenders in December, indicating it was going to start taking a position on this and calling on them to effectively report in on what they are doing. In many cases I would describe the very lukewarm response from lenders as being the equivalent of an auto email reply where they note the comments and get back to the regulator in due course. The regulator, as has been observed, has been taking more soundings about what is going on and has been concerned about the way in which different lenders lend to the same borrower and the amounts of money that are lent.

Their answer to this is that they are thinking about applying macro-prudential tools, which they informed us at the last hearing would involve higher capital requirements, well above what Basel is recommending and well above what the FSI has recommended would apply individually. What they did say, which caught us by surprise on the committee, was that they will apply these tools individually, which is not an issue so far as they will do so individually, but privately—that this would not be a market reportable event to shareholders and that it would be kept behind closed doors.

If we want to see serious action on this, the lenders that are causing market frenzies need to be held to account. Certainly I can understand lenders chasing the other lenders that are out there trying to seize market share. Something has to be done. It is well and truly time for APRA to take the garden hose out and apply the regulatory cold shower on this frenzy that is occurring. They cannot do it behind closed doors. They need to be transparent. They need to ensure that lenders lend responsibly and that we do not have an artificial driving of growth through investment in residential property that has an impact on housing affordability. There
is also a concern from an economic perspective about how it is skewing things, particularly in Sydney and Melbourne. The RBA is often being questioned as to whether or not it will continue to drive down interest rates and whether or not that will have an impact on housing prices, for instance, in two big markets. It is a big issue. We certainly think APRA needs to move and to move on it effectively, properly and also do it transparently.

The DEPUTY SPEAKER (Mr Broadbent) (10:25): The time allotted for statements on this report has expired. Does the honourable member for Bennelong wish to move a motion in connection with a report to enable it to be debated on a later occasion?

Mr ALEXANDER (Bennelong) (10:25): I moved:
That the House take note of the report.

The DEPUTY SPEAKER (Mr Broadbent) (10:25): In accordance with standing order 39, the debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. Does the honourable member for Bennelong wish to move a motion to refer the matter to the Federation Chamber?

Reference to Federation Chamber

Mr ALEXANDER (Bennelong) (10:25): I move:
That the order of the day be referred to the Federation Chamber for debate.
Question agreed to.

Standing Committee on Tax and Revenue Report

Mr VAN MANEN (Forde) (10:25): On behalf of the Standing Committee on Tax and Revenue, I present the committee's report entitled 2014 Annual report of the Australian Taxation Office: First report, together with minutes of proceedings. It is my pleasure to speak to the report, which details activities of the committee as well as the discharge of its duties in scrutinising the ATO. As the committee enters its second year overseeing the ATO, I am pleased to inform the House that the ATO's enthusiasm and drive to improve its services has continued. The ATO has made good progress toward achieving its goal of reinvention to becoming a leading contemporary tax administration. I note the ATO's clearly articulated strategic direction and its commitment to link its corporate goals and priorities to meaningful performance indicators. A clear strategic direction, together with robust performance measurement and reporting are key elements of an efficient and transparent tax administration.

My colleagues on the committee and I commend the ATO on the steps it has taken and continues to take to reinvent the client experience. Particularly encouraging is the ATO's incorporating modern technology into its systems to improve both the accuracy of tax information and the taxpayer experience.

Our taxation system relies on the Australian people's trust that the system is fair and equitable. Noncompliance, such as demonstrated by those operating in the cash economy, robs Australia of much needed revenue and disadvantages honest and hard-working Australians who are seeking to do the right thing. More must be done to tackle this noncompliance issue. The cash economy, despite being small when compared with those in other nations, remains an endemic issue that is present in a large number of industries.
The committee is concerned with the unfair advantage the cash economy grants noncompliant businesses. It also affects the community's perceptions and confidence in the tax system. The committee is further concerned that there is a community perception that the tax economy is growing. As such, the committee supports the ATO's pursuit of comprehensive tax gap estimations.

The tax gap is the difference between the amount of tax legally payable if all taxpayers are compliant and the amount of tax actually collected. Reliable tax gap estimation will assist the ATO in identifying and addressing problematic areas of the taxation system. It will also enable the ATO to better provide advice to government, parliament and the community.

The ATO's progress with tax gap measurement is promising. At the committee's first biennial hearing with the ATO in March 2014, the committee was told that the ATO was consulting with international experts regarding the feasibility of tax gap estimations. At the second hearing in October 2014, the ATO announced an implementation of a phased approach to tax gap assessment guided by a definitive timetable. At this hearing, the ATO provided the committee with refreshed estimates for the goods and services tax and the luxury car tax gap. It also outlined its plans for tax gap estimations in a variety of areas in 2015 and 2016. My colleagues on the committee and I look forward to discussing the ATO's progress and results at the next hearing.

The committee plans to next meet with the ATO, its scrutineers, and peak tax bodies in late 2015. The committee has requested that the ATO's submission provide information on its progress in a number of areas, including:

- single touch payroll;
- the development and take-up of Standard Business Reporting-enabled software;
- the refinement of communication methods; and
- the ATO's performance against its new Key Performance Indicators.

In conclusion, I thank committee members and, in particular, my deputy chair, the member for Rankin, who is going to speak shortly, for their deliberation on these significant matters. I also acknowledge the departmental representatives and stakeholders who appeared at the public hearing for assisting this committee in its important role of scrutinising the Australian taxation system. I would also like to take this opportunity to thank the secretariat headed by David Monk and Susan Cardell and the rest of the team for their terrific support of this committee. I commend the report to the House.

Dr CHALMERS (Rankin) (10:31): I am pleased to report to the House and respond to the House Standing Committee on Tax and Revenue Report titled: 2014 annual report of the Australian Taxation Office: first report on behalf of my colleagues the members for Hotham, Gellibrand and Griffith. I also acknowledge the chair, who is here and who just spoke, the member for Forde, and the former chair, the member for Bennelong, who also joins us in the House.

When it comes to the implementation of Australia's economic and fiscal policies, we focus a lot on the challenges before us, which is appropriate, but too often we ignore the tremendous advantages we have. One of the advantages we have when it comes to fiscal policy, and particularly revenue policy, is an absolutely first-class tax office, the Australian Taxation
Office, led by some remarkably capable people. It is a professional outfit. It is extraordinarily well led by Chris Jordan, the Commissioner of Taxation, and also all of the other senior executives and staff who make up the ATO. I want to begin by thanking them for being so generous with their time with the committee so that we could really get through some of the issues covered in their annual report. I also want to thank the witnesses, people like the Inspector-General of Taxation, Chartered Accountants Australia and New Zealand and also the Council of Small Business Australia. I think the Council of Small Business led by Peter Strong is a remarkable institution in our country. I thank all of the witnesses for the time that they spent with the committee. I also want to thank the staff of the committee and, as I said before, the chair, the member for Forde.

In this place we quite often have very big, very vast differences on tax policy, particularly when it comes to things like superannuation, multinational tax or consumption tax. There are a whole range of issues where my side of the House would disagree vehemently with that side of the House, but I think it is important to note that when it comes to our regard for the ATO and when it comes to some of the issues covered in this annual report and in our inquiry into the annual report, there is a great deal of bipartisanship. That is partly reflected by the way that the member for Forde and, before him, the member for Bennelong go about chairing the meetings in a bipartisan way. Also, a lot of the issues covered are not partisan issues; they are issues that go to making our tax office as efficient and effective as possible as it goes about fairly collecting the tax that Australia needs to fund the public services in this country.

We did not issue a dissenting report. There are probably a couple of areas where we might not have an identical view but we did not dissent from the report. It does remain to be seen whether some of the fairly substantial resourcing cutbacks in the ATO will have an impact on compliance. I am aware of the evidence that was given, but time will tell whether there will be a compliance cost to some of the fairly drastic staff cutbacks in the ATO. We also have some differences around the policy development function, particularly when it comes to multinational tax, as I said.

There are some really important bipartisan issues in this report around the relationship between clients and the ATO, administration of the ATO, compliance strategies and crowdfunding—all kinds of issues that are very important in making the tax system one that people can interact with more easily and one that, as I said, collects more efficiently the right amount of tax in our community.

Like the member for Forde, I do want to acknowledge that the tax commissioner and his team have already taken some fairly substantial steps towards improving the ATO’s performance and its performance indicators. We have some suggestions around measuring fairness and perceptions of fairness, but overall the commissioner, Chris Jordan, has done a terrific job. I think that this is one of the more inspired appointments of the former Labor government. He was appointed during the Rudd-Gillard years and he is just doing a tremendous job for Australia. I want to mark that in this place.

As I said, we might disagree on a lot of matters of tax policy but we agree not just in this report but more broadly, that the tax office is doing a terrific job. The feedback from our community is as always—you get some people who would prefer a better experience with the ATO and others who are very positive about their interaction. But, overall, I think that they should be commended for the work they have done. I look forward to working with the
member for Forde and my other colleagues on the tax committee, as well as the tax office and Chris Jordan as we continue to work out the best way to collect tax in this country.

Infrastructure and Communications Committee

Report

Mrs PRENTICE (Ryan) (10:36): On behalf of the Standing Committee on Infrastructure and Communications, I present the committee’s report entitled Balancing freedom and protection: Inquiry into the use of subsection 313(3) of the Telecommunications Act 1997 by government agencies to disrupt the operation of illegal online services, together with the minutes of proceedings.

One of the significant challenges faced by all governments is the need to balance the safety of the community with the rights of the individual—rights that are vital to a healthy democracy and an accountable government—in this case, freedom of speech.

The internet has brought with it unprecedented economic and social opportunities. It has transformed the way we live and work, undoubtedly for the better. But there are some in our community, and abroad, who seek to use it for corrupt purposes. The examples are varied and many.

The internet has created new markets, but also the means for producers and peddlers of child abuse material. It has provided a global forum for terrorist organisations and recruiters, and has put these organisations within easy reach of impressionable young people. It has facilitated the trade of illicit goods and services, and allowed scammers to target vulnerable people for their hard-earned money and personal information anonymously.

How we deal with these threats is a question of balance. To do nothing would constitute an abdication of duty, but to go too far would risk trampling those very rights and freedoms we seek to protect. So, too, an overzealous censorship programme would muffle the critical voice of the electorate and erode the accountability of government.

The committee has grappled with these questions, and I believe has struck the right balance between these competing priorities. The committee examined the appropriateness and efficacy of using section 313 to disrupt illegal online services, and determined that there remains an indisputable need for government agencies to have access to these powers.

Section 313 provides Australian government agencies—including state government agencies—with the ability to obtain assistance from the telecommunications industry when upholding Australian laws. Amongst other things, it enables government agencies to request internet service providers to provide such help as is reasonably necessary to disrupt the operation of illegal online services by blocking access to websites.

The committee acknowledges the technical difficulties in disrupting illegal online activity. Illegal online material can be hosted and accessed by those determined to do so, and illegal activity can be undertaken on secure networks. Nonetheless, the committee is of the view that the disruption of websites is very often technically feasible and, where that is the case, can provide an effective means to frustrate criminal activity. It certainly discourages inadvertent or casual contact with illegal online services.

The committee is conscious of public concerns that have been raised about the current lack of clarity and transparency in the use of section 313. This failing contributed to the
inadvertent blocking of websites by ASIC in 2013, and made it difficult to identify and correct the error in a timely way. The committee acknowledges past mistakes, and sets out a way forward for the effective use of section 313 by government agencies.

The committee has formulated two key recommendations which it believes will ensure that future uses of section 313 by government agencies are appropriate, targeted and effective. The committee has recommended the creation and adoption of whole-of-government guidelines for the use of section 313 by government agencies, which include:

- the development of agency-specific internal policies consistent with the guidelines;
- clearly defined authorisations for website disruption at a senior level;
- defining activities subject to disruption;
- industry and stakeholder consultation;
- use of stop pages to identify the requesting agency, reason for disruption, agency contact, and avenue for review;
- public announcements, where appropriate;
- review and appeal processes; and
- reporting arrangements.

The committee has also recommended that agencies using section 313 to disrupt the operation of illegal online services have the requisite level of technical expertise to carry out such activity, or established procedures for drawing on the expertise of other agencies. The committee believes that these measures will preserve the effectiveness of section 313 while mitigating potential problems flowing from its use.

My appreciation goes to the individuals and organisations who offered submissions and testimony, and whose insights informed the committee's final report. The evidence received was diverse and challenging, and the report is better for that.

I also wish to thank my colleagues for their constructive contribution, and particularly the committee secretariat for the significant way in which they have supported the work of the committee.

On behalf of the committee I commend the report to the House.

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

Mr THISTLETHWAITE (Kingsford Smith) (10:41): Can I endorse the comments of the chair and thank her for the very fair manner in which she chaired this inquiry. The recommendations of the committee are unanimous and have the support of the Labor members of the committee. As the chair has pointed out, section 313 of the Telecommunications Act provides Australian government agencies, including state government agencies, with the ability to request internet service providers to help and do what is reasonably necessary to disrupt the operation of illegal online services by blocking access to websites. These requests are not the subject of a warrant or a court order; they simply can be made by a government agency, and ISPs are asked to cooperate. Subsections (5) and (6) of section 313 provide an indemnity to those ISPs that do comply with the request for action in blocking.
There is no doubt that there is a need for provisions such as these in Australian law, and that is certainly supported by the evidence that was presented to the committee, particularly in respect of child sex abuse sites. Evidence was presented to the committee that Interpol operates and maintains a list of child sex abuse sites and, between 1 July 2011 and 15 October 2011, Telstra blocked 84,000 attempts by Australians to access child sex domains on the list. So the evidence clearly presents that there is a requirement for these types of provisions. The provisions are also used to prevent financial fraud. I am told by evidence before the committee that, over the period 2011 to 2013, there were a total of 32 requests made using section 313. Twenty-one of those requests were by the AFP in respect of child sex abuse sites, 10 of the requests were by ASIC in respect of financial fraud, and a single request was by the Attorney-General's portfolio in respect of terrorism grounds. So the need is clearly there.

If the need is there, why was the inquiry conducted? The inquiry was conducted because in March 2013 the Australian Securities and Investments Commission made a request to certain ISPs to block fraudulent websites, but in doing so they inadvertently blocked over 1,000 legitimate websites, including Melbourne Free University, which is no doubt a very big business that operates in Australia. The problem was that it took several days for Melbourne Free University to discover that their website had been blocked. Then it took a further several days for the block to be lifted. Under the provisions as they currently exist in the act, there is no recourse for Melbourne Free University—or the other 1,000 or so websites that were blocked. That became the subject of a ministerial referral to our committee.

In summing up the findings of the committee, the key is balance. We all understand the need for these provisions but the necessary guidelines need to be put in place to ensure there is balance and to ensure that appropriate safeguards are undertaken before blocks and checks are made. That is the subject of the committee’s recommendations.

Based on the evidence presented to the committee we made two recommendations. The first is for whole-of-government guidelines to be developed so that the balance can be right and so that the appropriate checks are undertaken by agencies before blocks are made. They include: internal policies consistent with the guidelines; clearly defined authorisations at a senior level before a block is undertaken; defining the activity subject to the disruption; industry and stakeholder consultation; the use of stop pages so that when a block is made it goes up on the page indicating the agency that has requested the block, the reason for the block, an agency contact and an avenue for review; public announcements, where appropriate, through media releases and the like; and a review of the appeal process and reporting arrangements. Of course we have also recommended that agencies have the requisite technical expertise.

Once again, thank you to the other members of the committee. Thank you in particular to the secretariat for the excellent job that they did, and in particular to all of those Australians and organisations that made very thoughtful submissions to this inquiry. I think it is fair to say in these recommendations we have got the balance right.

The DEPUTY SPEAKER (Mr Broadbent): The time allotted for statements on this report has expired. Does the honourable member for Ryan wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Mrs PRENTICE (Ryan) (10:47): I move:

That the House take note of the report.
The DEPUTY SPEAKER: In accordance with standing order 39 the debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Reference to Federation Chamber

Mrs PRENTICE (Ryan) (10:47): I move:

That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

Agricultural and Related Industries Committee

Report

Mr RAMSEY (Grey) (10:47): On behalf of the Standing Committee on Agriculture and Industry, I present the committee's report entitled Circumvention: Closing the loopholes: Inquiry into Australia's anti-circumvention framework in relation to anti-dumping measures, together with the minutes of proceedings.

Manufacturing in Australia has for many years been coming under increasing pressure from imported products. Some cheaper goods given access to our markets are unfairly subsidised and sold to our customers at less than the cost of production. This dumping of goods on Australian markets may cause material injury to the Australian industry, resulting in reduction in selling prices, profit or market share. This can lead to a transfer of jobs offshore with no guarantee the goods in question will continue to be supplied below production costs when the local production is driven out of business.

Australia now has an antidumping framework and has appointed an antidumping commissioner. While some manufacturers are concerned that the task of launching an antidumping action is too onerous, many have done so and had successful outcomes with duties being applied to the offending goods. Manufacturers have been generally pleased with this process but have become increasingly dismayed as they have watched the entities which have had the rulings placed against them indulge in a raft of activities that circumvent or avoid the duties and thus the intention of the action.

Following numerous approaches from affected industries to the Australian government and to me as Chair of the Standing Committee on Agriculture and Industry, the Minister for Industry and Science, Ian Macfarlane, asked the committee to investigate the prevalence of circumvention activity, whether recent changes to the antidumping regulations are effective, and if anything further could be done.

It was quite clear from our earliest submissions that the issue of 'like product', or the minor modification of goods to avoid duty, was at the forefront of industry concerns. It is highly likely that the committee would have recommended strong action in this area if it were not for the announcement in March by the Department of Industry and Science that regulations had been altered to empower the Anti-Dumping Commissioner to deal with this issue. While the ruling on slight modification will take a while to digest, I understand that some applications have already been lodged as a result.

Overall the committee is of the opinion that most of what can be done at the moment has been done and that it is prudent to observe the effects of the latest rulings before further steps are contemplated.
However, the committee's report does make recommendations on the application of different types of duties and the anti-dumping and anti-circumvention investigation processes. In particular, the time frame requirement for investigations has been exceeded considerably. An average of more than 275 days for seven recent investigations is far beyond the targeted 155-day time frame. The average time frame should be reduced in order for the Australian industry to have confidence in the frameworks and the Anti-Dumping Commission itself.

The committee recognises that the rewards for circumvention of anti-dumping actions are high and that those intent on circumvention have proved enormously resourceful and adaptable. It is for this reason the committee believes all concerned, including the committee, should keep a close watching brief on the situation. To this end, the committee recommends that the Anti-Dumping Commissioner provide a briefing to the committee every six months for the remainder of the 44th Parliament. The briefings should include any proposed legislative or regulatory changes, progress on anti-circumvention cases, and any changes to Anti-Dumping Commission processes.

The committee recognises and appreciates that the establishment of the Anti-Dumping Commission, the appointment of an independent commissioner and the changes recently implemented with respect to circumvention are producing a different environment for Australian businesses dealing with the act of circumvention. The declaration by the commissioner around the classification of ‘like goods’ is warmly welcomed by the committee as a watershed moment, but it will take a little while before a clear assessment can be made of its effectiveness.

I would like to thank all those who made their time and resources available to participate in this inquiry. I would like to thank my fellow committee members, including my deputy chair, the member for Hotham, who is in the chamber at the moment, for their application to the task, as I thank the secretariat staff, who ably assisted in this inquiry. I commend the report to the House.

Ms O'NEIL (Hotham) (10:52): It is great to have the opportunity to speak on the Circumvention: closing the loopholes report. Australia is, of course, a free trade nation. As a small country, trade is our lifeblood. Over the last 30 years in this country we have seen real average incomes double. Trade has been a critical part of driving that, but sometimes trade is not done fairly. The Standing Committee on Agriculture and Industry recently looked into one of the more difficult areas where we see a barrier to fair trade in Australia, and that is around the practice of dumping.

For those listening in the gallery, dumping is a process where we see foreign exporters selling goods into Australia at below the price of making them. It is often the result of foreign governments who, usually for their own reasons, in their own domestic economies, provide unfair subsidies to the producers who operate in those countries. These are subsidies that a free and fair trading nation like Australia would not provide.

Essentially what happens is that dumping allows foreign companies to come in and compete with Australian companies but not on a level playing field. Dumping is not illegal, but under the World Trade Organization rules Australia is allowed to impose duties when we see that a product is being dumped into our market. So it is through this mechanism that we are able to even up the playing field a little bit.
One of the things we learned in this inquiry was that the law that regulates action against dumping and how those duties are set needs to be in a continuous process of evolution. As fast as we can make laws against dumping, companies that are operating overseas find a way to get around them. I will give an example, to bring it to life a little bit. One of the things we heard a great deal about in this inquiry is something called the minor modifications problem. This is occurring quite significantly in the steel industry in Australia, which faces a lot of competition from goods that the Australian government has deemed as dumped in our country.

We have put dumping duties on the importation of some steel, but recently exporters have tried to circumvent those rules by putting small amounts of boron into their steel formula. They call this 'pixie dust' because the boron does nothing to the essential properties of the steel. It has been put in there by the producer simply to circumvent the dumping duties that the Australian government has imposed on those imports. We see this quite frequently in other areas too—a dumping duty is put in place on a particular product and then an exporter makes a minor modification to that product so it meets a different definition. Clearly this is completely unfair.

This is one of the issues we covered in this ever-evolving area of trade. What did we recommend in response to some of the issues we heard about? On the minor modifications problem, we are very pleased to see the Department of Agriculture has picked up on that. They have put in place a new process. We are keenly watching to see whether that manages the problems we have raised. But we want to see constant and rigorous evaluations of the laws we have in place. It is for that reason that the standing committee has recommended that we get a six-monthly report from the Anti-Dumping Commission to explain a little bit about how things are going and update us on any actions they are taking to ensure constant vigilance in this space. We have also made some recommendations about making the system faster and easier to use for Australian companies.

The report we are tabling today is testament to the hard work that is often done in this parliament but that often does not get a lot of play from our friends in the fourth estate. We worked very collaboratively on this. The chair of the committee, Rowan Ramsey, did a fantastic job. It is a bipartisan report and an area of bipartisan concern. I am very proud of the work we have done. I want to say thank you to the wonderful committee staff who helped us with this. Anthony Overs, who drafted this report, is here in the House. Thank you, Anthony. I also want to acknowledge the support provided by Peggy Danaee. I thank the committee for their hard work. It has been a pleasure to participate in this inquiry.

**The DEPUTY SPEAKER (Mr Broadbent):** The time allotted for statements on this report has expired. Does the honourable member for Grey wish to move a motion in connection with the report to enable it to be debated on a later occasion?

**Mr RAMSEY (Grey) (10:57):** I move:

That the House take note of the report.

Debate adjourned.

**Reference to Federation Chamber**

**Mr RAMSEY (Grey) (10:57):** Other members of the committee have expressed a desire to contribute to the debate, so I move:
That the order of the day be referred to the Federation Chamber for debate.
Question agreed to.

BILLs

Foreign Death Penalty Offences (Preventing Information Disclosure) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Palmer.

Bill read a first time.

Second Reading

Mr PALMER (Fairfax) (10:59): I move:

That this bill be now read a second time.

Policing relies on trust and community support. In considering this bill I will set out for the House the true facts and circumstances of the Bali Nine. We can only imagine how the father of one of the Bali Nine is feeling following his decision to do the right thing, based on the legal advice of his barrister, to approach the Australian Federal Police to report breaches of section 541 of the Queensland Criminal Code and breaches of section 11.5 of the Commonwealth Criminal Code 1995.

In terms of section 541 of the Criminal Code (Queensland) a conspiracy to commit a crime carries a term of imprisonment of seven years. Why then did the AFP fail to carry out its duty to arrest Scott Rush and allow him to leave Australian jurisdiction without being arrested knowing he was likely to face the death penalty in Indonesia? Why did the Indonesian authorities not allow the Bali Nine to be arrested in Australia? Australian courts refuse to extradite a person to face the death penalty in a foreign land. Why then should public servants and politicians not be held accountable to the same standard as Australian courts and Australian justice? Passing this bill will hold them to that standard and protect and defend the lives of all Australians. The government and the opposition must allow a free vote on this bill; Australians demand it.

It seems to me that the AFP officers committed a serious malfeasance when they failed to carry out their duty to arrest the Bali Nine in Australia when they knew they had committed a serious crime in Australia. I seek leave of the House to table copies of the letters written by the AFP to the Indonesian National Police on 8 April 2005 and 12 April 2005.

Leave granted.

Mr PALMER: Contrary to the information given in the course of the recent AFP media presentation, these letters demonstrate that the AFP was aware no later than 12 April 2005, of the identity of eight of the Bali Nine. Contrary to what was said in the course of the AFP press conference they knew that the drug involved was heroin. They had detailed particulars of how the drug was to be carried and the part that was to be played in the operation by Chan.

Multiple legal advice confirms the AFP had sufficient evidence to arrest Scott Rush on a charge of conspiracy prior to him leaving Australia. The AFP officers who failed to take such action should in the circumstances resign as officers of the AFP as they have destroyed the trust the Australian public had in the AFP to act honourably at all times, put the life of Australians ahead of any other matter and uphold Australian law in Australia. The AFP did
not act honourably when acting on information provided by Scott Rush's father. The AFP letter sought the cooperation of the Indonesian authorities with a view to allowing all eight of the couriers to return to Australia, subjecting the identified eight to Australian law. Indonesian law enforcement authorities had no regard for the AFP's plan and were more interested in arresting them in Indonesia. Was it a fight over promotions? One wonders how the AFP can trust Indonesian authorities in the future.

It is almost inexplicable that paragraph No. 4 was included in the AFP letter; one would think it might even have been included in error. Of course, the AFP made it clear that it was not included by way of error; a deliberate decision was made to expose all eight to the death penalty in Indonesia. It would appear that the Deputy Commissioner was uneasy about the decision not to enforce Australian law in Australia. It was made clear during the AFP press conference that there was one AFP officer not prepared to participate in this decision. That was certainly in recognition of the fact that the AFP was aware of the likely fate of the participants in the operation. If the AFP was acting in accordance with the principles Australians hold dear, they would not have deliberately exposed an Australian citizen to the death penalty. The assertions made by the AFP that they would act again as they did in 2005 indicate that legislation is required to ensure that the AFP carries out its duty under Australian law and arrests people in Australia who have broken the law in Australia and does not allow them to leave the country as they did on this occasion and that the law carries sanctions if the AFP acts contrary to Australia's position, as they did in this case, and exposes Australian citizens to the death penalty.

Since 1973 and the passage of the Death Penalty Abolition Act 1973, the death penalty has not applied in respect of offences under the law of the Commonwealth and the territories. Similar state legislation has outlawed the practice in the remaining Australian jurisdictions. On 11 March 2010, with bipartisan support, the Commonwealth parliament passed the Crimes Legislation Amendment (Torture Prohibition and Death Penalty Abolition) Act. The act amends the Death Penalty Abolition Act 1973 to extend the current Commonwealth prohibition on the death penalty to all states and territories. This forecloses the possibility of any individual state jurisdiction reintroducing the death penalty.

On 2 October 1990, Australia confirmed at an international level its opposition to the death penalty by ratifying the Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty. The protocol entered into force in international law on 11 July 1991. More recently, on 19 December 2007, Australia sponsored and voted in favour of a landmark United Nations General Assembly resolution which called for an immediate moratorium on executions as a first step towards the universal abolition of the death penalty. More than half the General Assembly was prepared to vote in its favour.

Faced with the prospect of the execution of some of our citizens abroad, the Australian community has increasingly been forced to grapple with the question: what does it mean to be opposed to the death penalty in a region where our neighbours and allies continue to shoot and hang people? Questions have been raised about, for example, the AFP practical guide on international police-to-police assistance in potential death penalty situations which allows the AFP to provided assistance to foreign law enforcement agencies in death penalty cases up until the point that a person is detained or charges are laid, and even beyond that point with
ministerial approval. Is it consistent with Australia's opposition to the death penalty to allow
the AFP to work cooperatively with foreign law enforcement agencies in the investigation of
offences which carry the death penalty knowing that the provision of that assistance and
information may ultimately lead to the charging, conviction and eventual execution of
Australian citizens? Questions have also been raised about whether the Mutual Assistance Act
should, as it currently does, allow the Attorney-General a broad discretion to authorise the
provision of mutual assistance in death penalty cases if he or she is satisfied that 'special
circumstances' exist. The term 'special circumstances' is not defined in the act.

Both sides of politics have shown an inconsistent and equivocal approach in the provision
of agency-to-agency assistance in death penalty cases. In its current form, the new guide
perpetuates rather than remedies this anomaly. A legislative approach is required to put the
matter beyond question. Guidelines can change, as we seen with the change of ministers and
the change of government. Australians expect more from the parliament.

The SPEAKER: Is the motion seconded?
Ms McGowan: I second the motion and reserve my right to speak.
Debate adjourned.

Marriage Amendment (Marriage Equality) Bill 2015
First Reading

Bill and explanatory memorandum incorporating a statement of compatibility with human
rights presented by Mr Shorten.

Bill read a first time.

Second Reading

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (11:07): I move:

That this bill be now read a second time.

The laws of our nation should give us hope. Our laws should tell our children what we
believe. Our laws should tell strangers who Australians are. Our laws should be a mirror,
reflecting our great and generous country and our free, inclusive society. And our parliament
should be a place where we make things happen rather than sit back and let them happen.

On marriage equality, for too long we in this parliament have been following, not leading.
It is within our power to change this. This parliament can change a law that no longer
describes modern Australia and pass a law of which we can all be proud.

Let us delay no more. Let us embrace a definition of marriage that respects, values and
includes every Australian. Let us declare, in the house of the Australian people—it is time:
the right time to make marriage equality, a reality.

This is a moment bigger than politics. This moment does not distract the nation—it
complements our hopes for the future.

I know all members of parliament will engage in a respectful and a considered debate, and
I hope will be able to exercise a free vote.

I pay tribute to the Member for Sydney, for offering her place on this bill to a member of
the government. Tanya, thank you. Your actions, the advocacy of Senator Penny Wong and
the goodwill of many across the parliament, prove that bipartisanship is not the problem here. What matters is the outcome, not who owns it.

For decades, the march to equality has been led by remarkable Australians from every part of our country and all walks of life. Governments from both sides of politics have delivered real progress too. The Fraser government passed Whitlam law, decriminalising homosexuality in Commonwealth territories, following Don Dunstan’s lead in South Australia. Paul Keating lifted the ban on Australians who identified as gay serving in our military. The Rudd and Gillard governments removed discrimination against same-sex couples from more than 80 laws. In Victoria, the Napthine government expunged the records of people who were charged under long-repealed homosexuality offences. Changing the Marriage Act is the next, overdue step on the path to true equality.

I am a twin—it is a special thing, growing up. It is an inseparable bond. But for other twins where one twin is gay and the other is not, the Marriage Act is the only Australian law which separates siblings. It is a double standard which divides our families, and our country. It is not fair and it is not who we are. And it should change.

Currently, marriage is defined as: ‘the union of a man and a woman’. Those eight words maintain a fiction that any other relationship is somehow inferior. Our legislation proposes a new definition: ‘the union of two people’. And it allows celebrants the choice of referring to ‘partners’, as well as husband and wife. To some, this may seem a small gesture. In truth, this means so much, to so many.

To all lesbian, gay, bisexual, transgender and intersex Australians, we offer change that says: your relationship is equal under the law. To the parents, children, friends and families of same-sex partners: just as the people you love are equal and valuable in your eyes, their relationship should be equal and valuable in the eyes of our law. To same-sex couples, we offer the right to celebrate your love with the public measure of devotion: marriage.

When someone has found not just another person they can live with, but a person they cannot live without, then they should have the same right to the true qualities of a bond that runs deeper than any law, the same joy and sacrifice, the same care and compassion, the same rights and responsibilities.

And we say to all young gay people: we are proud of you, for who you are. You belong. We say to you: you have the right to the same hopes, dreams and opportunities as every other Australian, including the right to marry the person you love.

In removing discrimination from our country’s laws, we strive to eliminate prejudice from our people’s lives. Let us be honest. Casual, unthinking discrimination and deliberate, malicious homophobia alike, are still far too common in our conversations, in our schoolyards, our workplaces and our sporting clubs, and even, occasionally, our parliament too. This affects community, neighbourliness, harmony and mental health in our cities and our regions, especially in the bush, where physical remoteness can aggravate a sense of isolation.

We know: two out of every five young Australians who are gay have thought about self-harm or suicide—two out of every five. We know: a young Australian who identifies as gay is six times more likely to consider taking their own life, compared to their sibling, classmate, colleague or teammate—six times.
When I was finishing school in the 1980s, youth suicide was still a taboo topic. I can remember hearing of the passing of young men, and no-one spoke of how they died. I can close my eyes and see their faces again, forever young. And I wonder now, if for some, the stigma and the struggle of imagining a future, lonely, isolated, treated differently was too much to bear. Marriage equality says to young people who identify as gay: you are never alone. You belong.

This is an act of fairness for all ages.

On the weekend, I spoke with Sandra Yates, from Devonport in Tassie. Like hundreds of other Australian couples, she and her partner, Lee, have been forced to travel to New Zealand to marry. Sandra and Lee had hoped to marry at home surrounded by friends and family but Lee is terminally ill. She has been told she only has weeks to live. Their community raised money to fund their trip and fulfil their dream. They are thrilled to be married, and sad it could not happen here, in the country they love. Lee's voice should be heard in this place today. 'Please,' she says, 'help switch on the light for same-sex couples and take us out of the darkness.' Lee, Sandra, you, your friends and families should not have to wait one day longer for recognition. This legislation will ensure that same-sex marriages recognised in another country are recognised here. A law that forces our citizens to travel overseas or to the grounds of another nation's embassy to have their relationships recognised is a law not worth keeping.

I have not made a habit in politics of speaking publicly about my faith, and I do not seek to preach to others today. But I do believe in God and I do believe in marriage equality. For me, there is nothing contradictory about extending love, compassion, charity and respect beyond heterosexual Australia. I understand that for people of different faiths this is a complex question. I respect this. It is why I support a free vote. It is why this legislation makes it clear that no minister of religion can be compelled or is obliged to conduct a particular marriage, including one where two people are of the same sex. All I ask in return is that this respect be mutual. Just as churches, mosques, temples and synagogues of all faiths and traditions will be free to choose if they consecrate same-sex marriages, let the same respect to allow Australians to freely choose who they marry without vilification or judgement.

So often in our history Australia has led the world in social and economic progress—the right to vote, pensions, the eight-hour day. Our health care and superannuation systems are amongst the best in the world. But on marriage equality we have fallen behind. Like so many Australians, two Sunday mornings ago, when I first heard the news of the result of the Irish referendum, I thought, 'If the Irish can do it, why can't we?' How can Ireland, New Zealand, 37 US states, England, Scotland, South Africa, Canada, Brazil, Iceland and Uruguay all be ahead of us? Twenty countries have already recognised the merit of marriage equality. I am confident Australia will. I do not want us to wait any longer. We cannot assume this change is inevitable. We cannot imagine it will just happen. We, the 44th Parliament, have to step up to rise to the moment. Today is neither the beginning nor the end of the journey to marriage equality, but I hope with goodwill on all sides, with cooperation and respect for one another, this can be an historic step forward. Given a free vote, I believe this parliament is ready for the definition of marriage which reflects the modern, inclusive and egalitarian Australia that we love. We are ready to be as generous and kind spirited as the Australian people who trust as.
Millions of Australians have waited long enough for this act of justice and inclusion. The opportunity of a generation is here before us now. The moment is here. Let this law reflect the nation we want to see in the mirror—generous, smart, modern, diverse and, above all, equal. Let us switch on the light. Let us make 2015 the year when Australians embrace marriage equality. Let us make it happen together. It is time.

The SPEAKER: Is the motion seconded?

Ms Plibersek: I am delighted to second the motion.

The SPEAKER: The time allotted for this debate has expired and the debate is adjourned.

Iron Ore Supply and Demand (Commission of Inquiry) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Katter.

Bill read a first time.

Second Reading

Mr KATTER (Kennedy) (11:19): I move:

That this bill be now read a second time.

Our country has been in the grip of the economic rationalists and the policies of market fundamentalism now for some 25, arguably 30-odd, years. The net result of it has been that we now have to buy all of our whitegoods from overseas, we will soon have to buy all of our structural steel from overseas and our roofing iron from overseas, so your house and its contents will all be purchased from overseas. By the end of next year there will be no motor cars built in Australia, so you will buy your motor car from overseas. You will also buy your clothing, of course, from overseas, and your footwear. The only item that you will not be buying from overseas is food. But let me just have a look at that quickly. Over the last 10 years exports have increased at 10 per cent and imports have increased at around 125 per cent. So you do not have to be Albert Einstein to figure out that within 10 or 15 years Australia will also be a net importer of food.

Where are we going to get this money to buy everything from overseas? With a relatively small item, petrol, we were sending one thousand million dollars overseas in 2002 to buy petrol. We now send $25,000 million a year overseas to buy petrol. Where are we going to get this money? You cannot just keep buying things from overseas unless you are selling something overseas.

Mr Keating, an economic rationalist, destroyed the wool industry. It was our biggest export item. Sixty-three per cent of it has gone now. Our biggest export earning item is coal. We were getting over $100 a tonne, on average, for coal. We are now getting about $60 a tonne for coal. Coal is in desperate straits.

The next item is iron ore and that is what we are talking about today. Production figures for iron ore this year will be over 700 million tonnes. This will bring in or should bring in revenue of $110 billion. But, because the price of iron ore has dropped from around $140 a tonne to just over $70 a tonne, the revenue coming into Australia has been cut clean in half. The current account has suffered a crippling blow of some $50 billion a year. With respect to
the 'do nothing' approach, it is not as though they have a policy of free market; it is a policy of
do nothing and the marketplace will look after us.

If you revert to the jungle, which is what they of course are proposing, you will find out
that the big tigers eat everyone in the jungle. We are not the big tigers. The big tigers are the
big multinational corporations that stalk the earth and we are on their menu! That is what is
happening here.

I can tell those naive enough to believe that big corporations, big powerful figures,
throughout the world will sit back idly by, whilst everyone white-ants by overproduction and
thereby undermines the price of iron ore that that is not going to happen. They will destroy the
small players, and even a number of the big players, and will get rid of them.

As was explained to me by, arguably, the then leading mining corporate on earth, if we
have the volatility of the international marketplace, then we must be big enough to ride that
volatility and survive. But what he is not saying is that if we remove the volatility and the
competition we can prosper and, magically, make huge profits. As I have said a million times
in this place, the problem in this place is that your mummies and daddies did not have you
play Monopoly because, if you had played Monopoly as a child, you would know that the
name of the game in making money is to destroy your opposition and to become a monopoly.
And if you have a monopoly, for example, in the game of Monopoly, on public services,

essential services—electricity and water is the name of the game in Monopoly—then you get
seven times more money than you would have got if you did not have a monopoly. What
game do you think the Rio Tintos and the BHP Billitons are playing out there? They are
playing monopoly, whereas you fools are playing some sort of ideological, primitive jungle-
type ideology that you are perpetrating upon the rest of us. It is not done in any other country
on earth.

In fact, in a more enlightened period, Australia called together the sugar-producing nations
of the world and said: 'We are five per cent, 10 per cent overproduction and the price has
collapsed. All of us are suffering.' The great Jack McEwen—I sit under his picture in my
office—was responsible for an agreed-upon cutback in the production. It is no use producing
sugar if there is no-one out there to buy it. If people are only prepared to buy it below your
cost of production it is not right and it is criminally stupid to continue to produce product at a
loss. You are subsidising overseas consumers. Farm debt is doubled. All of our production
figures are down—let me cite them quickly—the sheep herd is down 63 per cent; the cattle
herd is down 23 per cent; sugar production is down 17 per cent; and the dairy herd is down 31
per cent. Clearly, the farmer is running at a loss and subsidising the rest of the world.

There has been criticism, a withdrawal of support and a balance of statements made by the
head of Fortescue, the chairman of the board, Andrew Forrest—and I do not hesitate to say
that he is a very great Australian. One of my passionate concerns in this place is the First
Australians. And we see over there Mr Brough, one of the very few ministers that we have
ever seen in this place do anything for First Australians. He desperately tried to issue title
deeds. I wish to heaven he were out there again now. Andrew Forrest has trained 2,000 of our
First Australians and 600 of them are working at Fortescue today. There is only one mining
operation substantially owned and controlled by Australians and that is Fortescue. I do not
come here today to represent them. I speak today to represent the Australian interest and the
interests of my own electorate where there is a mass of iron ore reserves along the Northern Territory border.

Are we going to destroy the Australian economy, because this is our major export item? Its price has dropped clean in half. Are we going to sit on our hands and do nothing? Where Treasury should be getting maybe $30 billion or $40 billion a year in revenue from the iron ore industry, Treasury will now be getting maybe $15 billion in revenue. Just the dictates and the interests of the Australian people in terms of the loss of tax revenue should be enough to galvanise support for this inquiry.

The DEPUTY SPEAKER (Mr Broadbent): Is the motion seconded?

Mr Wilkie: I second the honourable member for Kennedy's motion and reserve my right to speak later.

The SPEAKER: The time allotted for the debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

PRIVATE MEMBERS' BUSINESS

Small Business

Mr BROAD (Mallee) (11:30): I move:

That this House notes:

(1) that Australian small business is a major contributor to the national economy and should be acknowledged for its innovation, entrepreneurship and endeavour, as demonstrated by the 15,000 small businesses across the electoral division of Mallee and many small businesses across the rest of Australia; and

(2) the recent budget must be commended for assisting small business with accelerated depreciation for assets purchased under $20,000.

Australian small business is a major contributor to the national economy and should be acknowledged for its innovation, entrepreneurship and endeavour, as demonstrated by the 15,000 small businesses across the electoral division of Mallee and the many small businesses across Australia.

It is the pursuits and endeavours of ordinary Australians that create the wealth that builds our society. There is a great Roy Orbison song, and I know it was a little before my time, but it was probably about the time that Deputy Speaker Broadbent was really in his prime that Roy Orbison was singing the song *Working for the Man*: 'Hey now you better listen to me everyone of you, we got a lotta, lotta, lotta, lotta work to do.' It is all about getting people to work hard because they are working for the man. But the essence of the song actually says: 'One day I am going to be the man. One day I am going to be, not the worker, but the owner of the small business.' That is something we believe in: that you can start off working in a job and you might gain skills as an electrician or plumber, and then you think yourself, 'Wait a minute. There's more money to be made if I'm actually working for myself. There's more freedom if I'm working for myself.' And, actually, there are probably more hours to work if you are working for yourself.

Small business has been a fantastic element of the Australian economy. We need to harness small business. We need to empower small business and we need to endorse small business. Our government has done that in this budget. If you talk to any accountant in my electorate—
who often operate as a small business—they will tell you that the $20,000 instant write-off for small businesses under $2 million has been immensely welcome. They will tell you that it has generated confidence, that people are grasping it, and that small business now, once again, knows that they are valued by the government. It is the shopkeeper; it is the retail business that might sell a bit of piping, some hardware or some tools; it is the plumber who might buy himself a new tradies trailer or even a new ute; it is a builder who will get a new nail gun; it is electrician—these are all critical small businesses.

The recent budget must be commended for assisting small business with the accelerated appreciation of assets of purchases under $20,000. It is not a grant of $20,000. It just means that if they are buying something that is going to help their business, and it is under the value of $20,000, they can write that off in one year. And not only once—they can buy something else. There might be a number of things. I run a small business and I think about the things that I might use in my business, and it opens the mind to what things we can buy that will drive productivity.

One of the other great things in this budget was the accelerated depreciation for irrigation infrastructure. In the electorate of Mallee—and most people are not aware of this—we are in the process of building probably one of the biggest irrigation infrastructure spends in a regional city in Australia at this point: $103 million of federal money plus $17 million of irrigators' money. We are building the Sunraysia Modernisation Project. We are putting new pipelines in. You can walk down these pipelines. Instead of irrigation channels that were leaky and unreliable, we have put pipelines in. This has also afforded us the opportunity to replant blocks of irrigation country that had been shut down through the very dry time. To do that we need to put more irrigation infrastructure in. This budget, and this initiative, lets that irrigation infrastructure also be 100 per cent tax-deductible.

The government is standing by small business. The government is growing opportunities. It is a government I am proud to be a part of. We are doing a lot for the 15,000 small businesses, and those who are employed by those small businesses, in the electorate of Mallee. It is a great initiative. It is a government that understands small business. If we empower our small businessmen, they will not just be working for the man, they will be the man. We will really make sure that we can capture the opportunities that their hard work affords.

The DEPUTY SPEAKER (Mr Broadbent): Is the motion seconded?

Mr BROUGH (Fisher) (11:36): I second the motion and reserve my right to speak.

Ms OWENS (Parramatta) (11:37): I am pleased to speak on this motion by the member for Mallee because it gives me an opportunity to point out just how recent the conversion is, by the government, to the needs of small business. I have spoken on a number of private members' motions on small business by both sides of the House since the election and they have always been in the Federation Chamber. This is the first time I have had the opportunity to stand in this chamber on a government-side motion on small business. That is not surprising, because all the things they are so proud of, at the moment—the instant tax write-off, for example—they were attacking just a year ago. They are now very pleased to have introduced instant asset depreciation, and we on this side support the action they have taken—but just a year ago they were removing exactly that tax assistance for small business.
Labor in government introduced a range of tax measures, including the instant asset write-off, back in 2011, which increased the write-off threshold for small business from $1,000 to $6½ thousand. Business welcomed that. Small business was delighted by that. But when the government first came to office, in 2013, one of the first things they did was set about abolishing that. In 2014 they abolished some $3.5 billion worth of tax assistance to small business by abolishing that measure alone. Last year they considered that small business did not need assistance in purchasing assets; it did not need instant right-off. They abolished it. Not only did they abolish it but they did it retrospectively, so businesses that had made their plans suddenly found those plans undone by this government. Last year, there was a completely different view.

We had also introduced a loss carry-back for companies which, again, was incredibly well received and, recommended back in the tax forum a number of years ago, was well received by business. This was also abolished by the Abbott government last year. In total, over $5 billion in tax assistance to the small business sector was abolished. Now we have them standing up and crowing about this recent conversion—that instant tax write-off is really good and they are going to introduce it. Business had it a year ago. Government took away, and now it is wanting credit for putting it back—at a considerably lower level—and only for two years. We have already seen accounting firms and economists around the country talking about the danger of that, of introducing an instant tax write-off for two years that ends at the end of June 2017, where small business will pull their spending forward and we will see a bit of a cliff for many suppliers to small business around the end of June 2017.

We have to applaud the government here for its conversion. We have to applaud them for realising the error of their ways last year, of recognising that the abolition of the instant tax write-off last year was a mistake, and for setting about to undo some of the damage it did. And it did do damage. If you look at business confidence, over the last year it has essentially flatlined. It has been in free-fall since the election, in September 2013, and it flattened at an incredibly low level—under 95—after the budget last year, and has sat there for a year, flatlined. We are now seeing a slight improvement, and thank goodness for that because business confidence has been at an appallingly low level. It is now back to where it was immediately before the last budget. I cannot say it is much of a recovery but it is, at least, back to where it was before the last budget.

We have also seen in the last few days some dreadful news on capex, which measures the extent to which business is planning on investing. This is business across the full range. We have capex, at the moment, down at recessionary levels. There has been quite a bit of economic debate, about the effect of this, over the last few days. These are incredibly poor figures for a government that believes it is about encouraging business.

I want to say one last thing about the language of this government, in getting up and telling business to 'have a go'. I have 16½ thousand small businesses in my community of Parramatta and they have been having a go for a long time. Since the economy has dropped and $5½ billion in tax assistance was ripped away last year they have been really having to have a go to survive. For the government to get up and tell them to have a go, now, is quite offensive. They have been doing it for a long time and they have been doing it very tough under this government.
Mrs PRENTICE (Ryan) (11:42): I thank the member for Mallee for moving this very timely motion in support of small business. Unlike so many members opposite, the member for Mallee understands small business because he has actually lived the experience of a small-business owner. Having run my own convention and event-management company for many years, prior to being elected to this place, I can also attest to the level of innovation, endeavour and resilience it takes to run a successful small business.

A strong small-business sector benefits all Australians. Indeed, if only half the small businesses in Australia hired just one extra worker our country would have zero unemployment. Yet small business is a tough world. Margins can be tight, markets can be crowded and competitive, and larger players do not always play fair. Building a business takes you away from quality time spent with family and friends. Cashflows and credit lines are a constant source of concern and many small businesses just do not stand the test of time.

Success requires resilience. It requires hard work and determination. It requires a government that understands that small businesses do not need handouts but they could certainly benefit from a tax system that provides the right incentives to invest and grow. This government listens when small business speaks but, better than that, it takes action. The 2015 budget confirms that the coalition government is the best friend small business has ever had. It is a budget framed around creating the right conditions for small businesses to grow, for small businesses to prosper and for small businesses to employ more Australians.

This budget was good for small business on many levels, not only the tax cut from 30 per cent to 28.5 per cent. The measure that has garnered the biggest positive reaction amongst small businesses in my electorate was, as the member for Mallee has outlined in his motion, the accelerated depreciation of assets purchased under $20,000 in value. Following the budget, I invited the Treasurer, Joe Hockey, to visit my electorate to speak to an owner of one of more than 13,000 registered small businesses in Ryan which stand to benefit from the budget. We visited Savas Ermides at his family run Briki Espresso and Gelati Bar in the suburb of Ironside. The Treasurer himself remarked that Mr Ermides's business was exactly the sort of business he was speaking about in his budget speech. The budget will make a real difference to that business. Mr Ermides wants to expand his cafe and buy a new oven so that he can serve more customers and grow his business. As a result of the accelerated depreciation changes in the budget, he will now be able to invest in the equipment required and receive an immediate tax deduction. This means more money back into the business sooner and a flow-on effect for other local businesses.

This budget is one of the most small business friendly budgets ever delivered. It is very good news for the thousands—indeed, tens of thousands—of small businesses across Australia, and it is a budget that could only ever have been delivered by a coalition government because we are the only side of politics that has the breadth of real-life experience to truly understand the needs of small business owners. When we say we support small business, we actually mean it. We stand on our record of doing the right thing by small business. Whether it is removing unnecessary red tape, creating access to new markets in North Asia through trade agreements or, now, by ensuring the tax system better rewards investment, the coalition government always has the needs of small business front and centre of our thinking. The coalition stands for small business. It is in our DNA. I commend the motion to the House.
Mr RIPOLL (Oxley) (11:46): It is a pleasure to be speaking on this motion because it does highlight how amazing 12 months can be in the parliament and what those 12 months represents. Of course, that is the time between budgets and between what it takes for a Liberal government to get rid of all of Labor's small business plans, assistance and good measures and reintroduce them back in this budget because they discovered just how much damage the Liberals' cutting of small business assistance actually did. What was worse for the government is they had a look at the polling and realised how bad it was for their popularity. Then they looked at the consumer confidence and realised how bad it was for the economy. Then they looked even further and realised that business confidence had fallen through the floor as well. They had a moment of panic and they decided they had better quickly reintroduce all Labor's small business assistance package, which is exactly what they did. It is an amazing thing, but I am glad that the Liberal Party finally has come to the front on small business and realised it is a major contributor to our national economy.

Small business is a key sector for current and future economic growth. It is a major driver of employment, particularly in regional and rural area, and it is important to recognise the contribution that it makes in those areas. Around 35 per cent of the total number of small businesses in each state are located in regional area, compared to 20 per cent for larger firms. It is also important to recognise that over 95 per cent of the total number of businesses in Australia are small. Almost two-thirds have no employees and a further one-quarter only have between one and four employees. This means that only 10 per cent of small businesses have between four and 19 employees. The recent Reserve Bank of Australia conference on small business conditions and finance further identified that small business makes a significant contribution to the economy through the provision of innovation, with over 85 per cent of the businesses in Australia engaged in innovation being small businesses. The Australian Bureau of Statistics data also identified that 97.9 per cent of businesses in the agriculture, fisheries and forestry sectors in Australia are small businesses and that, of the more than 192,000 businesses in this area, 188,000 of them were classified as being small businesses. I have no doubt that farmers well understand this and they welcome the primary producers accelerated depreciation, along with the $20,000 instant asset write.

But for farmers, like the rest of the economy and small business, certainty is especially important in planning, and the government's assistance, while it is welcome, is very short term and for only two years. When the identical package with Labor was in, it was over the full forward estimates for a full four years. That did provide certainty and that did provide confidence, and that was reflected in all of the surveys that were done during that time. We had set ours at a more realistic level of $6,500, wanting to raise it to $10,000, more appropriately reflecting where small business actually spend their money. In June last year, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) report on agricultural commodities forecasts predicted a decrease in both crop and livestock production, and they have predicted that gross value of farm production will fall by 3.1 per cent in this current year to about $51 billion, with a further estimate that it will fall even further from the previous years.

This is bad news, and this drop in consumer confidence and business confidence has not been helped by the Prime Minister and the Treasurer who have talked down our economy for the past six years. They did that in opposition, and I have got to say that they did it very
skilfully. If there is anything you could give a very big A-plus to for the Prime Minister and the Treasurer, it was talking down our economy. But one would expect that, when you get elected to become the Prime Minister and Treasurer, you would stop doing that, you would stop talking down the economy, and start talking up the economy. Of course, they just could not stop themselves. They just had to keep going, and that was reflected in the very poor conditions that we see the economy in today where people have stopped buying, businesses are struggling and we have needed this massive injection of assistance through the budget to try and help small business and the economy. In fact, so large is this injection that it is similar to the levels that we had during the global financial crisis. So not only are we seeing the deficit double since the Liberals won government, but this has occurred since the last budget. They have added an extra $39.1 billion worth of debt, and I suspect people ought to ask the government where are they getting the money to fund that debt.

Dr GILLESPIE (Lyne) (11:51): First of all, I would just like to compliment the motion and the member for Mallee for raising this very important issue. What is a small business in the Lyne electorate? In the Lyne electorate, we have over 10,000 small businesses. Whether it is a sole trader, small family business, larger small business or medium-size small business, they are employing the vast majority of the people in the Lyne electorate.

What does small business mean? It means that individual and their business is taking the responsibility and control of their income and his or her family's welfare onto their own plate. When you are running a small business, there is no knock-off time and there is no start time. Your business travels home with you to your house when you leave your workplace. That is the nature of a small business, particularly when you are starting up. It often means that for your house that you go to—when you have not finished your job, because it is perpetually on your mind—your mortgage on that house is what feeds your small business. Your start-up capital sometimes represents a mortgage on your own home.

As a small-business owner, it means that if you have employees, they have to get paid before you do. Their super and their wages are your responsibility. It is often the boss who is the last person paid. When things turn down, it is the boss who has to carry the responsibility. Whether you are a butcher, a baker, an electrician, a tradesman, running a bike store, running a cafe, running a hairdressing salon, running a B&B at Lake Cathie or someone in the hinterland in the beautiful Lansdowne region or turning up at your manufacturing factory off Lake Road, it is the same.

The accelerated depreciation measure that the member for Mallee has brought to the attention of the House is a great initiative and it has been very well received across the board. To write-off equipment over an accelerated time frame will improves cashflow. Depending on the tax being paid, it is up to roughly $4,500 for a small business for each write-off up to $20,000. That makes a huge difference to your cashflow.

In the Lyne electorate, there are roughly 1,800 agricultural small businesses registered. The initiative's accelerated depreciation includes fencing, water infrastructure and fodder storage. Instead of writing off fencing improvements over 30 years, you can now do the sensible thing and write-off that cost in a year. That makes a huge difference. If you have only ever run a grazing concern, you will realise how important your fences are. If you want to keep your agricultural concern drought proof, it involves a lot of pumping and a continual course of maintenance and replacement. Pumps cost a fortune. If you are running 10 or 20 troughs and
you have got kilometres of agricultural piping serving them, then it is a huge continual drain. But to prepare yourself for drought, it is essential. We are writing that off up until 2017 in one go. That will make a huge difference to the cashflow and the bottom line of these small family businesses.

If you are in accounting space, it will generate a lot of activity in itself. In the last two weeks, I have visited many businesses in the electorate that are by one definition small; but by the definition in this initiative, they do turn over more than $2 million. But they are still very much small businesses. A lot of them have said, 'We may not qualify directly for this initiative, but a whole lot of our customers do.' If the small businesses do well, large and medium-sized businesses will do well as well.

I commend this initiative. It is a great small business budget. Small business is what drives the Lyne electorate and the coalition government is out there supporting them through this initiative.

**Dr CHALMERS (Rankin) (11:56):** Next month, the Logan Chamber of Commerce will be holding the 2015 Business Distinction Awards in my community. I am proud to sponsor the emerging business category. I want to thank the chamber—Bill Richards and his team—for the opportunity to be part of the awards and for all the other opportunities I have had to spend time with them at their networking breakfasts. I want to work with our small businesses and I want to celebrate their success. The sum total of their efforts, right around the country, will determine whether we can build a nation powered by aspiration and enterprise. I am pleased to speak today on the motion moved by the member for Mallee in support of small business. I am particularly pleased to follow the contributions from the member for Parramatta and the member for Oxley, who is here in the chamber.

I am very proud to represent 10,746 small businesses. They are extremely important for the local economy in my area as a source of employment, goods and services. More than 60 per cent of them are sole traders. The other 4,059 of them employ between one and 19 workers. They are a much-needed source of jobs in my area when jobs not particularly easy to come by. The types of goods and services they produce and provide are incredibly important to our area as well.

In my experience, when we think about small businesses, we often think about retailers: restaurants, small shops, hairdressers and the like. Certainly, I have thousands of fantastic small retailers in my electorate. They are a crucial part of our everyday lives in my community, but they are not the most numerous type of small business in my area. That distinction belongs to the construction industry. Every fifth small business in my community is involved in construction. They are the plumbers, builders, electricians, plasterers and labourers who do such important work. The construction industry is closely followed by the 1,100 businesses in transport, postage and warehousing; the 1,073 scientific and technical small businesses; and 1,024 real estate and rental businesses.

Small business owners in my community and right around the country face some really substantial challenges. As other speakers have noted, it is a brave and often risky decision to go out on your own to start a small business. They face higher fixed costs and greater financing difficulties and are more affected by fluctuations in demand than larger businesses are. These risk-takers are critically important for our economy, not only for employment and production, but also for innovation. Eighty-five per cent of innovative firms are small
businesses, according to the ABS. We need to support them. We need to help foster employment, production and innovation in my community and in the broader national economy.

As other speakers have mentioned, Labor has a very proud track record of supporting small businesses. We appointed a national Small Business Commissioner, simplified asset depreciation rules and worked towards a seamless national economy. Most importantly, we introduced the first instant asset tax write-off, which the government abolished in last year's budget and then re-introduced in this year's budget. It is a fact, and not an opinion, that business confidence plummeted in the wake of last year's budget. While this has rebounded somewhat, after the government re-implemented some of Labor's policy, including the instant asset write-off, small business in Australia still cannot trust this government to provide the policy consistency they need to make important decisions. They know that the coalition's instant asset write-off is little more than an election ploy. That is why instead of it being a permanent scheme, like Labor's was, theirs is only in effect for two years.

We support the government's changes, knowing that they do not go far enough to make up for last year's attacks or to give small businesses the support they really need. That is why we want to work towards a tax rate of 25 per cent for small businesses, and why we will establish a start-up scheme to provide capital for new entrepreneurs. I will continue to advocate for small businesses in this place, because we know how important they are to the national economy, and in the local economy in communities like mine.

Debate adjourned.

BILLS

Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015

Second Reading

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

Mr RIPOLL (Oxley) (12:01): It is a pleasure to speak on this bill. I will state at the outset that Labor will be moving amendments to this bill when it comes to the Senate.

Labor does support reducing duplication and finding efficiencies within the public sector. Labor is very concerned that the ComSuper staff, who are moving to the CSC, are being transferred away from the APS and will lose their ability to apply for jobs in the APS, and transfer at level to an APS agency, and that they will be disadvantaged compared to APS employees. This is particularly important in Canberra, where the ComSuper staff are based, as the majority of available jobs they may wish to apply for will be within the APS. If the government is determined to compulsorily transfer ComSuper employees to CSC, they should ensure that all rights and entitlements are protected. Labor is preparing amendments that will achieve this and protect these employees, who face an uncertain future, and that will not affect the operations of CSC at the same time. I will speak in more detail on the amendments later during my contribution, but first I would like to go over the general outline of this bill as set out in the explanatory memorandum circulated by the minister.
The bill merges ComSuper, the provider of administrative services in relation to the Australian government civilian and military defined benefit superannuation schemes, with the Commonwealth Superannuation Corporation, the trustee of the Australian government schemes. CSC, a corporate Commonwealth entity for the purposes of the Public Governance, Performance and Accountability Act 2013, will be the continuing government entity and will be responsible for the overall management of the Australian government superannuation schemes, including both trustee and administrative services roles. The relevant schemes are: the Commonwealth Superannuation Scheme; the Public Sector Superannuation Scheme; the Public Sector Superannuation Accumulation Plan; the Military Superannuation and Benefits Scheme; the Defence Force Retirement and Death Benefits Scheme; the Defence Forces Retirement Benefits Scheme; the Defence Force (Superannuation) (Productivity Benefit) Scheme; the 1922 scheme; and the PNG scheme. CSC will have similar responsibilities in relation to the proposed new military superannuation arrangements that will commence from 1 July 2016, subject to the passage of the proposed legislation.

The merger will improve the efficiency of the management of the Australian government superannuation schemes by removing duplication and overlap that exists as a result of two government bodies being involved with the delivery of administration services. The merger will provide CSC with control over the delivery of administration services in relation to the Australian government defined benefit superannuation schemes, consistent with its regulatory responsibility as trustee of the schemes.

It is important to note that the bill does not change the benefit design of the civilian and military superannuation schemes. The bill, also, does not change the composition and structure of the board of CSC, the trustee of the affected funds. The merger is expected to deliver savings of half a million dollars per annum. The changes that relate to PSSap administration fees have estimated savings of $26.8 million over four years from 2015-16.

Administering the defined benefit superannuation schemes will require CSC to draw on Commonwealth appropriations to pay superannuation benefits to members of the schemes. It will also collect administration fees that are payable by the Commonwealth under legislation governing the schemes, and recover debts owing to the Commonwealth—for example, arising from overpayments of benefits. As CSC is a separate legal entity to the Commonwealth, the bill includes provisions to legally enable CSC to perform these functions on behalf of the Commonwealth. As the Commonwealth remains legally responsible for the functions, the bill enables the minister to make instruments in relation to these functions. These powers are currently available to the minister under the administration of ComSuper.

A CSC special account will be established. Administration funding, including administration fees collected by CSC on the Commonwealth's behalf from agencies with employees in the Australian Government schemes, will be credited to that account. The account will form part of the CRF, and CSC will be able to debit the account to, among other things, pay costs incurred in the performance of its role as administrator.

As a result of the merger, the statutory office of CEO of ComSuper will cease, and the statutory agency of ComSuper will be abolished. ComSuper staff whose employment is transferred to the CSC will become non-APS employees of CSC engaged under section 26 of the governance act. This will be achieved by a determination of the Australian Public Service Commissioner under section 72 of the Public Service Act 1999.
The transitional provisions in the bill will assist in maintaining the terms and conditions of employment of ComSuper staff on transfer to CSC and meeting legislative requirements governing the transfer. Currently, there are roughly 400 employees of ComSuper and, because of job duplication that may occur in the merger, a voluntary redundancy program will be undertaken. The targeted number of voluntary redundancies is 70 positions. The merger is the single largest forced transfer of employees out of the Public Service since the Australian Protective Services was moved. Concerns have been raised that, because the merger means that ComSuper will cease to exist and its staff will be compulsorily transferred out of the Australian Public Service to the CSC, this forced change could affect their careers and make it much more difficult to move to an APS agency. In the event that the new CSC downsizes, staff are also concerned at losing the redundancy rights that would allow them to be redeployed in the APS if their positions are cut.

I flagged earlier that Labor will move amendments to this bill when it reaches the Senate. Labor's amendments will address the concerns by providing transferred ComSuper employees with broadly equivalent mobility rights to those they would have had if they had remained employed in the APS. Labor's amendments enable transferred ComSuper employees to move from the CSC to an APS agency as if they were still APS employees. These measures in Labor's amendments will ensure that ComSuper employees who transfer to CSC will be able to transfer at any level or win promotion to APS roles at other agencies. Labor's amendments ensure ComSuper employees who transfer to CSC are not disadvantaged in seeking and applying for a future role with the APS. Labor's amendment will apply for a period of three years. Our proposed amendments are simple and sensible changes that address the concerns of ComSuper staff. When the bill comes to the Senate, I urge the government and the crossbench to work constructively to make sure that these amendments do address the concerns of ComSuper staff. I thank, in advance, the government and the crossbenchers for their support in this.

The bill includes consequential amendments to a range of Commonwealth legislation governing the superannuation schemes to take account of the merger. In addition to dealing with matters arising from the transfer of ComSuper staff to CSC employment, the bill contains provisions that deal with a number of other transitional matters arising from the merger. This includes provisions to transfer the assets and most of the liabilities of ComSuper to CSC. To maintain consistency with the treatment of administration funding currently received by ComSuper for provision of administration services, the bill makes CSC exempt from income tax in relation to funding received from the Commonwealth for this purpose.

The other significant measure in this bill deals with the collection of the cost of administering the PSSap. The governance act and the 2005 act which governs the PSSap will be amended by the bill so that the cost of administering the PSSap will be deducted from member accounts, consistent with arrangements that apply in private sector accumulation superannuation funds. The changes that relate to PSSap administration fees have estimated savings of $26.8 million over four years from 2015-16. Until now, the government had covered the costs of administering the PSSap for its members. There are 127,628 members of the scheme. While this bill will allow the CSC to set administration fees for the benefit of members, a rough, back-of-the-envelope calculation based on the $26.8 million saving over four years is $52.50 per member per year. These new arrangements for PSSap members will
bring these members into line with members of private sector funds, and Labor will not oppose this measure.

The two measures in this bill deal with Public Service superannuation, so it is timely to examine the Abbot government's record in this area. The Abbott government has shown its contempt for the Public Service by offering employees from several departments an unreasonable cut to their hard-won conditions on top of a pay cut in real terms. Under the Abbott government's public sector workplace bargaining policy, every government department and agency has been left with nowhere to turn but to cut costs through cutting real wages and working conditions. The government cannot expect the Australian Public Service to function effectively when large numbers of staff are being sacked and those left behind are forced to fight for the most basic workplace entitlements. The Abbott government has recklessly gutted the Public Service even faster than planned, with 11,000 full-time equivalent public servant positions gone in 2014 alone.

Before the election, Tony Abbott said that 12,000 jobs would be shed from the Public Service but only through natural attrition. After the election, though, he announced 16,500 full-time public servant jobs would be cut and not through natural attrition. Most of these jobs are now gone, putting strain on the system and the workers who remain. The Abbott government is so focused on job cutting that it has ignored the key drivers of efficiency, productivity and customer service. Labor believes very much in an affordable, sustainable and productive Public Service, but crudely retrenching staff, cutting back on jobs, reducing wages and cutting conditions does not lead to a more efficient or effective workforce.

On its record on superannuation, as it relates to this bill and in a range of other areas, the Liberal government has a very poor record by any measure. Let's look at the pause in the superannuation guarantee. The superannuation guarantee is currently at 9.5 per cent. Under Labor, the increase to 12 per cent was to take effect between 1 July 2013 and 1 July 2019. The Liberals announced their first delay as part of the original MRRT repeal bill. This delay postponed any further increase till 1 July 2016, and the full 12 per cent would take effect on or after 1 July 2021. Then, as part of the budget, the Treasurer announced the government's second delay of a further 12 months, meaning the full 12 per cent will not be reached until 1 July 2022. As part of a deal with the Palmer United Party, the Liberals have made a third delay, meaning the full 12 per cent will now not be reached until 1 July 2025. These pauses come in the wake of the Prime Minister promising before the election, on no fewer than 14 occasions, that there would be no unexpected adverse changes to superannuation. That promise seems to have gone the way of so many other promises made before the election.

On another adverse change to superannuation, the Liberals did remove the low-income superannuation contribution, which was part of the MRRT repeal, from 1 July 2017. The LISC is a superannuation contribution made on behalf of individuals with an adjusted taxable income of $37,000 or less in an income year, with the maximum contribution amount payable being $500. The contribution is designed to broadly return the tax paid on concessional contributions by any individual's superannuation fund.

The Abbott government's cut will take effect from 1 July 2017 and will affect approximately 3.6 million low-income earners, two-thirds of whom are women. This will have an enormous impact on their retirement savings. Taken together with the pause in the superannuation guarantee, industry estimates that the combined adverse negative impact on
national savings by 2025 will be around $150 billion. At budget estimates it was revealed that
the government did not request Treasury to model the impact of repealing the low-income
superannuation contribution on superannuation savings. The LISC is a measure that has been
described by Industry Super Australia as the single most important policy setting in the super
system that helps to address the inequity in savings gap whereby women are currently retiring
with about 40 per cent less in superannuation than men.

I would like to conclude where I started by reiterating that Labor does support reducing
duplication and finding efficiencies within the Public Service. However, we are concerned
that ComSuper staff who have moved to the CSC are being transferred away from the APS
and will lose their ability to apply for jobs in and to transfer to an APS agency without being
disadvantaged as compared to other APS employees. In a city like Canberra this is obviously
something that is critically important. It is Labor's belief that, if the government is determined
to compulsorily transfer ComSuper employees to CSC, they should ensure all rights and
entitlements are protected. The amendments that Labor is preparing for the Senate will protect
these employees who face an uncertain future otherwise.

Mr COULTON (Parkes—The Nationals Chief Whip) (12:17): It is with pleasure that I
speak to the Governance of Australian Government Superannuation Schemes Legislation
Amendment Bill 2015, a rather bureaucratic title for a bill that is all about reducing
duplication and overlap. The merger of ComSuper and the Commonwealth Superannuation
Corporation, or CSC, that this bill makes possible is important because it will reduce
duplication and overlap in the administration of the Australian government's superannuation
schemes.

CSC is currently ComSuper's only client, and giving CSC greater control over the
administration of the schemes for which it is a trustee is consistent with good governance
principles. As someone with experience in local government, I understand the importance of
having the right institutions and the right administrative arrangements for the task at hand.
Too much bureaucracy inevitably leads to waste through duplication of functions, and
certainly something that this government is very cognisant of is making life much more
simple and removing duplication. That is why our smaller government agenda is so important:
we need to deliver greater value to taxpayers through better services delivered faster and at
lower cost. We have reduced the number of government bodies by 286 so far, achieving
savings of $1.4 billion. Part of that effort has been in reducing Public Service numbers—from
September 2013 to February 2015 the number has been reduced 17,300—many of these
through natural attrition. In response to the shadow minister's comments earlier on, most of
that number of public servants was put on during the previous Labor administration.

That is not to say that public servants do not do valuable work—they do—but we have a
duty to taxpayers to ensure that the business of government is conducted as efficiently and
effectively as possible. Our smaller government agenda works in tandem with our efforts to
reduce green and red tape. Since coming to government we have made a raft of changes. We
have taken decisions and made changes that will reduce the regulatory cost burden by $2.45
billion. As I get around my electorate, one of the great topics that people, particularly those in
small business, bring up with me is the amount of time it takes—and the cost to their business
and their way of life—wading through different levels of government control. The red and
green tape reduction agenda of this government is being very much appreciated, particularly by people who are involved in small business.

While I am a believer in small government, I am also a bit of a supporter of decentralised government, particularly for those agencies engaged in delivering services to industries that have their home in the regions. A great example of that is the Cotton CRC that is based at Narrabri. It has, I think, 16 or 18 direct employees and the flow-on effect in the wider region is large, not only through the many people who are employed but through the increased productivity from the on-the-ground research and knowledge being performed in the region rather than in a centralised location, and that is very pertinent. Importantly, all of the functions currently performed by ComSuper will continue to be performed following the merger. Benefits will continue to be paid to members of the civilian and military superannuation schemes and those benefits will not change as a result of this bill.

On superannuation more broadly, the government is delivering stability to the Australian superannuation system and security for Australia's retirees. That is something that, as I get around and speak to the self-funded retirees in my electorate, is of great concern. Stability and security were missing under Labor, and they would now have Australians believe that they can be trusted. But the Australian people are cleverer than that. In 2013 they promised that for five years they would not make any changes to super, and with barely six months of 2015 gone they have already announced two additional taxes on super.

This bill also makes changes to allow costs of administration to be met by members of the Public Sector Superannuation Accumulation Plan. Fees are a common way of paying for administration in accumulation-style superannuation funds in the general community. The changes in this bill will bring the PSSAP into line with community practice and the arrangements for parliamentarians like me who entered parliament after 2004. That is something that I might put on the record for anyone out there, particularly in the press gallery—that any member who joined this place after 2004 is not in a superannuation pension scheme—despite how many times that gets explained. By ensuring that the costs of administration are more appropriately met by fund members rather than the Commonwealth, the measure will save $26.8 million over four years from 2015-16, which can be used to fund other priorities.

The merger of ComSuper and CSC is the next natural step in a process to streamline the governance of the Australian government's civilian and military superannuation schemes that started in 2011, when CSC was established, merging three trustee bodies into one. I am happy to acknowledge that that was a sensible thing to do—a rare moment in the normally chaotic years of the Rudd-Gillard-Rudd government. The creation of CSC improved the efficiency of the trustee arrangements and enables CSC to harness economies of scale in its investment functions. Bringing the administration of the schemes for which it is trustee more directly under CSC's control will further streamline the governance arrangements. I commend this bill to the House.

Dr CHALMERS (Rankin) (12:24): I rise today to speak on the Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015. The bill, with a catchy title like that, merges ComSuper into the Commonwealth Superannuation Corporation, the CSC. The result is that most government and military employees will have their super administered by the same government agency that manages their superannuation investments.
Before I turn to the very specific elements of the bill, it is worth providing some context. Labor, this side of the House, has a proud history when it comes to superannuation reform. The Labour movement was one of the key proponents of the first super funds over 100 years ago, and we remain the main proponent and advocate of superannuation today. More than two decades ago Labor was the party that created universal super so that all employees could benefit from investments in their own retirement. Last term, Labor was the party that introduced legislation to increase the superannuation guarantee, and this year our party is seeking to reform super tax concessions to make the system fairer and more sustainable.

Along the way, at every point, the coalition has stood in the way of better super. The Prime Minister himself said in 1995:

Compulsory superannuation is one of the biggest con jobs ever foisted by government on the Australian people.

And now he has frozen the superannuation guarantee. He has abolished the low-income super contribution and in the process has made superannuation less fair and less sustainable. I read a piece not too long ago that said that the sum total of the changes being made by the Abbott government will see $128 billion less in the superannuation pool by 2025. So, when we come to debate this bill we do so in knowledge that Labor is the party—the only party—that fights for super and fights for better retirement incomes in middle Australia.

On the specifics of the bill, superannuation funds operated by the government are among the largest in our super system. Currently we have two major agencies with responsibility for government super: ComSuper and CSC. ComSuper performs the administrative role for most super schemes for ADF members and government employees. These schemes are among the largest and most complex occupational super schemes in Australia. There is a combined membership of over 700,000 contributors, pensioners and preserved-benefits members. ComSuper employs 482 staff, all of them in here in the national capital. These staff help members with things like collection of member contributions and maintenance of member accounts, payment of lump sum and pension benefits, member communications, accounting services, dispute resolution, and secretariat support functions.

The Commonwealth Superannuation Corporation is a corporate Commonwealth entity and the trustee of most government and Defence super schemes and retirement income streams. It is responsible for investments and products for members. The fund has something like $32.7 billion under management at 30 June 2014. It pays pensions to more than 200,000 retirees. The CSC itself was formed by a merger of three previous Commonwealth super trustee bodies. It is regulated by ASIC and APRA, with a board consisting of an independent chairperson, three directors appointed by the ACTU, two directors appointed by the Defence Force and another five appointed by the finance minister. Because these two agencies both deal with the super of the same 700,000 people, there is considerable overlap in their activities.

Both sides of the House are interested in reducing duplication and finding sensible efficiencies within the Commonwealth Public Service. So this bill will merge ComSuper's activities and powers into the CSC. This means that the CSC will take over all active administration activities, including collection of contributions, payments, communications and dispute resolution. This requires CSC to perform financial functions on behalf of the Commonwealth, so this bill includes provisions to legally enable CSC to perform these
functions. The minister will retain the right to make instruments in relation to these functions. The merger is expected to deliver savings of $½ million per annum in total.

This reduced duplication and greater efficiency is good in principle. In practice, the opposition has some concerns about aspects of the bill. The first one is that if ComSuper is abolished then most existing employees will be transferred to the CSC. Because of job duplication, approximately 70 of the 400 employees of ComSuper are expected to be offered voluntary redundancies. The major concern is that staff at ComSuper who are currently part of the Australian Public Service will become non-APS employees in the merger. While staff will maintain most of their terms and conditions in the transfer, the CPSU has raised some concerns about it. ComSuper staff are worried that they would no longer be able to transfer at level to other APS agencies and to win promotions to other APS agencies. They are also concerned about losing redundancy rights that would allow them to be redeployed in the APS if their positions are cut. That is why Labor intends to move amendments in the Senate to protect ComSuper employees from these changes. We want to protect these employees who would otherwise face future job uncertainty. Our amendments enable transferred ComSuper employees to move from the CSC to an APS agency as if they were still an APS employee. Our amendments will apply for a period of three years. We do this because we acknowledge that this is the single largest transfer of employees out of the APS since the Australian Protective Service was moved. There is no reason why efficiency and savings goals cannot co-exist with dignity and fairness for the employees involved.

The bill also makes some changes to the administration fees of the Public Sector Superannuation Accumulation Plan, or PSSAp. As it stands, members of PSSAp do not pay fund administration fees. These fees are paid through a levy on government agencies, costing the government an estimated $26.8 million over the forward estimates. At the same time, employees in most other industries do pay administration fees. The bill amends the PSSAp so that the cost of administering the fund will be deducted from member accounts. Based on current costs, this is expected to be around $52.50 per member per year. These minor fees will bring the fund into line with other private funds and save the budget around $26.8 million. Labor has indicated that we will not stand in the way of these changes.

Both sides of the House are interested in improving efficiency in the Public Service so that taxpayers get the best value for their tax dollar. But this goal is not incompatible with maintaining fairness for affected employees in these schemes. Labor will move amendments to this bill which will ensure that affected ComSuper employees will not get a rough go from the merger into the CSC. We are interested in budget savings and greater efficiency so we will be supporting the other measures contained in the bill. The government and the opposition have some vast differences when it comes to superannuation policy but we will be supporting the specifics of this bill.

Mr HOGAN (Page) (12:32): The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 implements two important government decisions: firstly, the 2014-14 Smaller Government budget measure to merge ComSuper, the administrator of the Australian government's civilian and military defined benefits schemes, with the Commonwealth Superannuation Corporation, which is the trustee of the Australian government schemes; and, secondly, the 2014 MYEFO measure to deduct the costs of administering the Public Sector Superannuation Accumulation Plan from member accounts.
ComSuper is going to be merged with CSC, the trustee of the Australian government schemes, in line with the Smaller Government Rationalisation Allowance in the 2014-15 budget. A major focus of the government in the last 18 months or so has been to reduce red tape within the Australian economy. From measurements that have been done, we have already taken $2 billion of red tape costs out of the Australian economy. The importance of that cannot be overstated. When people in businesses, including superannuation schemes, are duplicating or doing unnecessary things that have been done by someone else or are not really necessary, that takes people in that business or entity away from doing something more productive. The figure of $2 billion in 18 months is not to be underestimated. This is obviously going to stop the duplication of what has been done within these super funds.

The merger will result in the Australian government superannuation schemes being managed by one government entity. This will improve the efficiency of the arrangements by reducing duplication and overlap. It will also provide the CSC with control over the administration of the Australian government defined benefits schemes, consistent with the CSC’s regulatory responsibility for this function as trustees of these schemes.

A previous member spoke about defined benefit schemes and defined contribution schemes. I would like to put it on the record that many of the politicians in here have been elected since 2004 and are therefore not in a defined benefits scheme. Flying around this country, we hear much about the perks that politicians have. Well, a defined benefit scheme is not one of them. We have a defined contribution scheme—different from those members who were here prior to 2004—so I would like to put that on the record as well. I am not saying we should have a defined benefit scheme. We are in line with majority of the population, as we should be; we are in a defined contributions scheme.

Superannuation trustees in the broader superannuation industry commonly provide administration services for the schemes that they manage. The Smaller Government agenda aims to reduce the total number of government entities—and this is happening beyond the superannuation industry—by eliminating duplication and overlap. Ultimately, this agenda is about ensuring that the Australian government is structured and operates in a way that delivers efficient services, robust advice and value for money for taxpayers.

There is a lot of pressure on the three levels of government—federal, state and local government—for services. Those services rely on revenue from ratepayers and taxpayers. With every taxpayer dollar we spend, we have to do it as efficiently as we can and get the best result that we can—and these bills do that in the superannuation industry. Is there a link between the merger and the establishment of the CSC in 2011? Yes. The merger is the next step in streamlining the governance of the Australian government's civilian and military superannuation schemes. You, Mr Deputy Speaker Mitchell, know that this process began in 2011 when the three trustees to the schemes were merged to form the CSC.

Establishing the CSC as the single trustee strengthened the governance of the Australian government's superannuation, improved the efficiency of trustee operations and provided opportunities to benefit from the trustee's resulting increased scale. This has helped to put the delivery of the Australian government's superannuation on a more sustainable and cost-effective footing.

Can I just say: I have been a trustee of an industry super fund, and the amount of information they deal with, the job they do, the due diligence they do and the fiduciary duty...
they have are very important, and they are to be commended because they are literally making the investment and governance decisions on their members and it is a very important role.

The CSC-ComSuper merger will further improve the efficiency of the management of the Australian government schemes. CSC will be responsible for the overall management of the Australian government civilian and military superannuation schemes following the merger.

I turn to ComSuper staff. This is important. Bills often do have real ramifications for or tangible effects on people. ComSuper staff will be transferred to the CSC's employment by a determination of the Australian Public Service Commissioner under section 72 of the Public Service Act 1999.

As to the statutory officer or the CEO of ComSuper: will he transfer to CSC with the rest of the staff of the organisation? No. The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill repeals the ComSuper Act of 2011 and, in doing so, abolishes ComSuper and the statutory office of CEO of ComSuper. Again, this is just part of the duplication process that will not be there once this happens.

Will ComSuper staff who transfer be employed under the Public Service Act? No. The CSC staff are employed on the terms and conditions determined by the governing board of the organisation, in line with CSC’s enabling act, the Governance of Australian Government Superannuation Schemes Act 2011. ComSuper staff that transfer to CSC at the commencement of the merger will cease to be Commonwealth employees engaged under the Public Service Act and will become CSC employees. Again, this is part of the streamlining and efficiency that will come from this bill.

ComSuper staff who transfer to CSC employment will have conditions of employment that are no less favourable than those they were receiving at ComSuper immediately before the merger, and that is an important distinction for them to be aware of. The bill provides for the transfer of the ComSuper enterprise agreement to CSC. It also provides for the accrued entitlements—which are very important to them—of ComSuper staff to be recognised on transfer to CSC employment.

CSC has full membership of the Australian government civilian superannuation schemes. ComSuper staff with membership of the Commonwealth Superannuation Scheme or the Public Sector Superannuation accumulation plan will be able to retain this membership on transfer to CSC employment, and that is obviously exceptionally important to those individuals.

CSC will remain a corporate Commonwealth entity for the purposes of the Public Governance, Performance and Accountability Act 2013. The entity will continue to be governed by an 11-member board. The merger will not affect the appointment terms of the existing CSC directors.

CSC will be responsible for providing all of the administration services that are currently delivered by ComSuper in relation to the Australian government defined benefit scheme. This includes, for example, collecting member contributions, maintaining member accounts and paying lump sum and fortnightly pension benefits. CSC will also perform a range of functions that ComSuper currently undertakes as administrator on behalf of the Commonwealth. For example, CSC will pay superannuation benefits from the Commonwealth appropriations and recover debts owing to the Commonwealth arising from overpayment of benefits.
The Australian government has taken steps to help ensure that the merger does not disrupt the management of the Australian government's schemes. The merger is not expected to impact on the administration services provided to scheme members or returns on superannuation fund investments. The Australian government's military superannuation schemes are currently under the trustee of CSC and administered by ComSuper. At the merger, CSC will assume both of these roles. Steps have been taken by the Australian government to ensure that the merger does not disrupt the management of the military scheme.

The bill, importantly, does not change the benefits provided by the Australian government civilian and military defined benefit superannuation schemes. As a lot of people would be aware, people who are on defined benefit superannuation schemes—and, again, I make the point that that is no politician elected after 2004—are very fortunate people. The returns that these people get are not determined by the contributions they make or, indeed, the returns that the super fund gets. They are a very valuable thing for those people. However, in line with the government's announcement in the 2014-15 Mid-Year Economic and Fiscal Outlook, the bill amends the Superannuation Act so that the costs of administration of the PSSap will be deducted from member accounts, consistent with arrangements for private sector accumulation funds.

Negotiations for a new ComSuper enterprise agreement commenced in May 2014 in line with the Australian government's public sector workplace bargaining policy. Should a new ComSuper enterprise agreement be made prior to the merger, it will apply to transferred ComSuper staff at CSC. The change is being made to align the arrangements in PSSap with those of superannuation accumulation funds in the general community. Fees are a very common way of paying for the administration of accumulation superannuation funds. In the general community, members of accumulation funds pay fees. Commonwealth employees who have chosen an alternative accumulation fund, and federal parliamentarians elected since 2004, also pay fees.

The new arrangements require changes to the Superannuation Act 2005 and the trustee made by the Minister for Finance under the act. The bill will make changes to the act to provide that PSSap administration costs are to be paid out of the PSSap fund. Following the passage of the bill, changes will be made to the trustee to provide for CSC to determine the amount of the fee to be paid by PSSap members and for CSC to be able to deduct that fee from PSSap members' accounts.

The changes made by the bill will provide that the consent of the trustee will not be required with changes to the PSSap Trust Deed. This is consistent with arrangements under the government's prudential superannuation framework which provide that the consent of trustees is not required where changes relate to contributions by employer sponsors of a scheme.

The levels of administration fees will vary between accumulation funds. As in the practice of general superannuation industry accumulation funds, the fee will be determined by the trustee of the PSSap. These fees are varied, Mr Deputy Speaker Mitchell, as you are probably very well aware. Some of these funds, depending on the choice that you make, require less or more intervention from a fund manager. If it is in a more of a defensive fund, or if it is in a cash fund, the fees tend to be lower. But, if you are putting your money into a scheme that is
more tradable, if you like, or is going in and out of different growth things, the fees tend to be a little bit higher because, where the money is given to the people to manage those funds, their fees are higher, so that has to be paid by the member.

With the savings, very importantly, as I have mentioned, we are a government that has taken $2 billion worth of red tape out of the economy in the last 18 months. That has been a breath of fresh air to many different sectors across the economy. The savings from this measure are $28.6 million over four years from 2015-16. The employer contribution rate of 15.4 per cent remains unchanged. The PSSap is a fully funded accumulation fund and has been open since July 2005. Commonwealth employees covered by the accumulation arrangements have the choice of a superannuation fund, with the PSSap being the legislated default fund for employees engaged under the Public Service Act 1999. Very importantly, benefits in the PSSap are fully portable.

The Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme are unfunded defined benefit superannuation schemes. Around 40 per cent of members in these schemes are pensioners and have no relevant moneys in the relevant schemes from which administration fees could be deducted. Pension payments are paid from the Consolidated Revenue Fund. Because of the unfunded nature of these schemes, benefits in these schemes are generally not portable. I commend this bill to the House.

Ms MacTIERNAN (Perth) (12:47): I obviously rise to support this legislation, the Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015. We need, of course, to do all that we can to make our superannuation scheme sustainable, including our Commonwealth government superannuation schemes. Reducing the cost structures for those superannuation schemes is an important part of that. I note that I believe that the government is now agreeing to support the amendments that Labor has flagged it will move in the Senate. Those amendments are important provisions that will ensure that those employees made redundant as a result of the merger of the operations have the opportunity to be treated as if they were still APS employees for the purpose of seeking transfer or seeking promotion within the Australian Public Service. I think that is a very reasonable provision. We have obviously got to rationalise our delivery of these services from time to time. That also gives us, however, the obligation to ensure that the workforces affected by those decisions have an opportunity to ensure that they still have a career pathway before them.

I want to use this opportunity to make a few reflections about superannuation and the sustainability of superannuation more generally. Around the globe we obviously have lots of very cheap money. Indeed, people like Paul Keating argue that this actual surfeit of money that has been washing round the system was the very thing, together with the lack of regulatory oversight, that led to the GFC. This, of course, is creating a problem for superannuation funds. We have to think very deeply about this. Superannuation is now so much part of our planning for the future. For us to be able to manage that as we inevitably become an older population, we really have to be doing some deep thinking about superannuation: how we make it more sustainable and how we ensure that the superannuation savings are able to generate sufficient income into the future for those people that are seeking to rely on them.
There is some cause for concern today when you look at the profile that we have for our superannuation funds. We have almost $3 trillion in superannuation funds in Australia. That has been projected to increase to something like $7 trillion by 2030. But today we have a very heavy weighting of those funds towards equities. This, of course, creates a very real risk. I want to quote the former Treasury Secretary, Ken Henry. He said:
The heavy weighting to equities by superannuation funds is exposing the nation to a dangerous financial instability and the public to excessive risk.

We need to look at the profile that we have of investment in infrastructure compared to the investment that we have in equities. Obviously, the driver for this move into the more risky area of equities is clearly the high level of returns. Those returns range from around 13.7 per cent, in positive territory in 2013, to a negative of 11.5 per cent in 2009, with an average return of around six per cent. So there have been many positives but many negatives—and a lot of risk. And that is a major problem.

On the other hand, we do see that the superannuation funds that invested in unlisted infrastructure had a relatively stable return and it is cited that this was, on average, around 12 per cent. Whether or not these sorts of returns are now available in this world of very cheap money is questionable, but it is very clear that in Australia we have very low investment by the superannuation funds in infrastructure. In fact, less than five per cent of that nearly $3 trillion is invested in infrastructure within Australia. However, we are seeing a trend of these super funds actually investing offshore. We have to ask ourselves: why is it that we cannot get our infrastructure funds diverted, to be utilised within Australia? I think there are a number of issues, probably many more than I can touch on here. I think that our bid models are flawed and not designed to attract superannuation funds. The bid models that we have, which are usually packages involving the putting together of the funds, the financing and the construction, as well as the ownership and management, are usually led by consortia which are project sponsors, which take their money in the first couple of years and which have very high fees. They are in the project for the very short term and they move on. However, the front-end loading of that cost is very unattractive to a lot of superannuation funds. Indeed, given the risk that is involved in that tender process, they are very often not prepared to participate in that sort of project because of the high cost involved. This has been reflected on in many places and, widely, this is not a new idea. We certainly saw the Productivity Commission come out and say that we have to reconsider the way in which we are putting these projects out for private sector participation. We have also had many within the super industry make a similar comment and, indeed, one of the findings of the House of Representatives Standing Committee on Infrastructure and Communications was along the lines that we should start looking at things such as the inverted bid model.

There is also a particular unattractiveness, in my view, of putting the finance packaging together with the design, construction and management contract. I think that that stops us getting the best engineering and construction response that we can get because it depends on the random grouping of construction and engineering outfits with financiers. I certainly always prefer to have, where we can, the DCM portion of these projects separately tendered and the finance being dealt with quite separately. That way, particularly when we have very big projects and where there are only a very relatively small number of unrelated parties that can be involved in tendering for the actual construction and management of the piece of

CHAMBER
CHAMBER

infrastructure itself, I believe we allow ourselves to get the most creative engineering response. It also starts helping reduce that up-front risk for superannuation funds because you have more certainty when you are going into a project. You have more certainty about what the actual cost of the construction and the physical maintenance will be over the life of the project.

These are complex issues for us to deal with. But what is quite clear is that, currently, superannuation funds are simply not sustainable. It is not sustainable for us to have such a heavy weighting towards equities, with less than five per cent of funds invested in infrastructure. In particular, when we look at our needs for long-term infrastructure in Perth—for example, we need a new container facility—we see that it will not be within the capacity of the state government to build. It is the sort of project that would be an ideal project for a private-public partnership involving superannuation funds.

As I say, super is incredibly important to us, but just providing the framework for the accumulation of the funds will not be sufficient for us to ensure that those funds will bring home the retirement bacon for our citizens.

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (12:58): I would like to thank members on both sides of the House who have contributed to the debate on the Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015.

I listened carefully to the member for Perth and, whilst I do not always agree with her on some of the sentiments she expresses in this parliament, I do wholeheartedly agree with her inasmuch as we do need to encourage Australian superannuation funds to invest more readily and more heavily into Australian-owned enterprises, certainly in, as she referred to, mining and construction, and I would add in agriculture. As far as agriculture is concerned, there is good money to be made in the long term and I commend her for her comments in that respect. The bill merges ComSuper, the administrator of the Australian government's civilian and military defined benefit superannuation schemes, with the Commonwealth Superannuation Corporation, CSC, the trustee of the Australian government schemes.

The merger was announced in the 2014-15 budget in the context of our smaller government agenda. This agenda aims to reduce the total number of government entities by eliminating duplication and overlap and by simplifying inefficient and complex agency structures. The smaller government agenda has resulted in the number of government bodies being reduced by 286 so far, and achieved savings of $1.4 billion to repair the budget and fund other priorities. That is extremely important. But, fundamentally, this agenda is about ensuring that the Australian government is structured and operates in a way that delivers efficient services, robust advice and value for money for taxpayers.

Before addressing some of the points raised in the debate, I want to briefly go over some of the ways in which the bill will give effect to the merger of ComSuper with CSC. The general principle for the merger, which is reflected in the bill, is that the functions that ComSuper currently perform will be performed by CSC from commencement of the merger. Bringing the management of the Australian government schemes under a single body will improve the efficiency of this function by removing duplication and overlap. The merger will also give CSC control over the provision of administration services, in line with its regulatory responsibilities as trustee of the Australian government superannuation schemes. Importantly,
the bill does not change the design of benefits provided by the Australian government schemes, or affect the delivery of services, including payment of benefits, to members of the schemes. The administration services to be provided by CSC include the collection of member contributions and payment of lump sum and fortnightly benefit payments.

As a result of its new administration services role, CSC will also perform several functions for and on behalf of the Commonwealth. This includes, for example, the payment of superannuation benefits from Commonwealth appropriations. The bill transfers the assets and most of the liabilities of ComSuper to CSC. The staff of ComSuper will be separately transferred from Australian Public Service employment to CSC employment by way of a determination of the Australian Public Service Commissioner under the Public Service Act 1999. The bill includes a range of transitional provisions to cater for the transfer of ComSuper staff to CSC employment. Under these provisions, ComSuper staff will continue to be covered by the ComSuper enterprise agreement on transfer to CSC. This will assist in ensuring that their remuneration and conditions of employment are no less favourable than those that applied to them immediately before the merger. ComSuper staff will also maintain their accrued entitlements to benefits on transfer to CSC.

The bill also makes consequential amendments to several acts of parliament governing the civilian and military superannuation schemes. Additionally, the bill amends the Superannuation Act 2005 to bring the arrangements for Public Sector Superannuation Accumulation Plan—PSSap—members into line with the arrangements for members of private sector accumulation superannuation funds. Under the new arrangements, the costs of administering PSSap will be deducted from member accounts. These PSSap administration fees will be determined by CSC, and I note that the CSC has already published indicative fees for the PSSap on its website, including a monthly administration fee of $5, which, of course, is subject to the passage of this legislation.

Overall, the bill delivers on the government's commitment to streamline the management of Australian government superannuation by merging ComSuper with CSC. The merger provides for continuity of administration services in relation to the Australian government's civilian and military defined benefit schemes while removing duplication and overlap in existing structures.

I note that the opposition has indicated it will be moving amendments to the bill when it reaches the Senate, and I thank the member for Oxley for his contribution to this debate. While I hope to have plenty of opportunities to robustly debate him in this chamber between now and the next election—and I am sure that will happen—I would like to take this opportunity to put on the record my respect for his contribution to parliament with regard to this particular bill. In the context of the amendments Labor intends to move in the Senate, I would note that the merger of ComSuper and CSC is quite a unique exercise. ComSuper employees are moving out of the Australian Public Service but will remain employed by an agency within the general government sector.

It is pertinent that from 1 July 2015 new controls will afford agency heads the flexibility to manage recruitment, including the consideration of candidates not already employed within the Australian Public Service, without the need for external approval. The new controls relax restrictions that we put in place from November 2013 to help reduce the size of the Australian Public Service in an orderly way. In around 18 months, the government has reversed an eight-
year peak in staffing levels, bringing the Commonwealth public sector back to a more affordable and sustainable size. As the member for Parkes pointed out in his contribution, over the period from 1 September 2013 to 28 February 2015 more than 17,300 public servants left the APS, with around half of that number achieved through natural attrition. Also, the overwhelming majority of redundancies across the APS were voluntary.

The member for Page made some very pertinent points, too, in his contribution, particularly in relation to military superannuation schemes. In response to the comments from those opposite about the superannuation guarantee, I would remind them that if they had not worked so hard to frustrate the government's clear mandate on the repeal of the mining tax, those changes may not have been necessary. Once again, I thank all members for their contribution, and with that I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (13:06): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr Brendan O'Conn (Gorton) (13:07): I rise to oppose the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015. This is the third bill proposed by this government that attacks the rights of Australian workers to fair and reasonable compensation when they suffer a work related illness or injury. This bill, with its Orwellian title, will exclude workers from the Comcare scheme and significantly reduce the compensation available for those who remain eligible. This bill attempts to reduce the liabilities of the Comcare scheme at the expense of people injured at work.

Labor agrees with the government, which said:

It is vital that people injured in the course of their employment are given every opportunity to get better and return to work.

It also said:

Early and effective rehabilitation, as well as appropriate financial compensation, are essential to helping people recover and get back to doing the things that are important to them, including their jobs.

Unfortunately, this bill does none of these things. The Law Council of Australia describes these changes as the 'most fundamental amendment' of the act since it was introduced. It goes on to note '... changes to the eligibility provisions, rehabilitation requirements and new
sanctions provisions are unnecessary' and '… there is a lack of evidence of widespread misconduct or abuse of the system that would warrant such changes'.

The government relies upon the 2012 review of the Safety, Rehabilitation and Compensation Act, by Dr Allan Hawke AC and Mr Hanks QC, to justify its position in respect of a number of the changes. It is worth noting, however, Hanks’ observations that his recommendations 'should not be viewed in a disparate or piecemeal manner'. This government has selectively adopted the recommendations which benefit employers and has ignored the recommendations which benefit workers. For example, the government has ignored the recommendations to include contractors, pursuant to 5.1, to provide access to compensation when someone is injured on their way to work, when on call, and for an injury management and rehabilitation code of practice that includes obligations for employers.

The bill restricts eligibility to compensation in a number of ways, despite the fact that the Comcare annual report tells us the incidence of injury claims has been steadily falling 2008-09. Most egregious is the significant broadening of the 'reasonable administrative action' exclusion and the new framework for determining whether employment contributed to an injury. The bill proposes to expand the scope of the current reasonable administrative action exclusion to apply to reasonable management action and to an employee's anticipation or expectation of administrative action. An exhaustive list of what may constitute 'management action' is also included. These changes are said to be consistent with recommendations 5.2 and 5.5 of the review. This is patently untrue. Hanks actually recommended a narrowing of the reasonable administrative action exclusion. The Law Council observes that these changes are likely to lead to uncertainty and complex litigation.

The Australian Council of Trade Unions suggest that this provision is drafted so broadly that it will have the effect of placing the onus on workers to prove that any operational direction that resulted in injury, whether physical or psychological, was unreasonable. Further, they note that there is no requirement for the management action to be wholly or predominantly the cause of the injury. If it were even a modest contribution it would be sufficient to exclude the worker from compensation. This is contrary to the Hanks recommendation that the reasonable administrative action be a significant factor in the injury to warrant exclusion from compensation.

Presently, a worker should be compensated where an injury to a worker, or a worker's disease, results in their incapacity to work, impairment or death. Disease and injury are treated differently. The compensable injuries are those which arise out of or in the course of employment. Compensable diseases require the employment to have contributed to the disease in a significant degree.

The bill makes a number of interrelated changes to what will constitute a compensable injury. First, there will be a new legislative instrument called a 'compensation standard'. This will allow Comcare to set out the factors that must be present before an employee's condition can constitute a compensable injury. There is nothing in the bill or the explanatory memorandum that tells us exactly what those factors will be or the extent to which they will exclude ailments from compensation. The bill creates a new class of designated injury, which will be treated at the higher threshold presently applied to diseases. The designated injuries include heart, brain and spinal injuries but also allow regulations to broaden this list of designated injuries.
The Law Council notes that the inclusion of intervertebral disc injuries on the list, in the bill, is inconsistent with the approach in a number of other jurisdictions. The bill also expands the criteria to be taken into account, in determining whether employment contributed, to a significant degree, to a designated injury or disease. This includes the employee's health prior to the event, whether the event would have occurred anyway, including genetic predisposition, and personal and social factors. Concerns have been raised, in evidence to the Senate inquiry into the bill, but the effect of this new provision is to adversely affect older workers and those with a disability and it effectively overturns the principle that for the purposes of workers compensation you take the worker as you find them. The government's claim that these reforms ensure the scheme will remain one of the most generous in Australia is contested by the opposition. Indeed, it must be an ironic definition of 'generous' that this government has in mind.

The Department of Employment's submission to the Senate inquiry concedes that in relation to the proposed stepdown in incapacity requirements, for total incapacity, the proposed Comcare scheme will be the second worst in the country after 52 weeks, the third worst between 26 and 52 weeks, equal third between 13 and 26 weeks and the same as all but three jurisdictions for the first 13 weeks.

Presently, an incapacitated worker is entitled to normal weekly earnings for the first 45 weeks of incapacity and 75 per cent of those earnings while they remain incapacitated until the age of 65. The government claims that step-downs provide an incentive for employees to return to work as quickly as possible. The step-downs proposed in the bill mean an incapacitated worker is worse off after the first 13 weeks, receiving 90 per cent of income instead of 100 per cent for 13 weeks, 80 per cent instead of 100 per cent for the next 19 weeks, 80 per cent instead of 75 per cent for the next seven weeks and 70 per cent instead of 75 per cent thereafter. The review did not recommend the fourth step that the government has adopted. The ACTU has estimated that a seriously and permanently incapacitated low-to medium-income worker could lose between $120,000 and $325,000 over 20 years.

Step-downs are not the only reduction in compensation that the workers would face as a result of this bill. In relation to medical expenses, the bill attempts to limit the types of treatment that are reasonable using clinical framework principles. This legislative instrument is required to be taken into account in deciding whether particular treatment was reasonably obtained. The principles will apparently be based on principles issued by Worksafe Victoria but, again, have not been developed for the parliament to consider. The bill would also restrict the amount of compensation payable for any given medical treatment or medical examination, potentially leaving the injured worker out of pocket. The medical services table and the medical examination rates determination will be created by more, as yet unseen, legislative instruments. Further, an injured worker who wants to see their family doctor is not compensable at all.

The bill does allow a relevant authority to make a provisional medical expense payment of up to $5,000 before a claim for compensation is determined, which is positive, although I do note that the review actually recommended a payment of up to $3,000 for medical expenses and 12 weeks of incapacity payments. Further, the changes described above will significantly restrict the utility of the provisional medical expense payment. It is also unclear whether anyone will ever benefit from this provision, though, as the relevant authority can refuse to
make a payment on 'reasonable grounds', as long as they notify the employee in writing. Further, the fact that these payments are to be considered in determining the employer's premium would logically discourage the employer from making such payments. In addition to these key changes, the bill restricts the inclusion of allowances to the first 104 weeks of incapacity, leaving workers who remain incapacitated and cannot return to work worse off. This restriction is another punitive creation of this government, not a recommendation of the review.

The bill also proposes to restrict compensation for household services, which are for the proper running and maintenance of the employee's household, and attendant care services, which are for personal care of the employee. The bill introduces the term 'catastrophic injury' to determine the amount and duration of compensation payable for household services and attendant care. Those who are deemed to have a non-catastrophic injury will only be able to access attendant care and household services for up to three years. In the case of catastrophic injury, there is no limit for how long services will be compensated, but the amount of compensation must be assessed as being reasonable. It is unacceptable that such a determinative distinction will depend on as yet unseen regulations. The bill also abolishes the amounts payable as compensation for permanent impairment and non-economic loss like pain and suffering in relation to a secondary psychological or psychiatric condition.

Presently, as long as someone receiving payments for incapacity informs the relevant authority of any overseas travel, they may continue to receive compensation. The bill proposes to suspend compensation payments when someone is absent from Australia for more than six weeks. This proposal fails to consider the circumstances of persons who may have been working in Australia under visa or other arrangements, which mean that they have no choice but to leave Australia when they cease work. The government appears to have made no attempt to cater for these circumstances.

The government is justifying some of these changes on the basis of return to work rates being at 80 per cent, having fallen from 89 per cent in 2008-09. This is, however, an incomplete and somewhat misleading statistic. The annual report for Comcare notes that the returned to work rate of 92 per cent in 2013-14 is above the national rate and the best result since 2008-09. Even the current return to work rate is described as remaining relatively stable at 81 per cent in 2013-14 and above the national average rate of 77 per cent.

The government claims that the bill will improve return to work outcomes under the scheme by emphasising the vocational nature of rehabilitation services. Presently, a return to work plan must have regard to a range of factors that balance the needs of the employee and the employer. The employee is required to attend assessments and participate in rehabilitation programs, and if they do not do so without reasonable excuse their payments may be suspended. This plan is reviewable. The changes contained in the bill will introduce a new concept, the workplace rehabilitation plan. There is no obligation on the employer to devise such a plan, and it is unclear what will happen in the event that the employer decides there is no need for a plan. This plan, devised by the employer, may direct an employee to engage in certain activities. Failure to do so can result in a new sanctions regime, which I will come to shortly. There is no opportunity for review of the plan. The plan can also require an employer to engage in certain activities, but it is unclear what, if any, sanctions apply if the employer does not hold up their end of the bargain.
Finally, an employer is required to consult with the employee and their medical practitioner about the plan, but there is no requirement to agree with the medical advice, opening up the possibility that a plan, with which the employee has no choice but to comply, is directly contrary to medical advice. This puts both the employer and the employee in an invidious position. Comcare can intervene in the rehabilitation of an injured employee if satisfied that the employer is not meeting their obligations. These obligations include taking all reasonably practicable steps to ensure rehabilitation and providing suitable employment or assisting the employee to find suitable employment.

Under the current act, suitable employment for permanent employees is employment by the same employer. For everyone else, suitable employment could be any employment, including self-employment. The bill now says that for any employee, irrespective of their status in the workplace, suitable employment could be any employment, including self-employment. The consequence of noncompliance is that Comcare becomes responsible for finding suitable employment.

Interestingly, the return-to-work hierarchy cited by the Department of Employment in their submission to the Senate inquiry into the bill does not include self-employment. An employee who does not take up an offer of suitable employment, including self-employment, is again subject to the sanctions regime. The government also writes a blank cheque for Comcare to provide financial incentives to employers to provide suitable employment. This further undermines the basic duty of the employer to provide suitable employment for their injured employee without any such incentive.

The decision to specify statutory time limits for determining liability is welcome. The time frames proposed—30 days in respect of an injury and 70 days for a disease—are, however, woefully inadequate. Further, any failure to comply with the time frames is deemed to have been rejected, with the requirement for the employee to then pursue reconsideration of the decision. A 60-day time frame is also specified for the reconsideration decision. Again, it is woefully inadequate. Again, the consequence of failure to comply with the time frame is deemed to be a rejection, with the employee required to pursue their claim with the Administrative Appeals Tribunal. The result of these provisions is that after 130 days the employee could find themselves without any assistance whatsoever and would need to take action through the AAT.

The bill introduces a new castigatory sanctions regime. An injured employee must comply with certain obligations of mutuality. Failure to do so results in escalating sanctions, concluding with cancellation of compensation rights. An employee who refuses or fails to seek suitable employment commits a breach that is irremediable. A first breach of this kind will result in the employee's weekly incapacity payments being reduced by the amount that the employee is able to earn in suitable employment.

For other breaches—for example, relating to medical examinations, assessments and complying with a workplace rehabilitation plan—the employee can be directed to remedy. While the first breach is on foot, the employee's right to compensation is suspended until the breach is remedied. Failure to remedy within 30 days is a second breach. Second breaches are much the same as the first. However, after a third breach, the employee's rights to compensation in respect of all current and future associated injuries are permanently cancelled. The government has clearly decided that people who have suffered a workplace
injury are malingerers. This is an unfair and unreasonable conclusion to draw given that 85 per cent of employees receiving income replacement have returned to work less than 13 weeks after leaving.

Finally, the government talks about the scheme's ratio of assets to liabilities falling below 70 per cent. The Law Council of Australia suggests that the bill:

… seems to do little to improve the overall viability of the scheme … [and] represents a missed opportunity to address those issues.

The bill proposes to increase the current weekly rate of incapacity payments that can be redeemed from $110.65 to $208.91 per week. The government anticipates that this will increase the employees who qualify for the payment of a lump sum in lieu of ongoing weekly incapacity payments. It is worth noting that unlike state and territory compensation schemes, there is no mechanism for workers to redeem payments voluntarily or to enable an employee to separate from Comcare. It is the view of the Law Council that:

Providing for redemptions at a higher level is likely to reduce the long-tail nature of the Comcare scheme …

Before I conclude, I want to touch on a few miscellaneous issues covered in the 17 schedules of this bill. Schedule 13 of the bill relates to the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014. Labor also opposes this bill, because it undermines all the existing workers' compensation schemes in Australia and because it is an ill-conceived bill that ignores the founding principles of Australian workers' compensation schemes and why they were established in the first place. Schedule 16, in recognition of the unique nature of military service, retains the existing entitlements for Australian Defence Force members whilst also ensuring that they will not ever receive less compensation by an employee covered by Comcare. While this is a positive for the ADF, it is also recognises that this is tacit acceptance that the changes in this bill negatively affect all the workers it covers.

Considering the bill in total, it is clear that once again this government is using the language of reform when they mean retrograde changes that leave workers worse off. Labor opposes the bill.

Mrs McNAMARA (Dobell) (13:27): I rise today to support the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015. Every Australian has the right for their workplace to be safe, flexible, and productive, with minimal risk of workplace injury and disease. For those who are injured in the course of their employment, it is essential that they are provided every opportunity to recover and to return to work as quickly as possible. Australia needs a modern workers' compensation scheme that meets the needs of today's workforce and is sustainable into the future.

There are two important elements that can assist workers returning to work following a workplace injury: firstly, early and effective rehabilitation and, secondly, appropriate financial compensation. Having a job provides people with a strong sense of confidence and self-worth. This is why it is important that we continue to encourage many Australians to gain employment as soon as possible. This principle underpins our determination to encourage many job seekers to go from welfare to work. While circumstances injured workers are different to those of job seekers, the principle of returning people to work is the same.
The Safety, Rehabilitation and Compensation Act 1988—also known as the SRC Act—covers Australian and ACT government employees and the employees of the 33 self-insurers under the Comcare scheme. Since it was introduced in 1988, the SRC Act has failed to keep pace with advancements in workplace relations. Today, it is out of step with community standards and evidence-based practices. Since the act was devised in 1988, there have been important changes in workplaces and working conditions, health care and rehabilitation, technology, and individual and social behaviour, along with community expectations. The Comcare scheme has seen return to work rates fall from a high of 89 per cent in 2008-09, to approximately 80 per cent in recent years. In 2012, the former government commissioned the first comprehensive review of the scheme since its introduction. The review found that the scheme does not provide enough support or incentives for injured workers to return to the workplace. In fact, the scheme creates barriers and disincentives for injured workers to recover at work.

Debate adjourned.

STATEMENTS BY MEMBERS

Same-Sex Relationships

Ms MACKLIN (Jagajaga) (13:30): I am speaking today to express my support for marriage equality. In 2012 I voted for marriage equality, and I will vote for marriage equality at every given opportunity again, because this reform is long overdue. I do believe that marriage equality will eventually be achieved in Australia. But that does not mean that we should shy away from advocating for it. That is why Bill Shorten's marriage equality bill, put before the House today, is so important. We cannot stop agitating for change.

Last week I received an email from a constituent in my electorate, Tiffany Tullberg, who wrote:

As a gay woman, this issue is very close to my heart.

She went on to say:

I may or may not want to marry a partner in the future but that doesn't mean I should be denied the option of marrying the one I love.

To me, Tiffany's email summed up what this debate is all about: love and equality.

I fundamentally believe that this is a matter of equality. Every single Australian deserves to be treated equally no matter who they are or whom they love. It is time for marriage equality in Australia, so let us all come together as a parliament, and as a nation, and get this done. Together, I know that we can.

Garvan Institute of Medical Research: Connie Johnson Fellowship

Mr IRONS (Swan) (13:31): Last week I had the pleasure of co-hosting a function here at Parliament House with the Garvan Research Foundation, in my capacity as Chair of the Standing Committee on Health. This was a bipartisan event that highlighted the importance of medical research to members in this place, and the need to invest in preventative medicine, as this coalition government is doing.

Although the work that the Garvan Research Foundation and the Garvan Institute of Medical Research do is vital to Australia's medical research future, this event also served as the parliamentary launch of the Connie Johnson Fellowship. For those members who are not
Monday, 1 June 2015

HOUSE OF REPRESENTATIVES

5195

aware, Connie Johnson founded the Love Your Sister campaign with her brother Samuel, which funds the fellowship, after she was diagnosed with terminal breast cancer. Her story is one that could pull on the heart strings of everyone, and it is a tragedy. It is one that, I believe, touched every member who attended last week's event. Connie is a courageous woman who is in the middle of her third fight with cancer. Rather than letting this disease beat her, she is using her time left on this earth to raise funds and awareness of breast cancer, which is the most common cancer in Australian women.

Connie's brother Samuel has also done much more than simply support his sister on a personal level, with members, perhaps, recalling Samuel's campaign to unicycle around Australia in recognition of Connie's battle. He raised $2 million.

My sincere thanks to Connie for sharing her story with the members last week, and for turning her own experiences into a way to help reduce the amount of women who would have to fight this same battle in the future. Congratulations also to Dr Elgene Lim, from the Olivia Newton-John Cancer Research Institute, who was the inaugural recipient of the Connie Johnson Fellowship.

Richmond Electorate: Murwillumbah District Hospital

Mrs ELLIOT (Richmond) (13:33): I rise to condemn North Coast National Party MPs for closing the maternity birthing service at the Murwillumbah District Hospital. Our community will hold these National Party MPs responsible—in particular, the member for Lismore, Thomas George, and the member for Tweed, Geoff Provest. I note that both these MPs have gone into hiding since this cruel announcement was made.

Here we are, only two months after the NSW state election and the National Party have moved to shut this vital local service. This is a disgraceful act. I have been contacted by so many families who are angry and disappointed that they can no longer access the birthing centre at Murwillumbah, as it closed suddenly last Friday. Our community will not tolerate the downgrading of the hospital's maternity unit. This unacceptable proposal will put at risk the lives of babies and mothers.

The Liberal-National Party's decision to downgrade Murwillumbah hospital is, quite frankly, an insult to locals. The New South Wales Government is just ripping funding from services on the North Coast so they spend it in Sydney. The Murwillumbah community will not accept any cutbacks and will continue to fight them. In fact, this Wednesday there will be a major rally at 10 am outside the hospital. I call on locals to attend it to make their voices heard. At that rally, locals will send a very clear message to the National Party, in particular those North Coast National Party MPs. The fact is, the National Party cannot be trusted when it comes to the healthcare of our community. We condemn the National Party for closing the birthing unit at Murwillumbah hospital. This is a vital service that must be maintained, and the community will hold the National Party responsible for this cruel cut.

Tangney Electorate: Pets of Older Persons WA

Dr JENSEN (Tangney) (13:34): Today I highlight the good work being done in my community by a small, grassroots-led organisation within the electorate of Tangney. Pets of Older Persons WA is a not-for-profit organisation with 200 volunteers all over Perth who walk dogs for the elderly and disabled.
I have met with the leaders of this organisation, including Beth Wright, the south coordinator for Perth, which includes the area of Tangney. She and her husband, Jim, have a passion for keeping pets and people together that is admirable. For some people in my electorate, pets are all that they have, and it can be devastating if they are unable to care for their pets because of physical limitations. That is why what the volunteers do at Pets of Older Persons WA is so important. It builds relationships and creates a personal connection with those who may feel isolated or marginalised.

It is an important organisation in Tangney, and I am proud of the work they are doing and the lives they are changing.

**Rankin Electorate: Struggle Street**

**Dr CHALMERS (Rankin) (13:36):** I want to briefly report to the parliament, and especially to my own community, about rumours that were circulating last week that suggested that a new episode of the SBS program *Struggle Street* was being filmed in Logan City. When we checked with SBS last week, they confirmed that no such filming was under way. Nonetheless, it provided a good opportunity for all of us to reflect on the nature of the community I was born in, live in and love, and an opportunity to point out the great things about Logan.

The way I see it, we do not need a TV show to tell us about our challenges, like youth unemployment and intergenerational disadvantage. I do not ever pretend that we do not have our share of issues to overcome, but we also have terrific and inspiring stories to tell as well. SBS was actually in Logan to do some filming before the upcoming Queensland Music Festival, which will be a huge boon for our area.

In my experience, the people who knock Logan are usually people who have never been there and never interacted with the place. I am proud to have grown up in Logan because our community look out for each other and look after each other. I know our community is chock-full of people who may not be rich financially, but they are rich in generosity, and I know that there is no problem that we cannot address by working together.

**Queensland Government**

**Mr EWEN JONES (Herbert) (13:37):** There seems to be a disconnect when it comes to fairness in Queensland. There seems to be no issue of fairness in the south-east corner, where the Labor state government spent $160 million developing a stadium at Robina for the Gold Coast Titans before they had even played a game. There seem to be no problems with this issue of fairness when the state Labor government could spend $144 million developing a stadium for the Gold Coast Suns even before they were a franchise. There seems to be no issue of fairness in the south-east corner, and it is entirely fair for a state Labor government to spend $1.5 billion on the Commonwealth Games for the Gold Coast.

But, when it comes to North Queensland, it seems that a deadset a line has been drawn. When it comes to North Queensland, the state government is only promising $100 million—absolute top dollar—for a stadium that is going to cost $210 million for the North Queensland Cowboys. To me, there seems to be a bit of a disconnect there when it comes to what is fair. The state planning minister, a Dr Lynham, who has parliamentary experience of nearly three months, said the federal government left North Queenslanders 'begging for their fair share'. I say: give us our fair share, Dr Lynham, and let me know when you are prepared to start,
because at the moment you are not proposing anything at all. We have three local Labor members who are very quiet on this issue. No-one is prepared to ask them where they are and why it is completely and utterly fair that Labor funds all these things in the south-east corner but in North Queensland we are left to carry the bundle. It is a shame.

**Migration**

Mr ZAPPIA (Makin) (13:39): Since coming to office, the Abbott government has progressively sought to relax 457 visa laws, making it easier for employers to recruit overseas workers even when Australian workers are applying for the same jobs. With unemployment predicted to rise to 6.5 per cent and with figures masking the real level of underemployment, the Abbott government's focus should be on jobs for Australians. Adding to those concerns is the latest report from the Fair Work Ombudsman, which shows that 18 per cent of visa holders experienced unfair employment issues such as underpayment. I suspect that most visa holders would not report unfair work conditions for fear of losing their jobs, as exposed by the recent *Four Corners* program, so the levels of abuse of 457 workers are likely to be much greater than the ombudsman's report reveals.

The 457 skilled migrant visa program should not be a default mechanism to replace Australian jobs, especially when unemployment is at a 14-year high and rising, when youth unemployment is in some places around 20 per cent and when underemployment and numbers of people who have given up looking for work are at unacceptably high levels. Nor should we have people working in Australia who have been brought in from overseas being exploited and denied fair employment conditions so that they can provide cheap labour for unethical employers.

McNamara, Air Vice Marshal Francis Hubert (Frank), VC

Dr STONE (Murray) (13:40): Frank Hubert McNamara VC was born in 1894 at Rushworth, a great little goldmining town in my electorate of Murray. Frank was the eldest of his parents' eight surviving children. He went to school at Rushworth and then trained as a teacher. When World War I broke out, Frank volunteered and graduated as a pilot in the brand-new No.1 Squadron, Australian Flying Corps. It was January 1916. Frank McNamara became the first and only Australian airman to be awarded the Victoria Cross during the First World War, and he was one of only two RAAF commanders to have held air officer commanding posts in the European theatre of the Second World War.

After being invalided out as unfit for active flying service, Frank went on to have an extraordinary career in assisting the winning of the Second World War. In particular, he helped to organise the Empire Air Training Scheme in WWII, where Australian and other Commonwealth volunteers for Bomber Command crews were trained across the Commonwealth. In the case of Australia, it was agreed that each month they would provide to the UK 784 pilots, air observers, wireless operators and air gunners, who were to be trained to the highest standards possible. There were ultimately, altogether, 10,000 Australian aircrew in Bomber Command in World War II. Four thousand of those were killed. We are very proud of the work of our great hero Frank McNamara, VC.

**Lalor Electorate: Regional Rail Link**

Ms RYAN (Lalor—Opposition Whip) (13:42): I rise to share with the House today some very exciting news in the electorate of Lalor: the opening on 21 June of the Regional Rail
Link. This has been a much awaited opening. I have caught trains myself across the last eight weeks whenever I have had to travel to the city so that I could listen to commuters and see what they had to say about the Regional Rail Link, and the excitement is palpable. This will mean 200 extra services between Geelong and the city across the week. It will mean, in peak hour, trains every 10 minutes on the new line that will be servicing Wyndham Vale and Tarneit. This will do lots of things for locals. It will maximise our use of public transport. People are hoping that it will reduce the need for people to stand on the Werribee-line trains in peak hour in the mornings and afternoons, because people will be using this other line. It also connects locals with jobs in other employment areas like Deer Park, Ardeer and Sunshine, which have been incredibly difficult to reach in public transport in the past. We are also celebrating the fact that we will be getting double-decker buses to connect the buses to the trains in Lalor after 21 June. This is really exciting. It also demonstrates so clearly that this party, the Labor Party, stands for public transport.

Secondary Education

Mr LAMING (Bowman) (13:43): Every now and again, you come across a compelling case for abolishing state governments, and, last week, Labor states' achievement—knocking off Christopher Pyne's proposal for maths as a core subject in senior school—was one of those moments. We have an opposition leader trying to teach coding at antenatal classes to children before they are born, and we have state Labor governments trying to kill off maths as a core subject in senior school. Let us not forget the numbers: only 30 per cent of Australian students are learning anything above basic-level maths, 40 per cent of all teachers teaching between year 7 and year 10 maths do not have any qualification to do it, and in the last 10 years we have slipped six months backwards for 15-year-olds worldwide on school performance. We have effectively lost six months of education based on quality.

Teachers have 12 weeks of holidays every year. They should credential up and become absolutely qualified to teach maths and start doing it. Here is an education minister doing the right thing for the future of Australia. Plenty of us need to be doing a lot more maths—not just to become maths teachers, but to be capable to engage in the 70 per cent of the fastest-growing occupations that rely on science and maths—occupations that are effectively being expropriated to other nations who train their children to do it. Get serious about maths! Do not use ridiculous excuses like: 'We need to make it more stimulating for them.' Seat belts do not need to be more stimulating; you just need to put the seat belt on. Maths does not need to be something that is optional—forget lifestyle studies and make maths a core subject across this nation.

Indi Electorate: Manufacturing Forum

Ms McGOWAN (Indi) (13:45): I am very happy to support my colleague on this issue. Last Friday in Wodonga, 150 people and 40-plus exhibitors made the Albury-Wodonga Australian Manufacturing Farming Program Position Perfect a great success. This was an expo about manufacturing. I have to say to my colleague opposite that, when we had the young people talking about careers, the manufacturers said that what we really need is English and maths to year 12. They are foundation subjects for all manufacturing.

We had four panels of politicians, local manufacturers, school children and foodies. They talked about 'the secret ingredient' to making a living and making a really good business in regional manufacturing. It was particularly good to speak with food producers and...
manufacturers who have a positive outlook for their regions and communities. I would particularly like to acknowledge and thank Senator Janet Rice, the member for Kennedy, Bob Katter, Bill Tilley, the member for Benambra of the Victorian Legislative Assembly, and the instigator of the AMFP, Senator John Madigan. They joined with me, the Wodonga College of TAFE and Wodonga City Council on Friday in the sixth of these forums. I have to say it was a really wonderful event. We talked about food labelling; we talked about the importance of infrastructure; and we talked about the importance of a vision for regional Australia, particularly for regional manufacturing. I am looking forward to bringing a more detailed report to the House. Thanks to all who came along. (Time expired)

Hinkler Electorate: Wide Bay Whirly Birds

Mr PIT (Hinkler) (13:47): I rise to inform the House of the great work of Wide Bay Whirly Birds, whose fundraiser I attended on Saturday, 23 May. It was a back to the 50s night, Deputy Speaker, which I am sure you would be very interested in. There were plenty of Sandra Dees and Danny Zukos everywhere—Brylcreem and pink ladies and black jackets. I have to say that I was not so great at the dancing; I did give it a go, but I think I will go back to my normal position of dancing on the inside at this type of event. They did do very well. There were 83 guests at the historic Paragon Theatre in Childers and they raised $2800, which goes towards the local rescue helicopter service—a very important service for regional Australia. I congratulate the organisers—Madonna Ryan and Tracey Palmer. They did a fabulous job.

Wide Bay Whirly Birds has been around for four years since the first lot of floods struck the region. They do a wonderful job raising lots of money for an essential service. Their next event is at the Bundaberg RSL on 24 October, and I encourage lots of local people to attend. While I have an opportunity, Deputy Speaker, I would also like to mention John Kennedy, one of the local crewmen in the helicopter service. I know John well, and he is well-known in surf lifesaving circles. Whilst I hope I never see John and his team in a professional capacity, it is a great relief to me and all the people of the electorate and around Queensland that these services are available to help support emergency services and to provide an essential service to regional Australia, but they cannot do it without funds.

University of Newcastle: 50th Anniversary

Ms CLAYDON (Newcastle) (13:48): This year the University of Newcastle is celebrating its 50th year of autonomy and last Thursday evening I had the pleasure of opening 'Our Community, Your University', an exhibition at the Newcastle Museum. Over its 50 years, the university has helped to inform our city's transformation and has helped Newcastle realise our potential.

The exhibition highlights the university's success and outlines a vision for its future. Spanning an impressive 40 lineal metres, it is divided into four sections. The first is 'Celebrating our community', which marks the milestones in the university's and Newcastle's history, including the establishment of the now internationally renowned medical school, the life-changing enabling programs and the Wollotuka Institute. The second section is 'Celebrating our leaders', which is an honour roll of founders, today's researchers and professional leaders, students and community leaders who have contributed to the world-class institution the university is today. 'Celebrating our graduates' is a graduate wall, comprising images and stories of 240 graduates. The final section is 'Celebrating our future', a wonderful
opportunity for visitors to contribute their ideas about their vision for the university of the future.

I can also proudly advise the House that the future of the university and our city took a further step forward on Friday, with the turning of the sod at the new inner city campus—thanks to $30 million of funding from the former Labor government. Congratulations to all involved.

**Foreign Investment**

Mr LAUNDY (Reid) (13:50): Often we as members use these valuable speaking opportunities to highlight the good work of many people within our community. Sadly, today, I rise to condemn the actions of a few. Newspaper reports last week indicated that a race-hate flyer had been distributed into areas of Sydney's North Shore and Inner West. This flyer sought to target our Australian-Chinese community. Sadly, my office has also recently received anonymous correspondence that seeks to promote intolerance and fear. I condemn these actions, of albeit a tiny minority, in the strongest possible terms.

Racism and xenophobia have no place in Australian society. Australia is a tolerant and inclusive country, and none of us should ever allow fear of any kind to diminish that. Our nation has been built on the back of migration and we are celebrated around the world as a nation that gives a fair go to all our citizens. And, of course, our local Australian-Chinese community has made a long-standing, invaluable and incredible contribution to our nation.

To that end, I was delighted to recently welcome the Prime Minister and the Minister for Small Business to my electorate to meet nearly 200 members of my Australian-Chinese business community to talk about the budget and celebrate the entrepreneurial enterprise that these business owners demonstrate. I encourage all Australians to stand up against fear and intolerance and say 'No' to racism.

**Budget**

Ms OWENS (Parramatta) (13:51): The second Abbott budget is just as unfair as the first, when it comes to families in Parramatta. Tony Abbott said that this budget would not come at the expense of the family budget, but once again he has broken his promise and again he has taken aim at those who can least afford it, low- and middle-income families. Mr Abbott wants to kick families off Family Tax Benefit Part B when their youngest child turns six and freeze the Family Tax Benefit for those who remain on it. These cuts alone will hurt up to 12,000 families in Parramatta. According to NATSEM modelling, a single-income family in my electorate of Parramatta on $65,000 a year will be as much as $6,000 worse off. And it is not just the cuts to Family Tax Benefit that will hurt families; the plans for $100,000 degrees, and the $80 billion ripped from schools and hospitals nationally will affect every family in my electorate.

Tony Abbott's rhetoric on families may have changed, but his cuts to families have not. The cuts to families and the cuts from schools, hospitals and universities have well and truly failed the fairness test again, and they have failed the families of Parramatta.

**Macquarie Electorate: Light Years Ahead Project**

Mrs MARKUS (Macquarie) (13:52): I recently attended the launch of the Light Years Ahead street lighting project, together with the Parliamentary Secretary to the Minister for
Industry and Science, Karen Andrews. Also in attendance was the Mayor of Hawkesbury, Kim Ford, and representatives from some of the nine councils that will benefit from the project. This amazing project will see the replacement of approximately 13,000 old and high-emitting streetlights with new LED lights. The result will be a reduction of greenhouse gas emissions by approximately 74,000 tonnes, and $21 million in energy savings for councils over 20 years, which is the life of the lights. I am delighted that the Hawkesbury and Blue Mountains city councils have been included in this project and that the Australian coalition government was able to contribute $5 million towards the nine participating councils across the greater Western Sydney region. This funding accounts for two-thirds of the cost of the total project; participating councils and WSROC are contributing one-third of the project cost. Whilst beneficial for the moment, the cost-saving measures provided will be extremely advantageous to the community—less maintenance required by councils on lighting will free up more resources for the community, and brighter street lighting may also improve community safety. I congratulate WSROC and all those involved on their collaborative and cohesive approach, and on the initiative shown in bringing this amazing project together.

Canberra Electorate: Economy

Ms BRODTMANN (Canberra) (13:54): On the eve of the ACT budget, I rise again to highlight the devastation that has been wrought by the Abbott government on the Canberra community—on my community. Almost every facet of the ACT's economy has spiralled downwards since this government came to office, thanks to more than 8,000 public service jobs being ripped from the city. And that is just so far.

The statistics are staggering and they speak for themselves. For the year ended 30 September 2014, the city's population increased by just 1.2 per cent, below the national growth rate of 1.5 per cent. Building approvals in the ACT were down by 41 per cent in the year to March 2015, whereas nationally the number of residential building approvals actually increased by 23.6 per cent. Our GDP increased by 0.7 per cent in in real terms in 2013-14, compared to 2.5 per cent for the rest of the country. The median house price through the year to April 2015 decreased by 1.6 per cent, compared to an increase of 4.7 per cent nationally. And, more concerning, in January the territory had the lowest business confidence in Australia, with 31 per cent of businesses expressing grave concerns. As you can see, Mr Deputy Speaker, the impact of the Abbott government on this city has been devastating. Shame on this Abbott government and what it has done to Canberra. Shame on what it has done to the people and the families who serve our nation and who are the servants of democracy.

Budget

Mr MATHESON (Macarthur) (13:56): I rise today to pay tribute to the government's $5.5 billion Growing Jobs And Small Business package, which has already had a significant impact on my electorate of Macarthur. Following the release of the budget last month, the Assistant Treasurer the Hon. Josh Frydenberg and I visited a number of businesses in Macarthur to highlight how the government's small business package is helping small businesses invest more, grow more, and employ more people. I am pleased to inform the House that the response was overwhelmingly positive in Macarthur.

Tony and Tina, who own and operate Attz Hair Design Salon in Campbelltown, explained that the $20,000 tax depreciation write-off will enable them to buy new furniture and
equipment, such as hairstyling chairs, trolleys, trays, vanities, dryers and so on, for their business. They were extremely impressed with the government's budget. Mr Frydenberg and I also met three tradies—Jeff Medley, a carpenter, and two apprentices, Mitch Bunce and Eddy Borg—who live and work in Macarthur. These three young guys were hard at work at six in the morning, subcontracting to a local builder, Dartanyon Prestige Homes. They explained that they had gone into trades, instead of staying at school for the sake of it, to take advantage of the construction and infrastructure boom in Macarthur. Going straight into apprenticeships has put Jeff, Mitch and Eddy years ahead of their peers who are only now trying to find work. These young men were super-impressed with the government's $212 million youth Transition to Work program and acknowledged that it was a great scheme assisting young people in Macarthur. Macarthur's small businesses deserve a better deal and I am delighted that the government's budget offers so much more for these hardworking and dedicated people. Our budget is good for families, good for business and good for the economy.

Kingsford Smith Electorate: Aboriginal Health College

Mr THISTLETHWAITE (Kingsford Smith) (13:57): Ten years ago, Kevin Cobban was battling alcoholism. On Friday, he graduated from the Aboriginal Health College with a Certificate IV in Alcohol and Other Drugs and a Certificate IV in Mental Health, and he now works as a caseworker at the Namatjira drug and alcohol centre in Ballina. Kevin is one of many examples of the great work of the Aboriginal Health & Medical Research Centre's Aboriginal Health College, which I am proud to say is located in our community at Little Bay. On Friday, the college held its eighth graduation ceremony. I was privileged to join Professor Marie Bashir, Ray Martin, Linda Burney, Brian Leyland, Christine Corby and Michael Daley to congratulate the 61 Aboriginal and Torres Strait Islander graduates who were awarded their diplomas and certificates in courses related to primary Aboriginal and Torres Strait Islander healthcare. Over the last eight years, 612 people of Aboriginal and Torres Strait Islander backgrounds have graduated from this wonderful college and are now working in the community—making a difference to the lives of Aboriginal and Torres Strait Islanders when it comes to health.

We all know that we have a long way to go to close the gap when it comes to life expectancy and health for Aboriginal and Torres Strait Islanders. This college and its graduates are making a difference. I thank all of the staff of the college and I congratulate once again all of the wonderful graduates who graduated Friday.

Western Australian Bushfires

Ms MARINO (Forrest—Government Whip) (13:58): I acknowledge and thank the thousands of volunteer firefighters who faced some of Western Australia's biggest challenges fighting the enormous and complex fires that threatened Northcliffe and Boddington, as well as a number of other potentially serious fires throughout the South West this last summer. The Northcliffe fire burnt 98,000 hectares—the biggest bushfire in the South West since the Dwellingup fires of 1961—and Boddington 52,000 hectares. South West volunteer and career firefighters worked more than 96,000 hours to contain and control these fires. Firefighters attended from all around my electorate. In this speech, I want to specifically acknowledge the brigades from the Capel Shire who worked on the fires: the Boyanup, Capel, Elgin, Gelorup and Stirling brigades—all volunteers, Madam Speaker. They are a key part of the 4,934 local bushfire service volunteers across the South West, along with the 294 SES volunteers, 570
volunteer fire and rescue personnel and 29 specific volunteer fire personnel. We cannot survive without these people.

The SPEAKER: It being two o'clock, the honourable member is interrupted and in accordance with standing order 43, the time for members' statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr ABBOTT (Warringah—Prime Minister) (13:59): The Minister for Foreign Affairs is in Paris to attend a meeting of the Small Group of the Global Coalition to Combat Da'esh and will be absent from question time for the remainder of the week. The Deputy Prime Minister will answer questions on her behalf. I also inform the House that the Minister for Trade and Investment will be absent from question time while he recovers from a medical procedure. The Deputy Prime Minister will also answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Cabinet

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. I refer to the unprecedented cabinet leak of national security. Has the Prime Minister asked the Federal Police to investigate the source of this cabinet leak?

Mr ABBOTT (Warringah—Prime Minister) (14:01): I know that oppositions, quite rightly, are concerned with these sorts of issues—

Ms Macklin: You should be.

Mr ABBOTT: but the important thing is that the people of Australia know that they have a government which takes their national security seriously. The important thing is that the people of Australia know that this is a government which has a clear and definite plan to protect them from people who would do them harm. Last week the government announced a clear plan.

Ms Macklin interjecting—

The SPEAKER: The member for Jagajaga is warned!

Mr ABBOTT: We will strip citizenship from terrorists who are dual nationals. I want to repeat that: we will strip citizenship from terrorists who are dual nationals. We will be introducing legislation shortly to bring this about. It is interesting that the shadow Attorney-General comes to the dispatch box. Where does Labor stand?

Mr Dreyfus: Madam Speaker, I rise on a point of order. To be relevant, the Prime Minister should refer to whether or not the leak is—

The SPEAKER: The member will resume his seat. I would remind the member for Isaacs that repeating the question is not a proper point of order, which he ought to know.

Mr ABBOTT: The government has a very clear position.

Mr Bowen: You don't actually!

The SPEAKER: The member for McMahon is warned!

Mr ABBOTT: We will strip citizenship from terrorists who are dual nationals. Beyond that, we have released a public discussion paper, which I commend to the Leader of the Opposition and to all members of this House, on this broad subject. Shortly legislation will
come before this parliament to strip citizenship from terrorists who are dual nationals. I think the people of Australia deserve to know where the Labor Party stands on this issue.

The position of the government is clear. We will strip citizenship from terrorists who are dual nationals and the Leader of the Opposition should do the people a favour and tell us exactly where he stands on this.

**Budget**

**Mr EWEN JONES** (Herbert) (14:03): My question is to the Prime Minister. Will the Prime Minister inform the House—

*Honourable members interjecting—*

The **SPEAKER**: I cannot hear the member for Herbert. He will begin again and there will be silence.

**Mr EWEN JONES**: Shame. My question is to the Prime Minister. Will the Prime Minister inform the House how many small businesses in my electorate of Herbert will benefit from our budget's small business tax cuts? How does helping small businesses support jobs and growth in my city of Townsville?

**Mr ABBOTT** (Warringah—Prime Minister) (14:04): I thank the member for Herbert for his question. It was good to be with him in Townsville in the week after the budget and indeed to visit Juliette's café, one of the great small businesses in Townsville which always makes runners and cyclists very welcome indeed. Juliette's café is one of almost 10,000 small businesses in Herbert that will benefit from this year's budget. There are small businesses all around the country that will benefit from this year's budget. Today I was at the small business kiosk at Harvey Norman in Fyshwick with the member for Eden-Monaro and with Senator Seselja, again, one of the 22,000 small businesses in the ACT and 11,000 small businesses in Eden-Monaro that will benefit from this year's budget.

This budget is the best budget ever for the small businesses of Australia—the $5½ billion of small business tax cuts, the biggest tax cuts ever in this year's budget. There is a 1.5 per cent cut in the company tax rate for incorporated small business. There is a five per cent tax discount for unincorporated small businesses and, best of all, there is the instant asset write-off of $20,000 again and again for all small businesses. These are important because small business is the engine room of the economy. It is the locomotive of jobs growth. Small business people mortgage their homes to invest, to employ and to serve their communities. When small business does well, every single business does well.

Ninety-six per cent of all Australian businesses are small businesses. They employ some 4½ million people. They create almost 50 per cent of all new jobs and, as the Business Council of Australia said of our small business budget package, it is an absolute shot in the arm for small business. If it is a shot in the arm for small business, it is a shot in the arm for big business too because small business buys from big business.

With the economy in transition, it is important that these budget measures to help small business get through the parliament as quickly as possible, some small businesses are reluctant to invest until the measure has passed the parliament. I say to the Leader of the Opposition, let us not let politics get in the way of economics. Let us not let self-interest get in the way of national interest. Let us pass this bill straight away.
Cabinet

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:07): My question is to the Prime Minister. I refer once again to the cabinet leak on national security. Can the Prime Minister confirm the 10-day cabinet rule was not followed and does the Prime Minister agree with his communications minister that the cabinet is a shambles?

Mr ABBOTT (Warringah—Prime Minister) (14:07): Again I make the point that the government has an absolutely clear position when it comes to terrorists with dual citizenship. We have an absolutely clear position when it comes to terrorists with dual citizenship—they will lose their Australian citizenship. It is a very, very clear position from the government—terrorists with dual citizenship will be stripped of their Australian nationality.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist.

Mr ABBOTT: Again I ask the Leader of the Opposition what is his position? Does he want to allow terrorists with dual nationality to keep their Australian citizenship? That is the question.

Mr Albanese interjecting—

The SPEAKER: The member for Grayndler will desist.

Mr ABBOTT: This is a government which has a very strong record when it comes to national security. We have spent something like $1.3 billion to improve the performance of our national security agencies—

Mr Burke: Madam Speaker, I rise on a point of order. Could the Prime Minister table the legislation he is referring to? No-one has seen it.

The SPEAKER: There is no point of order, and you know perfectly well there is no point of order. You can consider yourself warned.

Mr ABBOTT: Madam Speaker, plainly members opposite would rather shout than listen, so I simply make the point that this is a government which has invested an additional $1.3 billion in strengthening our police and national security agencies and this is a government which has successfully put through the parliament four tranches of improved counter-terrorist legislation. We have just appointed a Counter-Terrorism Coordinator and, within a fortnight, we will have introduced into the parliament legislation to strip terrorists who are dual nationals of their Australian citizenship. I expect members opposite to give us support on this important measure.

Infrastructure

Dr STONE (Murray) (14:09): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister update the House on new infrastructure projects being funded by the government, particularly in this year's budget?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:10): Madam Speaker—

Mr Albanese interjecting—

The SPEAKER: I remind the member for Grayndler that he is warned.
Mr Albanese: I am?

The SPEAKER: You are now!

Mr TRUSS: I thank the Speaker for calling me and for her good advice to the honourable member for Grayndler. I am delighted to report to the parliament on the outstanding commitments of this government towards infrastructure in the last budget. Our commitments are at least $17 billion higher than anything ever promised by Labor—$17 billion more than Labor promised. Yet we still have Labor members, including the Leader of the Opposition, making these spurious claims about funding being cut in the last budget. It clearly went up. The budget papers make it absolutely clear that from 2014 to 2016 expenditure on roads will double and the expenditure on rail will almost double—major commitments to building the infrastructure that this nation needs. The honourable member for Grayndler and others often talk about this government not spending money on rail. We are doubling the amount of money being spent on rail and, in addition to that, close to $2 billion will be provided through the Asset Recycling Fund for rail projects in New South Wales and the ACT. If other states want to join the asset recycling plan, there will be opportunities for them as well.

Around 95 new road projects have been committed to by this government which were never ever mentioned by Labor. Of course that includes $6 million for the Midland Highway in the honourable member for Murray's electorate, and it includes money for the Great Ocean Road, also in Victoria. There is $2.9 billion, as well, for the Western Sydney roads package, and over $1 billion for the Toowoomba Second Range Crossing, which I am anxious to see start as quickly as possible. There is money for the North-South corridor project in Adelaide. Labor has never supported the Toowoomba range project.

Mr Albanese interjecting—

The SPEAKER: I remind the member for Grayndler that he is warned and he can leave or remain—the choice is his.

Mr TRUSS: They have never supported the Toowoomba range project, and of course we are funding the Outback Way, WestConnex and a whole host of projects that are beginning to make a real difference to Australia's infrastructure bank and that will ensure that Australian motorists and rail travellers have access to the kind of infrastructure that is necessary in this century. This is the government for building—it is about building roads, building rail, getting the job done and making a difference for Australians.

Superannuation

Ms MACKLIN (Jagajaga) (14:13): My question is to the Minister for Social Services. Last week the Minister for Social Services told retirees they must 'run down their superannuation savings to maintain their incomes.' But, today's Financial Review reports the minister has 'no intention of forcing Australians to withdraw more from their superannuation nest eggs.' When will the minister stop the chaos and confusion and give retirees the certainty they deserve?

Mr MORRISON (Cook—Minister for Social Services) (14:14): I will try to make this simple. This is how it works: there are tax concessions started under those opposite that are rightly given by the government so people can save for their retirement. They earned that money and they do not pay as much tax on that money so they can put it into superannuation and draw down on it in their retirement. The reason those tax concessions are important is that
people do not have to draw down on a pension. That is a fairly straightforward proposition which those on this side of the House understand.

We have said in this budget that we want to ensure that those on modest and low levels of assets are able to get a pension increase. One hundred and seventy thousand people will get a pension increase—on average, $30 a fortnight—as a result of the changes to pensions we have introduced as part of this budget. Also as a result of the changes, we are going back to the $3 taper rate which existed under those opposite. It was started by Paul Keating. It ran all the way through the Howard government until 2007. We are going to restore that taper rate as a result of the budget. When the taper rate was changed back in 2007, we had around $40 billion in the bank and a $20 billion surplus. Where did that go? We might ask the member for Lilley where that went, because he spent it all. He spent it all and, as a result, we are making this change to what we are doing with pensions in the budget.

It is a simple proposition. If you are not receiving a part pension then you can draw down on the superannuation savings that you have made to draw down on in your retirement. That is what you can do. All we are doing is ensuring we have a pension that is there to help those most in need. We did not create the pension as some sort of superannuation incentive. That is what the tax concessions are for. I note that the member for McMahon has equated the tax concessions for compulsory superannuation contributions with a pension or welfare payment. That is amazing—that those opposite actually equate people's own money and the tax concessions that are provided to help people save for their retirement so they do not have to draw down on the pension to a welfare payment. There would have been antique clocks smashing all over Woollahra when the former Treasurer and former Prime Minister Paul Keating found out that his apparent heir apparent over there, the member for McMahon—good old PJ lite!—thought that the tax concessions that he put in place to ensure that people could save for their retirement were some form of welfare payment. He would be ashamed of him.

Ms Macklin: Madam Speaker, I seek leave to table the two documents that show that this minister has two completely contradictory—

Leave not granted.

Food Labelling

Ms McGOWAN (Indi) (14:17): My question is to the Minister for Industry and Science. Minister, the government recently announced its intention to change food labelling laws. On Friday in Wodonga there was a gathering of over 150 businesses at the Australian manufacturing and farming forum. They raised labelling as a key concern for the future of food manufacturing. Can the minister please update the House on country-of-origin labelling reform and describe how proposed changes will maintain Indi’s and Australia’s competitive advantage?

Mr IAN MACFARLANE (Groom—Minister for Industry and Science) (14:17): I thank the member for Indi—

Mr Burke interjecting—

Mr IAN MACFARLANE: I do not know what you are laughing about. I do not think that is right. In fact, the science fraternity are wondering what your side is doing on science.
I thank the member for Indi for her question and agree wholeheartedly that the rural sector of Australia are waiting for this government to put in place labelling laws that work. This is not a quick-fix solution; it is a solution which we are all going to have to make sure we get right. That is part of the process. I understand the staff of the member for Indi attended a food labelling workshop in Albury. In fact, across April and May there have been 16 such workshops around Australia as we consult with industry groups, businesses and primary producers about making sure we get the legislation right. It is a process that has to be meticulous, and it is a process that is receiving widespread support from right across the food production and processing level.

We need labelling that consumers understand. We need labelling where primary producers' well-earned reputation for clean, green Australian food is clearly defined. We are working towards that now. The government is about to begin a significant market research and consumer testing process this month. It has contracted a company to conduct national representative consumer testing.

There is a high level of public interest in this issue, as the member for Indi points out. As a result of that, we are going to release a community survey so that any member of the public can provide their feedback. In fact, I am going to ask every member of this House—in fact, both houses—to share this survey with the constituents of their electorate or state, in the case of senators, to ensure we get as broad as possible input into this so that the Minister for Agriculture, the Assistant Minister for Health, the Minister for Trade and Investment and I can sit down and make sure we get this right. In the end, the most important thing about food labelling is that consumers know the country of origin of the food they are consuming.

I am also working with my state and territory colleagues. We need the state governments to assist us in this process. In the end, this will deliver for primary producers in Australia a food labelling scheme which will identify Australian food clearly on containers.

**Small Business**

Mr PASIN (Barker) (14:21): My question is to the Treasurer. Will the minister inform the House on how the government is promoting business start-ups? How will the budget encourage small businesses to grow and create jobs?

Mr HOCKEY (North Sydney—The Treasurer) (14:21): Thank you for that spontaneous question. The member for Barker grew up in a small business family. He represents more than 15,200 small businesses in his electorate. His mum owned a women's clothing store for 45 years in Mt Gambier and his father owned a farm. He himself and his family worked in their own small business. That is the story of the coalition: we are made up of people that have come from small business families, that have worked in small businesses, that have had a go to try to employ others and build prosperity and certainly contribute to innovation.

This budget was about helping small business to have a go. The Prime Minister and I and the member for Eden-Monaro and Senator Seselja went out to Harvey Norman in Fyshwick today. Harvey Norman, despite it being a big listed company, actually has a lot of franchisees running different departments. They are small business people in many ways. They came up to us saying that they are starting to see a lot of people come through the doors who want to buy that extra bit of equipment, that extra computer, that extra electronic product that is going to help to grow their business. They are seeing a great deal of consumer confidence start to
come through, which means if you lift the tide with more prosperous small business, it flows right through the Australian economy, and that is exactly what our $5.5 billion Jobs and Small Business program was focused on—about lifting confidence, about lifting opportunity.

The member for Barker sent me a copy of a letter he received from Mena D’Agostino from Joe D’Agostino & Associates, chartered accountants in Mt Gambier. It says: ‘Dear Tony’—it is not Tony's tradies; it is Tony Pasin from Barker—another Tony. They are all Tony's tradies! It says: ‘I thought I would take this opportunity to thank you and the government for the small business package announced on budget night. We have received an unprecedented level of inquiry regarding that package, in particular requests for information regarding eligibility and operation of the package. This package has had the effect of increasing business confidence amongst our mostly small business client base. Given this level of inquiry, we feel certain that the instant asset write-off in particular will strengthen the local economy and boost jobs.’ How good is that?

So here is a challenge for the Labor Party. This legislation is going to go through the House of Representatives this week—absolutely right. Then it goes to the Senate, which has only two weeks to sit. I lay down the challenge to the Labor Party: help us to get that legislation through the Senate as quickly as possible.

Housing Affordability

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:24): My question is to the Prime Minister. Does the Prime Minister agree with his Treasury Secretary, who said today, ‘There is unequivocally a housing bubble in Sydney and in higher priced areas of Melbourne’?

Mr ABBOTT (Warringah—Prime Minister) (14:25): As someone who, along with a bank, owns a house in Sydney, I do hope that our housing prices are increasing. I do want housing to be affordable, but nevertheless I also want house prices to be modestly increasing. The important thing is to ensure that our economy is as strong as possible so that people have as much resources at their disposal as possible, have jobs so that they can go out there and buy the things they need, including the housing that they need. That is the important thing and that is what this government is doing. This government is trying to make housing more available. We are trying to make housing more affordable. The best way to make housing more affordable is to keep interest rates low and stable, and that is exactly what is happening, and to try to ensure that the economy is strong, and that is what we are doing with the instant asset write-off and the other measures associated with this budget.

So I welcome the statements of the Treasury Secretary and I say: if the Leader of the Opposition is concerned that things are happening that should not be happening, the best thing he can do is work with us to get the small business budget through the parliament as quickly as possible. That is the best thing that you can do, because that will put more money in people's pockets. That will mean more jobs that people can have and hold down, better jobs that people can have and hold down. If the Leader of the Opposition wants to boost the
economy, if he wants to make every Australian better off, let the small business budget boost come through the parliament as quickly as possible. I invite him to join with the government and do precisely that.

**Budget**

**Dr JENSEN** (Tangney) (14:27): My question is to Minister for Social Services. Will the minister update the House on what steps the government is taking to help families through more affordable access to child care without costing taxpayers more?

**Mr MORRISON** (Cook—Minister for Social Services) (14:27): I thank the member for Tangney for the question on the budget. I am pleased that members on this side of the House are still interested in asking questions about the budget. Those opposite have clearly put up the white flag on the budget. They have put their push modelling in the bin and they have decided to spray questions around from one topic to another, and they have lost interest in this year's budget. But we have not, because we know that this budget is going to deliver choice for families; it is going to deliver jobs for families and the choice to be in work and stay in work. We know that, if you are concerned about the taxpayer, if you have an interest in the taxpayer, you will always put forward measures that you know how to pay for. You will always know how to pay for the promises that you make. If you do not, you are like the Leader of the Opposition—you are just a budget smuggler. You are someone who thinks you can just announce things without having to pay for them. You are like the shadow minister for social services. When asked how you are going to pay for this increase in support for child care, 'Well, you have got to pay for it somehow,' she says—somehow. You have to go to the somehow bucket. The member for McMahon has a bucket over there; it just says 'somehow'. You pull all the costings and the funding for your policies out of that.

The way we are doing it, the way we are going to pay for Jobs for Families, for that package which is providing support for child care, is we are using the same measures that, frankly, those opposite did when they were in government. We are making changes to freeze payments for family tax benefits and other measures, which is exactly what those opposite did when they were in government: $7 billion worth of savings for freezing the indexation of family tax benefit, some $6 billion that was saved for scrapping the linking of pension indexation with family tax benefit indexation and abolishing increases to family tax benefit—some $15 billion. In addition to that, what they also did is abolish the grandfathering arrangements for parenting payments. It is interesting when you look at the Leader of the Opposition's record on this, because, when the Howard government introduced this with grandfathering, he said that Labor described the welfare change as extreme, accusing the government of lifting money out of the pockets of sole parents, and said there was 'no evidence that dumping people onto the dole' would 'help them get a job'. But, when he was abolishing the grandfathering arrangements which led to these same outcomes, this is what he said:

> The changes to parenting payment will encourage parents with school age children to re-enter the workforce sooner and to ensure a fair and consistent set of parenting payment eligibility rules.

What we know about this Leader of the Opposition is that what he supports today he opposes tomorrow, and what he opposes today he supports tomorrow.

*Ms Butler interjecting—*
The SPEAKER: The member for Griffith is warned.

Mr MORRISON: He knows that, if you do not know where you are going, any road will take you there. And we know that this Leader of the Opposition is on a road to nowhere.

Small Business

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:30): My question is to the Prime Minister. Since budget night, Labor has supported the government's small business measures; in fact, a number of these measures were formerly Labor measures. Why are the Prime Minister and his ministers undermining small business confidence by claiming there is any doubt that this legislation will pass through the houses of parliament?

The SPEAKER: There will be silence on both sides of the House, including the Treasurer. The Prime Minister has the call.

Mr Hockey: You are not going to delay with an inquiry, Bill? Is that it?

The SPEAKER: The Prime Minister has the call.

Mr ABBOTT (Warringah—Prime Minister) (14:31): If the Leader of the Opposition is saying that the Labor Party in the Senate will ensure that this legislation goes through the parliament within a fortnight—without any inquiries, it simply goes through the Senate—I am delighted. This is a rare piece of bipartisanship in the parliament, and I thank the Leader of the Opposition for extending the hand of magnanimity on this subject. After all the damage that Labor did to small business over six years, it is high time that they made it up to small business with this measure. But I am delighted. I do look forward to this measure going through the parliament because I want to see the small businesses of Australia out there investing, employing and serving their communities. That is what I want to do. I am proud of the Treasurer and the Minister for Small Business. I am proud of the government more generally for coming up with this measure and I am pleased that Labor now says that they will give an absolute iron-clad guarantee that it will pass through the parliament in the next fortnight.

Border Protection

Mrs MARKUS (Macquarie) (14:32): My question is to the Minister for Immigration and Border Protection. I remind the minister that the government, through Operation Sovereign Borders, has stopped the boats, ended the deaths at sea and regained control of Australia’s borders. Will the minister inform the House of the effect of the government's successful border protection policies on this year's budget?

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (14:33): I thank the member for Macquarie, and I acknowledge her hard work as the chair of the Joint Standing Committee on Migration. She is a great local member. She is a very strong voice for Macquarie in this place on matters relating to migration and national security. In this year's budget in this portfolio we were able to give back $500 million to the budget so that we can pay for the measures associated with childcare increases in the support for parents with kids; small business measures; measures for tightening biometric security at our borders; and a number of other budget measures, which of course were not possible when Labor were in power, because in this portfolio they had an $11 billion blowout because 52,000 people came on 800 boats. Not only is it a budget saving but, more importantly, there are the 1,200 people who drowned at sea under Labor. That death and carnage has now stopped under this
government because we have been able to stop the boats. We have been able to turn back boats where it is safe to do so. At the ALP conference in a couple of weeks, the Leader of the Opposition, if he is worth anything, will get up and stand down Tanya Plibersek on the Left on this very important issue—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist.

Mr DUTTON: because, if they do not turn back boats where it is safe to do so, the boat arrivals will recommence and the deaths at sea will recommence.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney is warned!

Mr DUTTON: When you look at the incompetence that prevailed during Labor's time in government, it was not just in relation to economic management. The member for Lilley is smiling up there. He is reading the chapter. What chapter are you up to, Swanny? Is this for or against Bill Shorten? For or against Julia? For or against Kevin? Where are you up to in the book?

Ms Owens: Madam Speaker, I rise on a point of order. The member should refer to members by their correct title.

The SPEAKER: The minister has the call and will refer to members by their correct title.

Mr DUTTON: I take it as a heavy blow. The point of all of this is that, if you look at the incompetence that prevailed when Labor was last in government, it still sits on that front bench. It has been 300 days since we have had a successful people-smuggling venture come to this country—300 days under Operation Sovereign Borders. The member for Watson could only manage six days. He tied, of course, with the member for Gorton, Mr O'Connor; he had six days as minister—a long period of six days between boat arrivals. A massive achievement, trumped of course by the member for McMahon, who was clearly an overachiever in the Labor government—it was 23 days. While he was writing his book about the success of Fuelwatch and Grocery Watch, he managed to get through 23 days with no boat arrivals. The point of all of this is that Labor ripped apart the economy when they were in government. They destroyed border security. If they are re-elected at the next election they will do it all again.

Economy

Mr BOWEN (McMahon) (14:36): My question is to the Treasurer. I refer to last week's disastrous capital expenditure results for Australian businesses—down 11 per cent since the election. When will the Treasurer accept that his words and his actions have done real and lasting damage to confidence and investment in Australia?

Mr Pyne: Madam Speaker, I rise on a point of order under standing order 100. There is no attempt in that question at all to ask a question. It is simply an assertion. It is quite impossible for the Treasurer to answer that question, and I would ask the shadow Treasurer to perhaps take the time to re draft it into a question rather than simply making assertions.

Mr Bowen: On the point of order, questions can go to the responsibility of the minister. The minister, as the Treasurer of the nation, is responsible for confidence and investment in the Australian economy.
The SPEAKER: The question is bordering on being almost unintelligible. However, I am going to let the question stand.

Mr HOCKEY (North Sydney—The Treasurer) (14:37): I am happy to help the member for McMahon to try to understand what he just said. I make the point that since we have been in government we have seen, despite the iron ore price falling from $120 to around $54 a tonne, despite the headwinds out of the global economy, a government focused on implementing a plan that goes like this. The plan ensures that we start to live within our means, that as a nation we start to reduce our expenditure, that as a government we stop the waste, that as a government we get rid of the taxes that are going to be a handbrake on the Australian economy, like the carbon tax and the mining tax—which Labor wants to reintroduce—and that at the same time we show respect for taxpayers. Every dollar the government spends is a dollar that comes out of the pockets of hardworking Australians. We treat taxpayers' dollars with respect.

Ms O'Neil interjecting—

The SPEAKER: The member for Hotham has been warned!

Mr HOCKEY: Therefore, when we introduce a budget, as we did last year and as we did this year, we laid down a plan that shows a credible path back to surplus.

Ms Owens interjecting—

The SPEAKER: The member for Parramatta is warned.

Mr HOCKEY: In doing so, we had to make some difficult decisions; there is no doubt about that. But ultimately, you would think, the people responsible for creating the mess would help us to try to fix it. And it was the Labor Party. They left us with government expenditure running at $133 million a day more than what we were collecting in revenue. So, every day we had to borrow $133 million just to pay our bills as a government. We have got it down to $96 million a day, but that is still way too much. So, we rely on the goodwill of the parliament to support our measures, which are aimed on one hand at strengthening the Australian economy and on the other of strengthening the government's own balance sheet so that we can prepare Australia for the future.

Now, the challenge for Labor is that they are opposing or blocking $58.6 billion of different initiatives, including $6½ billion of savings they themselves announced but now oppose. Can you believe that? They actually said, when they were last in government, 'Yes, the budget needs repair; here are measures that need to be implemented.' And when they went into opposition they used their numbers in the Senate to block us implementing their own initiatives to fix the budget. But I say to all the Australian people: we are determined to get Australia back to the point where it lives within its means. We are determined to create a stronger economy where people can get a job and have ambition for greater prosperity.

National Security

Ms GAMBARO (Brisbane) (14:40): My question is to the Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism. Will the minister advise the House of what steps the government is taking to improve regional coordination and build capacity to challenge violent extremism?
Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (14:41): I thank the member for Brisbane for that question. She is well aware, as are others in the House, that the threat of terrorism to Australia and to our region has significantly increased. This is not a threat we face alone; it is shared by our traditional security partners and also shared by those closest to us in the region. More than 100 Australians are fighting in the conflicts in Iraq and Syria, and they form part of the 20,000 foreign fighters who have been drawn into this conflict. Reports from the Munich security conference have said that France has approximately 1,200 nationals fighting, the United Kingdom and Germany approximately 600 and Russia well over 1,000. Here in our region the Indonesians have at least 200 people engaged and the Malaysians up to 60.

The threat to Australia from these international conflicts cannot be overstated, and the government has been on the front foot making sure that our security agencies and our intelligence community are equipped with the powers and the resources they need to address it. We have passed legislation to declare particular areas off limits, and those who go to a declared area can face up to 10 years of imprisonment. We have listed terrorist organisations. Returning fighters linked to terrorist organisations can face up to 25 years of imprisonment. We have a new offence of advocating terrorism: you cannot now counsel, promote, encourage or urge a terrorist act. We have also given our law enforcement agencies stronger tools and control orders. We have lowered the arrest thresholds and we have given greater flexibility to our courts to deal in evidence that has been collected in foreign countries.

We know that every day these death cults tweet over 100,000 pieces propaganda. They are grooming Australians online—literally reaching through the computers to our young people, in the midst of their families—to radicalise and recruit them to extremist ideologies. We want to work with our partners on what we can do to address this. The Attorney-General and I will be co-hosting a conference in Sydney next week, Australia's Regional Summit to Counter Violent Extremism. We have invited ministerial representation from around the region and from our traditional security partners to attend. The summit will also be bringing together key stakeholders who can work with us from industry and the non-government sector to address this challenge through practical resources and strategies. They will also host sessions on how to stop using the internet to disseminate propaganda. This meeting will be a very important step for us to deal with this collective threat to our regional security. We cannot afford to wait whilst the death cult radicalises our young people. We need to address this before they can do us harm, and that is what the regional summit will help us do.

Budget

Mr BOWEN (McMahon) (14:44): My question is to the Treasurer. I refer to the 17 new taxes and charges in his budget. Isn't it the case that these tax hikes will help push up tax as a percentage of the economy, higher each and every year over the next four years and higher than at any point under the previous, Labor, government?

Mr HOCKEY (North Sydney—The Treasurer) (14:44): I wish I inherited the budget that the previous Labor government inherited. I wish I inherited a $20 billion surplus, $40 billion in the bank and unemployment with a four in front of it. But I did not inherit that. So we have got to deal with what we inherited and we have got to make sure that we improve the situation. The fact is that we are endeavouring to improve the situation. The problem is that Labor locked in expenditure growth of 3.6 per cent. So let's go through it. They had a foreign
aid budget that they never paid for, they had a foreign aid promise that they could never pay for, and now the shadow minister for foreign affairs wants to increase aid by $18 billion. Where is the money coming from? And then they had bonus payments for schools which they promised but never paid for. I say to the shadow minister for schools: where is that money coming from? And then they had bonus payments for hospitals, in the out years; somewhere out there they made promises about hospitals. We have the shadow minister for hospital running around saying, 'We'll do that.' I ask: where is the money coming from? And they have put off decisions about submarines, they have put off decisions about defence expenditure—tens of billions of dollars of expenditure. The shadow minister for defence is out there saying, 'We'll deliver that.' I ask that shadow minister: where is the money coming from? And then there is the National Disability Insurance Scheme. The Leader of the Opposition says, 'We'll deliver that in full. Don't worry, we'll find the money for it somewhere.' I ask the Leader of the Opposition: where is that money coming from?

This is the problem with Labor: they make these big heroic political promises. They stand at the top of the mount and say to the Australian people, 'We'll give it to you.' But the problem is they do not have the money. As Margaret Thatcher said, sooner or later the thing about socialists is that they run out of other people's money. Somehow, somewhere, there is this money tree which I have not yet found. I have searched high and low all over Canberra. I have walked through the parks and gone down to Treasury. I have searched for this magical money tree and, Madam Speaker, I can report to you that there is no money tree. There is no gold at the end of the rainbow. I say to the honourable Leader of the Opposition that, sooner or later, the truth will catch up with him. Sooner or later, he will have to explain to the Australian people where the money is coming from.

Education

Mr O'DOWD (Flynn) (14:47): My question is to the Minister for Education and Training. Will the minister inform the House of the importance of ensuring our students have a solid grounding in maths and science? What support is there for the government's approach?

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (14:48): I thank the member for Flynn for that question. He knows that the states are responsible for literacy and numeracy and that our results are declining. He knows that the states are responsible for science and mathematics and that the take-up has been poor and the results are declining. He knows that the states are responsible for teacher quality in Australia and that is the most important feature identified by the OECD for improvement. He knows all these things, as do I and this side of the House.

And yet, when faced with a proposal to do something about it, the Labor Party and the Labor states squibbed that opportunity on Friday. This government proposed that we should make maths or science compulsory in years 11 and 12 over a long trajectory. The opposition and the Labor states rejected that proposal. The problem with Labor and the Labor states is that they all talk and no action. The problem is that they entrench failure; they will not depart from the Australian Education Union. The Leader of the Opposition talks tough in the change room but when he gets onto the field he is weak. We proposed real action on Friday to do something about maths and science in Australia, supported by the Chief Scientist, and this opposition and the Labor states squibbed the opportunity. Compulsory maths or science in year 11 or 12 is already in place in China, Taiwan, Singapore and New Zealand, and Great
Britain is moving in that direction over the next five years. The students in those countries are smart enough to do maths or science in years 11 or 12 but this opposition and the Labor states and territories are not prepared to make the tough decisions that will actually improve outcomes for students. They want to fiddle around at the margins.

But this government gave them the opportunity to actually do something. In the last 10 years our class sizes have shrunk to the smallest they have ever been. We have spent 40 per cent more on school education in the last 10 years. So the spending is up, class sizes are smaller, and still our results are declining. It is time for Labor to stop talking tough and not doing. It is time for Labor to get on board with the government and do things about the curriculum, about teacher quality and about science and maths subjects in years 11 and 12 rather than just squibbing it.

Budget

Mr Bowen (McMahon) (14:51): My question is to the Prime Minister. The government's own budget papers show that the Prime Minister has doubled the budget since his last budget. So why won't the government accept Labor's sensible measure to wind back superannuation concessions for high-income earners, a measure that will improve the budget bottom line by $14 billion over the decade?

Mr Abbott (Warringah—Prime Minister) (14:51): As the budget papers show, we are on a steady path back to surplus. Every year, the budget deficit declines by about half a percentage point of GDP. Under this government's budget, peak debt is $110 billion lower and the forward deficits are $40 billion lower.

So this is a government which is taking Australia responsibly back to surplus. That is what we are doing. So that is what this government is doing, and we are doing it by boosting the small businesses of Australia, because the small businesses of Australia will create jobs; they will create growth; they will invest, they will employ and they will produce a better society and a better economy.

We have faith in the people of Australia to have a go, because we understand that it is only by having a go that you are able to deliver the fair go that every Australian wants. That is what is happening under this budget. It is as simple as that.

As to members opposite, they spent like drunken sailors. They loaded up business, large and small, with endless regulation. We are steadily rebuilding our economy and we know that if we steadily rebuild our economy we will steadily improve our society. We know that our best days are ahead of us, because this government trusts the small businesses of Australia to know their own best interests.

That is why, unlike members opposite, we do not take people's money away from them to spend it on the things that we think are important. We say to people, 'You spend money on the things that you think are important, and we will leave more of your money in your pocket through an instant asset write-off.'

I have been asked about superannuation. Well, superannuation—the piggy bank that Labor Party ministers are always raiding! We made a commitment before the election that there would be no adverse changes to superannuation under this government, and we are delivering on that commitment. We have no plans to increase superannuation in the years ahead.
But members opposite think that your superannuation is their money when they need it. You just cannot trust your savings with the Labor Party. That is the simple truth. I say to the superannuants and the retirees of Australia: you cannot trust your money with the Labor Party; if they see it there, and if they have got a problem, they will take it. And that is what will never happen under this government.

**Environment**

Mr ENTSCHE (Leichhardt) (14:54): My question is to the outstanding Minister for the Environment. Will the minister update the House on the World Heritage listing—

*Opposition members interjecting—*

Mr ENTSCHE: Can I ask that question again, Madam Speaker?

*Mr Husic interjecting—*

The SPEAKER: There will be silence—and that includes the member for Chifley. The member for Leichhardt has the call to ask a straightforward question.

Mr ENTSCHE: My question is to the outstanding Minister for the Environment. Will the minister update the House on the World Heritage listing of the Great Barrier Reef?

Mr HUNT (Flinders—Minister for the Environment) (14:55): I am delighted to receive a question from the outstanding member for Leichhardt. And he is an outstanding member for Leichhardt. He is not just one of the great champions of the Great Barrier Reef, but he was also the driving force for and the architect and the author of the plan to protect dugongs and turtles. So he is a real, practical environmentalist.

He asked about the Great Barrier Reef. I have to say this: in 2011, the World Heritage Committee put the Great Barrier Reef on the watch list for being endangered. In 2012, it was still on the watch list. In 2013, it was still on the watch list. And in 2014, the World Heritage Committee cited improvement but said there was more to be done.

I can report to the House, and I am delighted, that, on Friday night, the World Heritage Centre of UNESCO recommended to the World Heritage Committee that the Great Barrier Reef be removed from the watch list, that it not be declared in danger, and that it specifically praised Australia for its actions in reef management. What did this decision say? It made no reference to 'in danger'. It made no reference to 'watch list'. It made no reference to 'probation'. It specifically praised Australia and the Australian government, as well as the work of successive Queensland governments in improving the health and the prospects of the Great Barrier Reef.

This is a tremendous result for Australia. After five years of uncertainty, we now have certainty. We have a long-term future for the tourism industry. We have an important recognition of the role of Indigenous people and of the investment that communities and governments throughout Australia and up and down the reef are making with regard to water quality, with regard to eradication of the crown of thorns, and, in particular, the recognition that the decision we took as a government to end the dumping of dredge disposal in the Great Barrier Reef Marine Park was a once-in-a-century decision.

Against that background, this is not a moment to be critical of the opposition. I appreciate the fact that they did not run interference on this. I acknowledge the fact that successive Queensland governments played an important role. But, when it comes down to it, what the
World Heritage Centre has recommended to the World Heritage Committee is very simple: no 'in danger' listing; a return to the ordinary reporting cycle of five years; and, above all else, praise for Australia's actions in establishing a 2050 long-term plan, in establishing an additional $200 million between Queensland and the Commonwealth for water quality, and ending the practice of dredge disposal in the marine park forever.

**Budget**

**Mr BOWEN** (McMahon) (14:58): My question is to the Treasurer. The government's own budget papers show that the Treasurer has doubled the deficit since his last budget. Isn't it the case that spending as a percentage of the economy has gone up under this government and, in the first two budget years of the Abbott government, spending is expected to be near global financial crisis levels? Isn't it the case that the Treasurer has lost control of his budget while doubling the budget deficit?

**Mr HOCKEY** (North Sydney—The Treasurer) (14:59): I see! I have worked it out! The member for McMahon is trying to set up the member for Lilley here. He is trying to set up the member for Lilley, because it was the member for Lilley that delivered a budget that had the biggest percentage of spending in GDP terms in modern times—26 per cent of GDP. That was the member for Lilley.

We want to reduce government expenditure, and I would just quote Chris Richardson, who is a director at Deloitte Access Economics. He said this on budget night: 'Spending is really tight as a drum. And that is the hidden magic, if you like, and why you are getting better numbers in this budget.' That was Chris Richardson in an interview with David Speers on budget night: 'Spending is really tight as a drum'. We have endeavoured to reduce government expenditure, but the problem is Labor is opposing us at every single point and, despite that, we are still getting expenditure down. The fact is 86 per cent of all government spending is locked in by legislation. Of that government expenditure, a huge amount of it, such as Medicare and welfare payments, go out the door on the basis of demand. They are uncapped. So what happens is, if you want to change the level of government expenditure, you have to change the legislation, and that is one of the—

**Ms Plibersek:** We know!

**Mr HOCKEY:** You know! That is very astute. The problem is you do not do. You know but you do not do. And, because you know and you do not do, the Labor Party left a whole lot of time bombs in the budget. The Parliamentary Budget Office on Friday said it was $101 billion yet to be legislated—$101 billion over 10 years. And do you know what? One hundred and one billion dollars over 10 years; $58.6 billion of commitments by the Leader of the Opposition over four years. He spent $220 million a minute in his budget in reply speech. He did not have savings of $220 million a minute; he had expenditure of $220 million a minute. So let me get this right. Labor come in here and cry crocodile tears about government expenditure and yet they do everything they possibly can to block us from reducing government expenditure in the Senate. That is hypocrisy. I am giving them the opportunity to deny the word hypocrisy but I do not think they will. Because underlying that hypocrisy is the inherent weakness—

**Mr Snowdon interjecting**—

**The SPEAKER:** The member for Lingiari is warned!
Mr HOCKEY: of the Leader of the Opposition. He is a weak man. He is like a reed in the wind. He goes whichever way the wind takes him in order to please the Left or the Right, in order to please the caucus or the union movement. The problem is the Australia people always pay the bill under this Bill.

Home Insulation Program

Mr VAN MANEN (Forde) (15:02): My question is to the Minister for Industry and Science. What steps is the minister taking to address the legacy of the previous government's approach to encouraging home insulation? How will the government's scheme support businesses that have experienced adverse financial impacts as a result of the early closure of the program in 2010?

Mr IAN MACFARLANE (Groom—Minister for Industry and Science) (15:02): I thank the member for Forde for his question. As is the case right across Australia, I am sure there are businesses in Forde that have been adversely affected by this failed previous government scheme. The Home Insulation Program Industry Payment Scheme has been established in response the royal commission which was conducted last year and the findings handed down from that report.

We have heard today already a number of examples of how extraordinarily incompetent Labor is when it is in government. I have to draw upon another example here today: the bungled home insulation scheme damaged and destroyed homes and businesses right across Australia. Of course, whenever there is a Labor bungle and disaster, there is a book. There is always a book. So I draw on Allan Behm. The preface is written by Greg Combet, no less, who, I understand, was a minister in the previous government. Where he talks on page 143 about the $1½ billion that this government spent on this scheme and the half a billion dollars it then spent trying to fix it, he talks about the ministerial overreach and carelessness. Now, you could not describe the previous government better than to say the sorts of things that it conducted, whether it was in the economy, whether it was in stopping boats, whether it was in the Home Insulation Program, were full of ministerial incompetence. Mr Behm went on to say in The Sydney Morning Herald that this Home Insulation Program was 'appalling public policy, appallingly executed' and drove advisers working on the program 'close to despair'.

As always, it is up to this government to fix the previous government's mess, and that is exactly what we are going to do with the industry payment scheme. We are going to ask that businesses submit their application to Deloitte Australia and have it assessed. We are going to have a transparent, equitable and evidence based process to ensure that payments are made. We have asked Ian Hanger QC to meet with all of the applicants to ensure that this is a fair policy and, as much as we can, we fix the damage that has been done to small business by an incompetent previous Labor government. We will do this as quickly as possible because we know that out there there are small businesses—as the Minister for Small Business knows—who are still suffering the effects of this previous government's incompetence. We should never forget it, and we should realise that even the people who were in that government are prepared to say it publicly in writing.

Minister for Agriculture

Mr FITZGIBBON (Hunter) (15:05): My question is to the Prime Minister. I refer him to Friday's revelation that the Minister for Agriculture previously sought to influence the
conduct of litigation involving his benefactor, Gina Rinehart. Has the Prime Minister counselled the minister that any personal intervention in similar court cases in the future would be inappropriate. And, Prime Minister—

The SPEAKER: The member is totally out of order. The question is out of order, and he knows it is out of order.

Mr FITZGIBBON: On what basis, Madam Speaker?

Mr Burke: Madam Speaker, I rise on a point of order. For a long time in this House it has been appropriate to ask the Prime Minister about the ministerial code of conduct. You interrupted the member for Hunter at the exact point he was asking about the ministerial code of conduct.

The SPEAKER: I will hear from the Leader of Government Business.

Mr Pyne: Far be it for me to help the Manager of Opposition Business in question time, but the question was about a period of time in which the member for New England was not actually a minister of this House. Therefore, it is not a matter within the purview of the Prime Minister's responsibility.

Mr FITZGIBBON: Madam Speaker, if it assists the House I would be happy to rephrase the question.

The SPEAKER: No. You were asking a question about a matter for which the Prime Minister has no responsibility. Under section 98 and under standing order 98 it is out of order. I call the honourable member for Casey.

Victoria: Infrastructure

Mr TONY SMITH (Casey) (15:07): My question is to the Assistant Minister for Infrastructure and Regional Development.

Mr Fitzgibbon: Madam Speaker, I raise a point of order—

The SPEAKER: The member for Casey has the call.

Mr Fitzgibbon: A point of order, Madam Speaker.

The SPEAKER: The member will resume his seat.

Mr TONY SMITH: My question is to the Assistant Minister for Infrastructure and Regional Development—

The SPEAKER: Resume your seat.

Mr Burke: I raise a point of order.

The SPEAKER: Resume your seat.

Mr TONY SMITH: I ask the minister to update—

The SPEAKER: Do you wish to leave?

Mr TONY SMITH: the House on action the government is taking on vital infrastructure in Victoria—

Mr Burke: I raise a point of order—

The SPEAKER: On what?

Mr Burke: On whether—
The SPEAKER: Not if it is meant to disrupt.
Mr TONY SMITH: and to outline how this will create jobs and boost the economy?
The SPEAKER: I would refer the Manager of Opposition Business to page 189 of Practice when he is obviously on his feet for those purposes. He will resume his seat.
Mr Burke: Madam Speaker—
The SPEAKER: He will resume his seat. And you know perfectly well that if it is designed to disrupt, you may not.
Mr Burke: Madam Speaker, I am not seeking to disrupt; I am raising a point of order and I am asking you to hear the point of order.
The SPEAKER: I will not argue with you. Resume your seat and, at the end of question time, we will listen.
Mr Burke: Madam Speaker, I raise a point of order.
The SPEAKER: On what?
Mr Burke: On the fact that you ruled that question out of order.
The SPEAKER: I have asked you on what. You have the call for one moment.
Mr Burke: Madam Speaker, the point of order is on the fact that you ruled a question out of order without it being completed. You should hear the completion of the question otherwise how can you say—
The SPEAKER: There is no point of order. The member will resume his seat. The member for Casey has the call.
Mr TONY SMITH: My question is to the Assistant Minister for Infrastructure and Regional Development.
Mr Fitzgibbon: Madam Speaker—
The SPEAKER: Resume your seat. Resume your seat or leave.
Mr Fitzgibbon: This is the second time you have denied my question addressed to the Minister for Agriculture. I think I am entitled to—
The SPEAKER: The member for Casey will resume his seat.
Mr Dreyfus interjecting—
The SPEAKER: The member for Isaacs will desist. The member for Hunter: I said your question was out of order. You offered to rephrase it. I said that it is out of order.
Mr Fitzgibbon: Madam Speaker—
The SPEAKER: I said the question was out of order.
Mr Fitzgibbon: Madam Speaker, I take a point of order.
The SPEAKER: You can have one moment.
Mr Fitzgibbon: You yourself, Madam Speaker, have set the precedent. On numerous occasions in this place you have had allowed members to rephrase their questions—
The SPEAKER: Yes, I have.
Mr Fitzgibbon: because you thought they bordered on not being compatible with the standing orders.
The SPEAKER: I have allowed it for a variety of reasons but, being out of order in this way, against standing order 98 is not one of them. The member will resume his seat and—

Mr Fitzgibbon: Madam Speaker, I think it would be helpful if you let me finish the question.

The SPEAKER: The member for Casey has the call.

Mr Fitzgibbon: Well, I will be back tomorrow, Madam Speaker.

The SPEAKER: Good. I look forward to it.

MOTIONS

Dissent from Ruling

Mr BURKE (Watson—Manager of Opposition Business) (15:09): I move—

The SPEAKER: No—oh, God!

Mr Burke: that the ruling be dissented from.

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

Mr Burke: No, you are out of order.

The SPEAKER: I would ask the clerk: was it formally moved? Did he move it? The clerk is of the opinion that it had been moved. So you may go ahead.

Mr BURKE: I move:

That the chair's ruling be dissented from.

Madam Speaker, what we have just seen in the ruling that you have given is ruling a question out of order without allowing the question to be stated. It is as simple as that. What was given at the beginning of the question set the context for it and, at the end of the question, the shadow minister for agriculture had just started to ask about future action taken by the Prime Minister with respect to the ministerial code of conduct, something which must be allowed. Make no mistake about the gravity of this: we have a ruling of a court reflecting on the behaviour of someone who is now a minister of the Crown. This is a significant issue, which we have a right to discuss within the parliament.

You cannot, simply because the preface to the question dealt with what happened to him prior to being a minister, rule that the latter part of the question is out of the order when it deals exactly with what the Prime Minister is going to do now in counselling or not counselling, giving a tick of approval or showing the disapproval that the Australian people feel and that a court now feels, about the behaviour of the Minister for Agriculture.

The contempt of the parliament is shown by the fact that the minister concerned cannot even remain within the chamber while this matter is being debated. The contempt for the parliament is shown by the fact that you as Speaker would not even allow a question to be completed, knowing full well that had the question been completed it was entirely within standing orders. You knew full well that you were not shutting down a question that was out of order; you were shutting down a debate within this parliament. You were shutting down a discussion about whether or not the behaviour in future of a minister of the Crown can be consistent with what a judge has now reflected on, whether the behaviour of a minister of the Crown in future should be allowed to occur in a way that has been deeply reflected on by a court and that goes directly to the benefit of someone who is a personal benefactor of that
minister. This is a serious question to be asked within the parliament. And I think you well knew the gravity of it, when you decided to not allow the question to be completed. Because the only moment at which you could have said it was out of order would have been if the member for Hunter had completed at that moment. But he was continuing and you knew that he was continuing and so you stopped him there. You did not allow a rephrase, you did not allow a completion of the question in the full knowledge that, had there been a completion of the question, it was clearly within the standing orders.

A lot of the Australian people would like to know whether the Prime Minister thinks what the Minister for Agriculture did was okay. A lot of the Australian people want to know whether this Prime Minister gives a tick in the future for his ministers to interfere in private litigation. The email concerned was no small matter. This was somebody who was senior, not merely on the front bench of his party at the time but then, as in now, seen as a potential future Deputy Prime Minister when that side of the House is in office. In that context the question has to be allowed and that this parliament is a place where he can be answerable. From the behaviour of the Prime Minister and how quickly they scurried out the door we know full well that it would appear the ministerial code of conduct will do nothing to improve his behaviour in the future. It appears that his own sense of right and wrong—given that he wrote the email when he did—shows that he thinks this sort of behaviour is okay. The one place where he needs to be answerable is on the floor of this parliament, and your ruling, Madam Speaker, said that this parliament will allow the issue to be supressed. Your ruling said that this parliament will make no attempt to pull the Minister for Agriculture into line and that the Prime Minister cannot even be asked whether or not that behaviour will be acceptable in the future.

The way in which the benefactor concerned provided assistance to the Minister for Agriculture is not limited to him. Gina Rinehart flew three coalition MPs to Hyderabad in a private jet. It was not only the Minister for Agriculture who was concerned here; it was also the Minister for Foreign Affairs—who is not present here today—as well as the Minister for Agriculture, who has been a direct beneficiary of this individual. A direct beneficiary, who, as a member of the front bench and is seen as a future Deputy Prime Minister when there is a coalition government, is willing to try to interfere in private litigation.

Madam Speaker, be in no doubt that every time your rulings try to shut down debate in this parliament the Australian people know to look more carefully. Every time there is an attempt by this government to cover up, the warning lights go off throughout the entire community. There is no way in the world, at its simplest under the standing orders, that this ruling can be justified, because at its core, Madam Speaker, you ruled that a question was out of order when it had not been completed. You ruled, Madam Speaker, that you knew that a question you could not possibly have known the content of, because it had not been said out loud, was out of order. Madam Speaker, that sort of ruling makes a joke of the parliament. That sort of ruling makes a farce of this being question time. Be in no doubt: we had sort of given up on the concept that their answers will be relevant. We had sort of given up on the concept that their answers will be relevant. We had sort of given up on the concept, after the ruling was made a while ago, that if we use 'fairness' in the question anything that relates to the word 'fair' is somehow in. We know that that ruling has been made. But now we are at the point where you will not even allow a question to be stated. You will not even give them a chance to evade, perform and cavort, and play the little games that this mob over here play in
question time, because you cannot even bear to hear the full 30 seconds of an opposition statement. You cannot even bear to allow a question to go for the full 30 seconds allowed. You cannot even bear, Madam Speaker, for the question to set the context and then ask for the detail of what the Prime Minister will do now.

Madam Speaker, it is essential, if question time is going to remain some sort of question and answer session that goes back and forth, that there will at least be questions that are not dorothy dixers. But over the last few weeks, Madam Speaker, more and more, you have been ruling questions from the opposition as being out of order. Today your ruling took it to an absolutely new level, where the ruling was made before the question had been stated. Madam Speaker, there is no way on earth you knew whether or not a question that you had not heard was out of order.

The opposition handled it the correct way. We rose on points of order and asked if the question could be concluded, so that you could then rule. The member for Hunter even asked whether it could be rephrased, notwithstanding that you had ruled on something he had not even completed. The opposition has made every effort in question time today not to get to the point we are at right now. But we are at this point right now, Madam Speaker, because of the arrogance of this government and because of the way you have used your position in that chair to prevent questions from being asked.

This is an issue that goes to the heart of the character of the people who sit opposite. It goes to the heart of the character of the Minister for Agriculture. I agree, if we were asking whether the Prime Minister sanctions what was done in the past, prior to his being a minister—if that was what was being asked, it would have been out of order. But you ruled before the question got to the part about it being about future conduct as a minister, which undoubtedly was within standing orders—entirely within standing orders. And so in that context, Madam Speaker, we had no choice. We either accept a situation where this parliament becomes a joke, a situation where this parliament becomes a place where this government can cover up and be answerable to no-one, or we move dissent in a ruling that could not possibly have been accurate, for one very simple reason, Madam Speaker: how can you rule a question that you have not heard is out of order?

The SPEAKER: Is the motion seconded?

Mr FITZGIBBON (Hunter) (15:20): I second the motion. Motions of dissent on the Speaker's ruling are not motions to be taken lightly. This opposition does not take them lightly. Dissent motions are so rare in this place because oppositions use them guardedly. It does not matter whether we like or dislike the Speaker. It does not matter whether the Speaker has a reputation for fairness or otherwise; oppositions are generally reluctant to move dissent. But we had no choice today, Madam Speaker—clearly no choice. For a start, as the Manager of Opposition Business pointed out, you did not even let me complete my question, Madam Speaker, and if you had you would have come to the conclusion, surely, despite the pressure from those who sit opposite, that the question was entirely in order. There are a number of principles here. For a start, Madam Speaker, the opposition, under the Westminster system, has limited opportunity to hold the government to account—or, more particularly, to hold government ministers to account. Question time is one of our few opportunities, and when you prevent us from exercising that right, Madam Speaker, you not only undermine our cause but you undermine the very nature of the Westminster system.
The question today, Madam Speaker, was a very serious one. It was one which picked up on the very serious reflections of Justice Brennan of the High Court, who himself expressed grave concern, about the actions of the now minister, back in 2011.

If you had allowed me to complete my question, Madam Speaker, you would have found that I was most interested that the Prime Minister has by now reassured himself, felt confident, that all the minister's actions between 2011 up until this date, including his 20 months or so as a minister, have been appropriate and within the standards of his own ministerial code of conduct. That is what we would like to know. I am hoping that the Prime Minister is now reflecting on that question I belatedly put and will come back to the House and give us a reassurance at some future time—hopefully sooner rather than later—that he has reassured himself that this minister has not operated outside his own ministerial code of conduct.

I said question time is a time to hold ministers to account, and this is a minister who certainly needs a lot of supervision and needs to be held to account. This has been a chaotic minister. This has been an incompetent minister. This is a minister who is prepared to come into this place, provide an answer which is a total embellishment of the effectiveness of his drought policy and then go back and change the Hansard, change what he said in this place. He denied ever knowing about the Hansard changes until I raised them in this place. We know, thanks to a Senate estimates process, that this was not the case.

Madam Speaker, this is not the first time you have denied me an opportunity to ask the Minister for Agriculture a question. On both occasions, I would put it to you, there was nothing extraordinary about those questions. They were questions that were entirely consistent with questions asked in this place on a daily basis, questions which you regularly allow to go through on the basis of the standing orders. There was nothing special here. It was a simple question to the Prime Minister: is he confident that his minister has been compliant with the ministerial code of conduct?

This is a minister who promised the agricultural sector a white paper by Christmas. We are now 20 months into the term of this government and we have not had any agriculture policy in this country. Policy inertia writ large. Those on the other side do not want us to ask a question of the Minister for Agriculture, because they know he is a person who is running a chaotic operation, has backflipped on all his pre-election promises and is constantly in the media for all the wrong reasons. They know on that basis that this is a minister in need of protection.

I said to you before I sat down, Madam Speaker, 'We shall return.' We will be back. There will be plenty more question times and there is a limit to the extent that the Leader of the House can give you the nudge and the wink whenever he believes one of his ministers is in need of protection. This is not a protection racket, this place, Madam Speaker. This is the national parliament of this country, and we are entitled to ask ministers questions when we believe they have misled the Australian people or acted in a way that is contrary to the national interest. (Time expired)

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (15:25): What an extraordinary performance by the member for Watson. The member for Watson has obviously been taking acting lessons over the summer break, because his performance in this extraordinary debate today would make Laurence Olivier blush; it was so over the top. I think
most people have not seen a performance like that since Theda Bara in the silent movies. I was embarrassed that the member for Watson could get himself so worked up about a matter that is so vitally important to the nation—so vitally important to the nation that it took until question 20 to be asked about it in question time today.

Listening to the member for Watson, you would think the most heinous crime in the history of federation had been perpetrated by the Minister for Agriculture on the Australian polity. Yet it took until 3.05 pm in question time for the first question to be asked. When the opposition wants to build up momentum or they want to get to a crescendo—bring the House to boiling point—that would require a descent in the speaker's ruling or a motion of censure against the Prime Minister or government, usually there is a bit of spade work that goes into it. It usually starts at about two o'clock and by about a quarter to three the Manager of Opposition Business and the Leader of the Opposition are talking about whether now is the time: 'Do we do it now? Do we bring the trap shut, right now, while we are still on television, or do we wait and keep building the momentum for the great crescendo, the great performance, the magic trick, the smoke and mirrors that will bring the House down?' That is what usually happens.

I know a bit about that because I have done it a bit myself over the years—with a bit of success—and the member for Grayndler has done it a bit over the years too. He was blushing with shame, dare I say it, during the member for Watson's performance, because he knows it was all very half cocked. It all went off very half cocked. At five past three, the opposition rose to its feet to bring the Minister for Agriculture down, to get his scalp.

Sadly, the opposition has been desperately floundering since the budget. That is what is absolutely apparent. The opposition have run up the white flag on the budget and they are looking for any distraction they can find. They have spent 18 months basking, relaxing, lying on a banana lounge sucking on a vanilla milkshake, thinking this is all very easy: 'We'll all be back in government.' All these lovely frontbenchers think they are all going to be ministers in 18 months. They have done none of the hard work necessary in opposition to convince the Australian public to change the government. They thought it was all going to be plain sailing. The member for Watson is a great downhill snow skier, as we know. He thought all he had to do was bend ze knees and he would get into government at the next election.

Sadly for them, the budget has been very well received. The government is getting on with the job of doing what small business need and require to create jobs, of doing what families want, in terms of child care and support for them to get back into the workplace. The government are focusing on productivity and participation and population. The government have switched the agenda to the things that the Australian public want to talk about. The Australian public want to know what the government are going to do about jobs, and they got the answer in the budget. They want to know what we are going to do about productivity, and they got the answer in the budget. They know that we are bringing fairness into the workplace through the changes to the paid parental leave scheme. They know that we want to reduce the tax burden, we want to cut spending and we want to achieve savings and, in this way, make the country prosper and the economy grow.

But when they look on the other side of the House they see a blank page. They say, 'The future is now.' They say, 'We are us.' They say, 'Them are you,' or whatever the latest expression is. They say, 'I don't know what she said, but I agree with it anyway.' They say, 'It
doesn't matter where you start as long as you get somewhere in the end.' The member for Jagajaga says that the money has to be paid for by somewhere. Someone has got a pay for it. They have got to find the money somewhere. The problem is the Australian taxpayers are looking at the opposition and saying, 'What would they do if they were elected?' What they know is that they would increase spending. They would cut the savings of the government. They would increase spending by $16 billion in foreign aid alone. They know that they are going to increase taxes. They would introduce a super tax of 15 per cent on self-funded retirees. They know that the opposition is utterly unreconstructed since the chaos and circus-like atmosphere of the Rudd-Gillard-Rudd government.

Instead, led by this very weak Leader of the Opposition, they are looking for distractions. The distraction, I think, quite wrongly, has been marriage equality.

Mr Fitzgibbon interjecting—
The SPEAKER: The member for Hunter!

Mr PYNE: I think it is very wrong on an issue that is extremely important to a lot of Australians—and extremely important to members in this House—and needs to be handled deftly and successfully.

Mr Albanese interjecting—
The SPEAKER: The member for Grayndler!

Mr PYNE: Instead, the Leader of the Opposition is playing politics with marriage equality as a distraction from the budget. He must be surprised that the Greens do not support his push, that the marriage equality lobby has been lukewarm in their support for the Leader of the Opposition's bill and that the government has not rushed to support it, because marriage equality was supposed to distract people from the budget.

The next thing to distract people from the budget was to not keep up with the bipartisan position on national security.

Mr Albanese interjecting—
The SPEAKER: The member for Grayndler will listen to the Leader of the House!

Mr PYNE: Most appallingly, the government has put on the agenda taking away the citizenship of dual citizens as our latest measure to protect Australians from the threat of terrorism, and yet the opposition is playing politics with the national security in order to try and distract people from the budget.

Ms MacTiernan: I rise on a point of order. There is absolutely no relevance on the part of the—
The SPEAKER: The member will resume her seat. The member for Hunter!

Mr PYNE: As the member for Perth would know, a dissent motion from the Speaker is a very wide-ranging debate, and I am taking the opportunity to be wide ranging, because the sadness for the opposition is that national security was supposed to be the distraction and now they have fallen upon this as the distraction. It is things that the Minister for Agriculture is accused of doing in a private capacity well before he was a minister of the Crown. The opposition has waited until five past three today to ask a question and now move a motion of dissent in the Speaker.
The reality is that the opposition is now trying to find a new weapon of mass distraction from the budget. This government has absolute confidence in the Minister for Agriculture. The Minister for Agriculture is doing an outstanding job. He has recovered the live cattle trade. He is increasing the agricultural exports from this country. Agricultural prices are increasing. States like mine in South Australia are benefiting from increased sheepmeat prices and increased wheat prices. The Minister for Agriculture is doing a fantastic job. He and the Minister for Industry are reforming country of origin labelling laws in this country. He is not overreacting to television reports and closing down whole industries. He is building the country, and the Prime Minister and the government have absolute confidence in the member for New England to continue as the Minister for Agriculture.

It is quite possible that this is the worst opposition ever in Australia's history. It is quite likely that the Leader of the Opposition is the weakest and laziest Leader of the Opposition in Australia's history. The reality is that they would have been better off having a proper, drawn out brawl for the Labor leadership and fought over what they believed in rather than all forming a circle after the trauma of the Rudd-Gillard-Rudd years and saying, 'Let's all pretend there are no dysfunctional elements of our party.' They have not cleansed themselves. The public knows it, and on that note I move:

That the motion be put.

Question agreed to.

**The SPEAKER:** The question is now that the motion of dissent be carried.

The House divided. [15:40]

(The Speaker—Hon. Bronwyn Bishop)

- **AYES**
  - Albanese, AN
  - Bowen, CE
  - Burke, AE
  - Butler, MC
  - Byrne, AM
  - Champion, ND
  - Clare, JD
  - Collins, JM
  - Danby, M
  - Elliot, MJ
  - Ferguson, LDT
  - Giles, AJ
  - Hall, JG (teller)
  - Jones, SP
  - Leigh, AK
  - MacTiernan, AJGC
  - Mitchell, RG
  - O'Connor, BPJ
  - Owens, J
  - Plibersek, TJ
  - Ryan, JC (teller)

- **Noes**
  - Bird, SL
  - Brodtkamnn, G
  - Burke, AS
  - Butler, TM
  - Chalmers, JE
  - Chesters, LM
  - Claydon, SC
  - Conroy, PM
  - Dreyfus, MA
  - Feeney, D
  - Fitzgibbon, JA
  - Gray, G
  - Husie, EN
  - King, CF
  - Macklin, JL
  - Marles, RD
  - Neumann, SK
  - O'Neill, CE
  - Parke, M
  - Rowland, MA
  - Shorten, WR

**Majority**

**Ayes .................49**
**Noes ..................80**
**Majority..............31**
Question negatived.

**Mr PYNE** (Sturt—Leader of the House and Minister for Education and Training) (15:44): I ask that further questions be placed on the Notice Paper.
DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (15:44): A document is presented as listed in the schedule circulated to honourable members. Details of the document will be recorded in the Votes and Proceedings.

PERSONAL EXPLANATIONS

Mr BOWEN (McMahon) (15:45): Madam Speaker, I wish to make a personal explanation

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

Mr BOWEN: I do.

The SPEAKER: Please proceed.

Mr BOWEN: During question time today, the Minister for Social Services said:

I note that the member for McMahon has equated the tax concessions for compulsory superannuation contributions with a pension or welfare payment.

This is incorrect. In fact, I have repeatedly stated that the government's own budget papers outline that the cost to superannuation tax concessions will surpass the cost to the age pension in the next four years.

Mr DREYFUS (Isaacs—Deputy Manager of Opposition Business) (15:45): Madam Speaker, I wish to make a personal explanation

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

Mr DREYFUS: I do.

The SPEAKER: Please proceed.

Mr DREYFUS: Last Thursday, the member for Curtin made a number of false claims during question time about my contributions to national security while in office. In fact, during the previous Labor government, ASIO's funding was increased by 27 per cent, and at no time, when Labor was in office, were there urgent requests for data retention laws from our agencies.

BILLS

Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mrs McNAMARA (Dobell) (15:46): The scheme creates barriers and disincentives for injured workers to recover at work—for example, by emphasising the medical, rather than the vocational nature of rehabilitation services. Furthermore, the scheme allows injured workers to make claims for conditions that are unrelated to work, and to undertake treatments that are not evidence based. The truth be known, some injured workers are not getting back to work as quickly as they should be. There is strong community expectation that those who can work,
even if only part-time, should do so to their capacity. These factors are contributing to the Comcare scheme being looked upon in a negative manner by the broader community.

The Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015 is part of a package of reforms that will rehabilitate injured workers and return them to work sooner. The government is also ensuring the long-term viability of the Comcare scheme. Importantly, the proposed measures will ensure that the Comcare scheme continues to provide eligible injured workers with income payments until pension age, and lifetime medical and rehabilitation expenses. The proposed changes will mean that injured workers will be better off in terms of access to early rehabilitation, access to provisional medical expense payments, and that they are able to return to work and receive quality medical treatment and attentive care. In addition, claims and disputes will be processed more efficiently and quickly, and some claimants will be eligible to receive higher payments than currently received. The bill is an important step in modernising the Comcare scheme, which has not seen comprehensive reform since it was established in 1988. The bill implements in part recommendations of the review by Mr Peter Hanks QC, and Dr Allan Hawke AC, commissioned by the former government, in 2012. It also makes other changes to the act that will improve the efficiency, cost effectiveness, and viability of the Comcare scheme, and harmonise elements of the scheme with state schemes.

Currently, medical and rehabilitation costs represent 23.4 per cent of the total cost of claims under the scheme. This figure has been increasing at a consistent rate over the past three years. Forty-nine per cent of costs are the payments made directly to a claimant, and 28 per cent of costs are expended on legal, administrative, and regulatory costs. This bill seeks to ensure the long-term sustainability of the Comcare scheme by emphasising the vocational rather than the medical nature of rehabilitation services, and introducing measures designed to improve return to work outcomes under the scheme. It also seeks to promote fairness and equality in outcomes for injured workers by targeting support for those who need it the most, and by strengthening the integrity and viability of the scheme by clearly distinguishing between work and non-work related injuries—improving the quality of compensable medical treatment and support services by limiting legal and medical costs under the scheme.

The bill introduces a number of changes to assist employers to meet their rehabilitation obligations and to engage more effectively with injured workers upon return to work. The government is eager to see employees and employers work closer together. We believe that employers must accept more responsibility for managing injuries, for ensuring support when injuries occur, and for enabling people to get back to work as soon as possible. We will encourage this by providing employers with more responsibility, and with greater incentives to provide alternative work or reduced hours to injured workers. Injured workers will be encouraged to participate actively in their injury management and rehabilitation. It will be a requirement for injured workers to seek, engage and remain in suitable employment when able to do so.

In his second reading speech, the Hon. Luke Hartsuyker MP, Assistant Minister for Employment, said:

A large body of evidence based research has established that many health problems can benefit from work based rehabilitation and an earlier return to work.
Based on this approach, the compensation payment system will be restructured to provide targeted financial incentives for injured workers to return to some form of work as soon as practically possible. In doing so, the incentives that remain for workers compensation for extended periods will be removed. If an injured worker refuses employment whilst having a capacity to earn in a suitable environment, they will see their income payments and compensation gradually reduced. This is a fair system that does the right thing by employees, employers and the Australian government. In addition to providing greater incentives to encourage people back to work, the government will also be providing targeted support for injured workers.

It has been the case that many employees, when they are injured, utilise their savings and/or leave entitlements while waiting consideration of their claim. Delays in processing these claims can leave injured workers without leave entitlements and savings. Furthermore, medical treatment may be delayed, increasing the time before an injured worker is deemed fit to return to work. To address this, the scheme will now provide for provisional medical payments of up to $5,000 before a claim is determined. The employer will have immediate rehabilitation responsibilities.

The amendments also ensure that any money spent on medical treatment, post-injury care and support services is better targeted and that services are provided by trained professionals. Under these amendments, professional care will be provided to injured workers for the first three years of their injury, with uncapped long-term or lifelong care available to those who have suffered serious injuries. Workers who have been seriously injured will still have access to lump-sum payments to assist them achieve a better quality of life. Under the proposed changes, the maximum lump-sum payment will be increased from $242,000 to $350,000. Workers who suffer less serious injuries will receive payments that more accurately reflect the nature of their condition, thereby affording greater support to those with serious injuries.

The government will also ensure more timely access to compensation payments. This will be achieved with the introduction of time frames for determining claims and resolving disputed claims, as well as improved information-gathering powers. Employers will be required to lodge claims more quickly and within specified time frames following notification of a claim.

The bill also clarifies the rehabilitation responsibilities and duties of an employer to ensure: the rehabilitation of an injured employee, that the employee is assisted to find suitable employment, and that the employee remains in suitable employment. This ensures fairness for workers and more responsibility on an employer following a workplace injury. Greater assistance will be provided to employers under these new time frames, with the amendments enabling more accurate calculation of income replacement. This change will better reflect today's labour market conditions and the changing industrial profile of employers in the scheme. We want to ensure that there are no inequities in the payment of entitlements to workers nearing pension age. Therefore, eligibility for income replacement will be linked to the national age pension age and the five per cent reduction in compensation payments for employees accessing superannuation benefits will be removed.

It goes without saying that the success of the scheme is reliant on its sustainability. The initial intention of the SRC legislation recognised the need to ensure that employers were not paying for non-work related conditions and introduced changes that required employees to
demonstrate a close connection between their condition and the employment in which they were engaged. Over time, judicial interpretation of the legislative provision has seen unreasonable constraints placed upon employers' ability to manage their workplaces. This is driving up the cost of premiums and placing increased burden on the scheme's sustainability. This legislation will better distinguish between work and non-work related injuries and limit the payment of compensation to workers who have sustained injuries due to work or their workplace. Existing provisions will be strengthened to require a clear connection with a workplace based injury before compensation is payable. Furthermore, the government will clarify the matters to be taken into consideration for psychological claims and introduce new thresholds for specified pre-existing conditions such as heart, brain and spinal injuries to ensure that the scheme is accepting liability for conditions which are work related. The intent of the Comcare scheme was never to prevent employers taking reasonable action to manage their employees. As a result, the proposed amendments will clarify the range of management actions that, when reasonably undertaken, should not give rise to compensation claims.

There is a strong need to address the increasing costs of the Comcare scheme. Inaction will severely undermine the long-term viability of the scheme. The government will allow Comcare to establish schedules that specify the amounts payable for medical treatment and medical reports as well as legal services obtained by claimants. Currently, there are no limits on the amounts that Comcare remunerates for these items. Scheme costs will also be reduced by excluding overtime and allowances in the calculation of compensation. These measures strengthen the integrity of the Comcare scheme. The scheme will be underpinned by a three-stage sanction regime in which employees who do not meet their medical treatment and rehabilitation obligations will have their compensation rights suspended or cancelled. The majority of people are eager to get back to work. They willingly participate in their injury management and rehabilitation process. We want to support people's lives getting back to normal. Those who take advantage of the system will not be permitted to do so. This is what is expected by the people of Australia and this is what is right for employers.

The Comcare scheme also applies to members of the Australian Defence Force. The government recognises the unique nature of military services. Australian Defence Force members with coverage under the act will be exempted from all but two of the proposals being introduced by this bill. These proposals relate to the calculation of permanent impairment compensation and will ensure that a member or former member of the Australian Defence Force will not receive less compensation than an employee covered by the Comcare scheme with the same level of impairment. It is the government's intention to create a new act to separate ADF members from the existing SRC Act.

The best thing we can do for workers under the Comcare scheme is to ensure that it is fair, equitable and sustainable. The Comcare scheme is one of the few remaining workers compensation schemes in Australia that provide income payments until pension age and lifetime medical and rehabilitation payments. This bill ensures a fair and sustainable scheme into the future. While this scheme remains one of the most generous in Australia, the focus will clearly shift towards getting people back to work rather than just providing compensation. This is consistent with this government's actions to assist more people into work. We do this because we believe it is the best outcome for the people of Australia. I commend this bill to the House.
Mr THISTLETHWAITE (Kingsford Smith) (15:59): I oppose the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015. My grandparents never owned their own home. Despite the fact that they both worked for many, many years in tough occupations, they could never raise the capital which was required at the time, and often bank loans for mortgages were much harder to get in those days. But the principal reason why my grandparents never owned their own home and rented—and, in the end, relied on public housing for a roof over their head—was that my grandfather had been injured in the 1970s in a workplace accident. He was seriously injured and was never able to return to the occupation for which he had trained, and subsequently spent the remainder of his life working as a cleaner. It is because of issues such as that and because, at the time when he was injured, we did not have the occupational health and safety and workplace compensation laws that we have today. Since the 1970s, we have gradually built upon the protections that we put in place for workers to ensure, principally, that we prevent injuries in the workplace, but also that, when injuries do occur, we appropriately and adequately compensate people so that they can continue to live their lives and can continue to raise a family.

Since that time governments have gradually made progress, have strengthened these sorts of schemes which provide protection for workers and protection for their incomes. This bill does exactly the opposite. It begins the process of the Australian government cutting back the protections that are provided to workers and the compensation that is available to them through the Comcare scheme in cases of injury, including serious injury. Before I entered parliament I worked as a lawyer and I had the opportunity to represent many workers who had been involved in workplace injuries—some of them minor injuries, some of them horrific injuries. The one thing I can say about a workplace injury is that it affects the worker and their family. Workplace injuries, if they are physical in nature, do not just have a physical incapacity; there is a mental effect of a workplace injury. It affects the worker's psychology. It can affect the worker's self-esteem and their ability to participate within society. Most importantly, it can have a dramatic effect on the worker's relationship with their family and their friends. It can be one of the most vulnerable times in a worker's lifetime.

This piece of legislation will make life harder for those who are covered by the Comcare scheme, and it will definitely exclude some who are already covered by the Comcare scheme. It is the third piece of legislation that attacks fair and reasonable compensation in the case of workplace related injury. This bill excludes certain people from the Comcare scheme and it reduces the compensation available to those who remain eligible and are injured at work. The reality is that this bill is further evidence of the government's ideological bent when it comes to industrial relations and workers' rights. And, while they claim it promotes fairness and equity, the reality could not be further from the truth. Here we have another example of Orwellian use of language in the title of a bill—the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill—when it actually makes the scheme less accessible for many workers and reduces the amount of compensation that is available to workers under the scheme in the case of injury. So the bill title does not do what it proclaims to do.

In summary, the proposed changes in the bill would immediately and significantly reduce the rights and protection of workers covered by the scheme. The bill contains a long list of cuts to benefits and exclusions that would remove injured workers from the scheme entirely,
likely forcing them onto welfare. The Safety, Rehabilitation and Compensation Legislation Amendment Bill made it easier for multi-state companies to leave state schemes—decimating them—and to join Comcare. This bill needs to be read with the previous bill in mind. With this bill, the proposed changes include: cuts to lump-sum compensation payable for permanent impairment for the vast majority of injured workers and removing the already modest pain and suffering payment; changes to the eligibility requirements that will mean injured workers are locked out of the scheme altogether; reducing incapacity payments; expansion of sanctions against workers, including removal of medical support if a worker fails to attend a medical appointment; harsh job search requirements for injured workers—if the employer says that they have no suitable employment, injured workers will need to find a job with a new employer or take up self-employment; a new, punishing approach to workers with psychiatric injuries; and employers will have the right to impose health related and work capacity decisions, and workers will have no independent right to review when an employer orders them back to work.

The bill contains alarming changes that will affect workers, leaving many of them without an avenue to just compensation. Changes to the eligibility rules mean that this new term of 'designated injuries and illnesses' will be included. They include aggravations—for example, to the heart and blood vessels, brain and blood vessels associated with the brain and spinal injuries. Those particular designated injuries will face higher tests of proof for workers to access the Comcare scheme. I can recall as a member of the Senate Education and Employment Legislation Committee being involved in an inquiry which looked at issues associated with the development of cancers amongst firefighters in Australia. A wealth of evidence had been produced to that inquiry about the connection between the development of cancer amongst firefighters and the work that they undertake. Naturally, given the number of plastics, the number of synthetics, that are used in building materials these days, there is a greater risk to firefighters when they are fighting fires of exposure to carcinogens. That is bearing out in the statistics for that particular occupation with, in some respects, a higher incidence of cancers.

I must say, some of the evidence that was presented to that inquiry was damning. That inquiry was not looking at workers compensation. But the question that came to my mind when I was reading this bill—and this notion of designated injuries relating to blood related injuries—was that if a firefighter were to develop leukaemia and it was their belief and their doctor's belief and there was medical evidence that there was a relationship between the role they had been undertaking for many, many years and the injury, then where would that put them in respect of this particular scheme? Is that a designated injury through which they would be required to present a greater test of proof to access the Comcare scheme?

That is why many of these provisions are, I think, unfair. They introduced two levels of tests for workers, despite the fact that being exposed to or picking up a particular type of injury is not the worker's fault. It is not the worker's fault that they may have developed a heart related or blood related injury associated with the work they do. But they will be punished for that under the provisions and changes contained in this proposed scheme by a different level of proof applying to them. And if it is a greater test of proof, the associated anxiety and mental health effects that that can have on workers can in some respects be quite devastating. So, that is a big issue that I think the government needs to deal with in presenting
this bill. The current exclusionary provisions for workers caused by reasonable administrative action will also be broadened by the term 'reasonable management action'. This will exclude any physical or psychiatric injury or illness resulting from a directive of management unless an injured worker can prove unreasonableness. Therefore, injuries at work in a wide variety of everyday work settings will be excluded.

The bill also affects the right of an injured worker to privacy. Under the changes Comcare could compel third parties and the worker to provide documents about the worker, irrespective of the relevance to a claim. Workers can be sanctioned by loss of compensation rights if they fail to comply with a document request. Comcare would be allowed by the bill to provide these documents to third parties for purposes of disciplining the worker. Also, injured workers would no longer have the choice of doctor under Comcare. Comcare will only pay the treatment costs for doctors and clinics that it approves. I must say, one of the things that used to blow me away when I was a lawyer representing workers in workers compensation cases was the different views you could get between doctors. I understand that they have studied the same conventional medicine, and I understand practice within and a licence to practice within a medical system. But, depending on whether you went to the workers doctor or went to the company doctor, the difference in diagnosis could be quite remarkable. The differences used to blow me away. It is unfortunately one of the reasons that experts providing evidence in such cases can quite often delay these cases. So, that is another concern that I have—the fact that a worker can be sent off to a company doctor without getting a second opinion and without the employer taking notice of that opinion. Incapacity payments will also be reduced for all workers. The harshest financial impacts would be felt by those with injuries that take longer to resolve, especially those who are permanently and significantly disabled.

This is the third bill that this government is proposing that attacks the rights of Australian workers to fair and reasonable compensation when they suffer work related illnesses or injuries. The bill also contains changes to the level of payments that are made to workers whilst they are on compensation. The bill in certain circumstances excludes overtime and allowances from the calculation of ordinary earnings for the purposes of workers compensation payments. I do not think the government has thought that through, because for certain groups of workers, who are working regularly on shifts that include overtime payments—and I am thinking here of nurses and the like—what will be the effects on them? Many of them rely on those important payments to ensure that they have a liveable wage if they are working a regular nightshift. Wondering whether or not those allowances will be included in the future is again an anxiety that workers should not have to face when they are injured.

The bill will exclude workers from the Comcare scheme and significantly reduce the compensation available for those who remain eligible. The bill attempts to reduce the liabilities of the Comcare scheme at the expense of injured workers, and that is why it is wrong. I highlight my earlier points: successive governments since the 1970s, when my grandfather was injured at work, have been improving the support we provide for workers when they are injured at work; this bill does exactly the opposite. This bill reduces the support and the financial support we provide for workers in those horrible situations in which they are
injured at work. That is why this government must be condemned for this legislation, and that is why I and my Labor colleagues will fight this legislation in the parliament.

Mr MARLES (Corio) (16:13): I rise this afternoon to speak against the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015. Work is central to our economy. Work is central to our society. And there is something of an expectation that all of us have when we begin our day at work each day that we will come home at the end of it in the same shape as when we left. It can be devastating when that does not occur and when, because of one's work, because of one's contribution not only to their own life but to our society and our economy, they find themselves in a position where they have been injured. For that reason, workers compensation, providing fairness in those circumstances, has been a tenet of our legislative scheme for decades, going back to the earliest times of our Federation. It is a very important theme of our law and federally it comes into play through the Comcare scheme, which historically has provided workers compensation to people covered by the federal public service and its related agencies.

But I am opposing this bill today for the very same reasons that have just been eloquently put by the member for Kingsford Smith. If you look over the period of our Federation and the development of law around the question of workers compensation, it has been characterised by a progression of improving what can be done for those people who are unfortunate enough to suffer an injury while they are at work. This bill stands in contrast to that theme, that tradition, of legislation in this place and in other parliaments around the country. Rather than improving the circumstances of people who have been injured at work, this bill, almost in its entirety, cuts the conditions that are available to those who have suffered an injury at work.

This bill needs to be seen in the context of the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014 which made it easier for larger companies operating in more than one state in Australia to leave the state based schemes of which they have been a part and enter the Comcare scheme. This is an idea that has been around for some time. This is legislation which Labor have been concerned about for a couple of reasons. Firstly, by allowing those larger employers who have the capacity to self-insure and who have operations in one state to leave their state systems you remove important companies who are operating in those state systems and providing critical financial viability for those systems—if what we are about to see is all of them potentially leave those systems and come to a federal system under Comcare. Secondly, Comcare, as I stated earlier, has its origins as a workers compensation scheme for the federal public service and its related agencies. If you look at the various workers compensation schemes around Australia, what you find with them is that they very finely refine themselves to the injury profiles of the jurisdictions which they cover, the cohort of people who work under them. Comcare is no different in that regard. But if you were to look at a representative cohort in terms of the kinds of injuries that they have, Comcare would be the least representative if you look at the injuries of people who have traditionally been covered in the federal public service and its related agencies. That is not to say that there is not a broad range of employment categories within those; but, compared to the injury profile of everyone who works in New South Wales or everyone who works in Victoria, it is a narrower band. So to have companies move from a scheme in Victoria or New South Wales to Comcare is ultimately going to see a significant change in the injury profile of the Comcare scheme, but we will not see a commensurate change in the way those injuries are
compensated within the Comcare scheme. We should hasten slowly with reforms of this kind because, over many years, these schemes have grown up around the injury profiles of those states and those jurisdictions. That is why we have been concerned about the process that has been underway.

The significance of the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014 in the context of bill that we are talking about now is that, if that bill is to have its way, what we will see is a growing workers compensation jurisdiction in the form of Comcare and, therefore, whatever changes we make to that jurisdiction and the payments and benefits that are payable as part of Comcare will be critically important because it is in the context of a scheme which this government wants to see grow and cover more and more Australian workers. That is why we are very concerned that the bills before us to date is, almost in its entirety, about cutting those standards of compensation.

I want to go through a couple of those provisions now. Schedule 1 of the bill will make it harder to establish a work related injury in relation to spinal injuries, cardiac injuries and strokes. The work relatedness of each of those is made more difficult by virtue of this legislation. This legislation limits the eligibility associated with injuries which occur as a result of a reasonable management decision. This legislation also reduces the capacity of people who may already have been seen as being particularly susceptible to having an injury to have the injury recognised under the scheme and for compensation to occur as a result. Schedule 2 of the bill puts in place a tougher regime of sanctions for people who are noncompliant with a rehabilitation plan under the scheme. Ultimately, noncompliance with such a scheme can lead to somebody's compensation rights being removed in their entirety. What we see with schedule 2 is that the treating doctors of somebody who has been injured at work and who is maintaining a claim in the system may only be consulted and their opinions are given less weight.

Employers are, under schedule 2, provided with the capacity to put in place work capacity tests for people who are returning to work as to the kinds of duties that they can undertake. Where those duties are unable to be offered by an employer, schedule 2 will see this bill requiring, potentially, injured workers or people coming back to work to search for other work, or even, potentially, to try and become self-employed—again, if there is no suitable work that an employer can offer.

Schedule 3 provides that people who are being compensated under the scheme have less control over their personal information—medical reports and the like—and that is irrespective of the relevance of that personal information to their claim. It opens up a much greater ability for that personal information to be required to be handed over.

Schedule 5 limits the choice that people being covered by the scheme have over their doctors. Indeed, it reduces the amount of reimbursable treatment that they are able to ultimately claim.

Schedule 6 goes to the question of household services and attendant care services. Again, the bill provides an ability for the act to restrict the amount of services that people can obtain under the act, and it also imposes a greater time limitation on being able to access those services.
Schedules 7 and 8 limit the right of a person receiving payments under the Comcare legislation to travel overseas—to be away for more than six weeks. So this goes to the way in which people are, or are not, able to live their lives while they are recovering from an injury while they are the subject of a workers compensation claim. It also limits the capacity for people who are under a workers compensation claim to accrue leave while they are on Comcare.

Incapacity payments, at the heart of any workers compensation scheme, are being reduced for all workers in different ways, but most harshly in this bill for those workers who have experienced long-term injuries. Again, I would make the point I made before about the nature of the injury profile of workers coming into the scheme. The more blue-collar workers that you see being covered by Comcare, the more likely we are to see the kinds of long-term injuries which would be most harshly dealt with by these potential changes.

Schedule 11 deals with a limiting of the legal costs that can be reimbursed under the scheme.

Schedule 12 goes to the question of permanent injury payments. For almost 90 per cent of permanently injured workers making a claim under this scheme, this bill will have the effect of lessening the kinds of payments that they can receive.

Schedule 14 changes the rules in respect of gradual onset injuries with the effect of reducing the costs for employers within the scheme.

Schedule 15 deals with the sanctions regime and the obligations of mutuality and creates a sanctions regime under this scheme which would be more punitive than any other workers compensation scheme in Australia—and, indeed, really more punitive than the framework that you see for job seekers in Australia.

Schedule 17 reduces the capacity for people to claim for secondary injuries.

I could go on, but, if you go through this, in almost its entirety this is a bill which is about limiting the ability for people who have suffered an injury at work to receive, under the Comcare scheme, the kind of compensation that would help them through an incredibly difficult moment in their lives. Work should, for all of us, be something which is good in our lives and which is empowering—empowering in terms of our social engagement, empowering in terms of our financial choices and empowering in terms of the kind of destiny that we create for our own lives. Work should not be a place which harms people. Work should not be a place which sees people come home at the end of the day in a worse state than when they left.

Occasionally, it is going to happen—and, when it does, it is a moment which is profoundly unfair. It is a moment which—as I have seen, in my experience in this area, in a past life—utterly changes the way in which people are able to live their lives. It changes their capacity for enjoyment in their lives, and their capacity to feel a sense of self-worth in their lives and a sense of contributing to the society of which they are a part. It is, by definition, a tragic moment in that person's life, which is why workers compensation, as an idea, is so profoundly important, because, in a moment of enormous unfairness for the person involved, workers compensation is designed to restore fairness for that person. It is designed to help them through an incredibly difficult moment in their life, help them to a situation where they can be
put back to work, help them recover from their injury and help them restore their life as they knew it before that injury occurred.

The reason we are opposing this legislation—the reason that Labor is opposed to this and I am opposed to this—is that, when one looks at the basic standard of fairness that workers compensation seeks to address, this is a bill which, at its heart, in cutting the benefits that are available to people, is profoundly unfair. It does not deserve the support of this House.

Ms CHESTERS (Bendigo) (16:28): I would have to say that the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015 is probably one of the meanest bills that we have had before the House. As the previous speaker has said, and as I wish to highlight in my contribution, let us just be clear about what this bill seeks to do: it seeks to reduce the compensation that injured workers receive. That goes to the core of what this bill does.

Just focus on what the government is saying about injured workers who are incapable of returning to work and their entitlements. The government, in their own contribution, have claimed that the step-down approach will provide incentives for employees to return to work as quickly as possible. In other words: ‘We’re going to cut your compensation, and that will be a motivator for you to return to work. You’re not returning to work because you’re fit. You are not returning to work because the doctor has given you the okay. We are going to encourage you to return to work because we have cut your compensation.’ That is mean and cruel and goes to the contrary of why we have workers compensation in the first place. We have it to compensate workers who have been injured at work and to support them to return to work. Yet the government, in their own contribution, are saying, ‘We are going to provide incentive by cutting people's entitlements.’ That is just mean and cruel. That is to the heart of what this government is about when it comes to working people.

These changes have in no way guaranteed, or the government has not come out to ensure, that no Australian worker will be worse off as a result of these changes. The government has also, with this bill and previous other Comcare bills, not ruled out that workplaces will be safer. While there has been lots of rhetoric that people stand up, care for workers and want to see a safe workplace, these reforms do not ensure we have safer workplaces and that, in the Comcare system, people will not be worse off. Let’s just be clear about the kinds of workers that will be affected: low- to middle-income workers. We are talking about frontline workers—people who are more likely to incur a serious injury in their workplace because of the nature of their work. We are talking about our cleaners, we are talking our process workers and we are talking about people in construction and manufacturing—people who currently are not largely covered by the Comcare scheme and that will be if these changes go through.

Not every job is a professional job. Some of our jobs are physically demanding and do result in long-term workplace injuries where it does take people some time to recover. But, rather than supporting those people with a fair compensation scheme, what we have seen put forward by this government in this bill is a proposal to cut their compensation and say, in their own words, ‘This cut in compensation is an incentive.’ That is just mean and cruel by this government.

So who are some of the workers incurring these injuries that could be affected as a result of these bills? Cleaners are some of our hardest-working, lowest-paid workers that will quite
often get an injury in their workplace as a result of competitive manual work. I refer to a survey done by United Voice of some of their Spotless cleaning members. Many cleaners working for Spotless said that the amount of time they had to clean a particular area or set of work had reduced in recent years, thus placing a large amount of pressure on their ability to perform the work required. In fact, 55 per cent of Australian cleaners employed by Spotless surveyed in this particular survey said that they suffered from stress as a result of unreasonable workload. I am not just talking about mental stress. I am talking about physical stress on the body. This stress takes a toll on cleaners, with many of them reporting physical and personal injuries.

Sometimes these particular issues also affect family and relationships because the cleaners come home at the end of the day tired, exhausted and stressed—stressed about what was going on. One particular cleaner said, 'Sometimes I'm under so much pressure I can't handle it.' Another cleaner said, 'My boss doesn't care and I'm worried about it when I go home.' Another cleaner said, 'There's always more work to do and there's always fewer staff.' These are people working in an industry where WorkCover claims are increasing because of the result of workload pressures. Yet, if they receive an injury from which it takes quite a lot of time to recover, this government's solution is not to support them but to propose a scheme which would see them have less access to compensation.

The construction industry is another industry where a worker is seriously injured or dies every six minutes. It is just a bit concerning that, whilst I make these contributions, two workers in our construction, forestry and mining industries will be seriously injured. Yet what this government is not saying to those seriously injured workers is, 'We will support you the whole way through your rehabilitation in the hope that you're physically capable to return to your job.' This government is putting forward a scheme which would see you get less compensation as a result of these reforms.

Here is some first-hand experience from the construction workers involved and just a few words from CFMEU member Kym. He said, 'It was scary day that day down at the outlet. It was just an every sort of day.' A fellow that he used to work with did not go home one day. 'He got pinned against a panel. He got squashed. It was scary; heartbreaking. He was only 24.' Sadly, Kym's experience and his words are not unique in the Australian construction industry. Like cleaning, serious injuries are common within their industry. Too many have seen their mates seriously injured or killed on the job. Just recently in Melbourne they had a memorial at the trades hall, where they put out a set of shoes for every worker that had lost their life in a Victorian workplace over the past 12 months. The fact that we even have to put the shoes out to demonstrate highlights the problem that we have in some of our workplaces. Rather than ensuring that we have the best possible workplace health and safety practices and we have the best possible workers rehabilitation and compensation schemes, what we have seen from the government in their set of bills put forward in relation to Comcare is substandard. It is not best practice.

I will never forget the day in the County Court in Victoria when a record fine was handed down as a result of a death in a workplace of the Foster's Abbotsford brewery. The Foster's Group was sentenced to a fine of $1.125 million. At the time it was the largest fine handed down. The reason it was the largest fine ever handed down to an individual because of a result of a massive breach in workplace health and safety was that it was not the first incident of its
nature in this particular workplace. A fellow worker had been seriously injured using the same equipment less than a year earlier. I can personally remember the sadness in the voice of the delegate who spoke to the media afterwards about what it meant to him on that day. His comments were quite chilling: it could not bring back his co-worker, it could not help the injured worker, who had been injured in a similar incident a year before, but it might teach the company a lesson. It might get them to listen to their employees, to work closely with them.

Workplace injuries occur all the time and, as I said during this contribution, two workers in the construction industry alone will be seriously injured, one every six minutes. When those workplace injuries occur we need to ensure that we have the best workers compensation system available to them—and a robust one—and rehabilitation programs.

Finally, the story I wish to share is about Rosa, a security officer. Some people do not think that security is front line but, at a place like Crown Casino, it is. One day she received a king hit to the head, suffering a permanent brain injury. There was a period when they hoped that her memory and some of her cognitive ability would return. She did undertake quite strong intensive physiotherapy in the hope that part of her brain functions could be restored. But here we are today and Rosa has still not been able to return to work. Her short-term memory is just no longer there.

Today, her husband receives a carers payment and Rosa is on a disability pension. But what struck me in preparing my contribution to this debate was how Rosa would have been affected under these reforms? As a result of this changed compensation scheme, would her family have been forced to go onto welfare sooner? Would they have been forced into an untenable situation where they might have needed to access welfare sooner? Would construction workers, process workers have been forced back to work earlier because of this government's workers compensation plan to reduce their entitlements?

These reforms make it harder for Australian workers. The proposed changes in this bill would immediately and significantly reduce the rights and protections of workers covered by the scheme. This bill contains a long list of cuts in benefits that would be removed from injured workers. It will force many of them onto welfare or back into work before it is safe to do so.

I have mentioned the impact of and highlighted the problems associated with the government's step-down approach, providing an incentive for employees to return to work as quickly as possible—not when it is medically safe for them to do so, not when they are physically capable of doing so. This statement purely and simply states: 'provide an incentive for employees to return to work as quickly as possible'. It is really code for 'These reforms will cut your payments.'

This step-down approach proposed by the government means that an injured worker, who is unable to work, will be worse off. How? For the first 13 weeks they will receive only 90 per cent of their income instead of 100 per cent. For the next 19 weeks they will receive only 80 per cent, as opposed to 100 per cent. I wonder whether their bank will accept only 80 per cent of their mortgage repayments? I wonder whether this government will accept 80 per cent of tax being paid? I wonder whether their electricity company, the petrol station, will accept only 80 per cent payment instead of 100 per cent? It goes on: 80 per cent for the next seven weeks and then 70 per cent thereafter, instead of 75 per cent.
In other words, as a result of the changes in this proposed scheme, these workers will be worse off. As I have said, this will impact low- to middle-income workers the most. The ACTU has estimated that the workers affected could lose between $120,000 and $325,000 over the next 20 years. Again, remember that these are not our politicians; they are not people on the highest income. These are working people on the lowest income, people working in security such as Rosa, people working in construction, processing claims—physical jobs and manual handling. Those are the people who will be most at risk of losing if these Comcare reforms, including the ones in this bill, go through. These reforms, as I have said, could force workers back to work before it is safe to do so.

Many of these things within this bill will actually make it harder for workers to return to work. It is unacceptable for the government to be putting forward these reforms without being able to stand up and say, loudly and clearly, that no workers will be worse off. The government need to demonstrate how and why they believe workers will not be worse off. What we are seeing proposed in the Comcare scheme is quite simply the government not listening to working people but instead listening to business. Government are clear that they are the voice for big business, not the voice for the Australian working people.

We do not need a government that continues to attack Australian workers, particularly those on low to middle incomes. We need a government that stands up for these working people, whether they be on workers compensation or are working in the workplace—whether it be through a jobs plan, by supporting people who are unemployed looking for work, or by ensuring our workplaces are safe and that we have good workplace laws that do not seek to punish people.

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:43): I would like to thank all members who have participated in the debate on the Safety, Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015. This bill will ensure that employers have greater responsibility and incentive to provide alternative work arrangements to injured employees. Injured employees will be required to actively participate in their injury management and rehabilitation. When able to do so, employees will have to seek, engage and remain in suitable employment.

The bill also removes perverse incentives to remain on workers compensation for extended periods. To reduce the financial stress of illness and injury and enable early intervention, the scheme will now provide for provisional medical payments of up to $5000 before a claim is determined or, in some cases, even without a claim. The employer will also have immediate rehabilitation responsibilities. Employees will get professional, postinjury attendant care for the first three years of their injury. Uncapped, long-term or lifelong care will be available to catastrophically injured workers after three years. The maximum lump-sum payment amount will be increased from $242,000 to $350,000, and these payments will more accurately be scaled to allow for higher payments for those who need more support.

The bill will ensure that the workers compensation system deals with the employment related injury and disease. The eligibility criteria will better align with the purpose of the workers compensation scheme: namely, to provide compensation for workers who suffer from occupational injury and disease. Comcare will establish schedules that specify the amounts payable for medical treatment, medical reports and legal services obtained by claimants. These changes will deliver a modern workers compensation scheme that meets the needs of
today's workforce and is sustainable into the future. People injured in the course of their employment will gain every opportunity to get better and return to work. The government is committed to ensuring that Australian workplaces are safe, flexible and productive and to reducing the risk and impact of disease. The Comcare scheme is one of the few remaining Australian workers compensation schemes that provides, and will continue to, provide income payments until pension age and lifetime medical and rehabilitation payments.

This bill will ensure that we have a fair and sustainable scheme into the future. The government's reforms will be better for workers by promoting injury prevention, supporting those who are injured to recover and, most importantly, assisting them to get back to work. I commend the legislation to the House.

The DEPUTY SPEAKER (Mr Randall) (16:51): The question is that the Safety Rehabilitation and Compensation Amendment (Improving the Comcare Scheme) Bill 2015 be read a second time.

The House divided. [16:51]

(The Deputy Speaker—Mr Randall)

Ayes ................. 73
Noes ................. 48
Majority ............ 25

AYES

Alexander, JG
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S
Cobb, JK
Coulton, M (teller)
Fletcher, PW
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Nikolic, AA (teller)
Pasin, A
Porter, CC
Pyne, CM
Robert, SR
Scott, BC
Smith, ADH
Stone, SN
Sukkar, MS

Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Christensen, GR
Coleman, DB
Entsch, WG
Gambaro, T
Goodenough, IR
Hartseyker, L
Henderson, SM
Hockey, JB
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Laming, A
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
O'Dowd, KD
Pitt, KJ
Prentice, J
Ramsey, RE
Ruddock, PM
Scott, FM
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Question agreed to.
Bill read a second time.

Message from the Governor-General recommending appropriation announced.

**Third Reading**

**Mr HARTSUYKER** (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (16:58): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.
Debate resumed on the motion:
That this bill be now read a second time.

Dr LEIGH (Fraser) (16:59): I move the following second reading amendment:
That all words after "That" be omitted with a view to substituting the following words:
"the House declines to give the bill a second reading as this bill is a stunt and a broken promise that will increase taxes on low and middle income Australians."

Deputy Speaker, the Prime Minister while he was in opposition repeatedly said, 'what you will get under us are tax cuts without new taxes'. But in this budget we have seen 17 new or increased taxes levied on the Australian people. The Prime Minister said from opposition that this would be a 'no surprises, no excuses' government but we have seen more surprises and more excuses than from a bunch of toddlers at nap time. From this government we have seen a tax-to-GDP ratio that is higher under the coalition than at any point during Labor's term in government. This is despite the Prime Minister saying in August 2013:
Taxes will always be lower under a coalition government.

In August 2013, then Leader of the Opposition Mr Abbott said:
There will be no overall increase in the tax burden whatsoever.

But his own budget papers put the lie to that. When Labor was in government, tax receipts averaged 20.8 per cent of GDP. Under the coalition today tax receipts average 22.6 per cent of GDP over the budget forward estimates.

This is a government which has failed its own tests on economic management. Few economists would say that the hallmark of great economic management is your management of debt and deficit. But that was the test Mr Abbott set himself from opposition. How well has he managed to meet that test? Upon coming to office, this government doubled the deficit through decisions such as giving $1.1 billion back to multinationals and scrapping a range of sensible savings proposals, as well as giving $9 billion to the Reserve Bank of Australia which they had not asked for. In this latest budget, the deficit has been doubled again, doubled for the forthcoming fiscal year from $17 billion to $35 billion.

The government claimed, when in opposition, that it was necessary to drive debt trucks around the country to illustrate the sheer scale of the debt and deficit disaster in Australia. But since coming to office they have done a deal with the Greens for unlimited debt and now, if they were being honest with themselves, they would buy a debt ocean liner and put it out to sea. The decisions made by this government have not only failed their own economic test but they have failed the economic tests that most economists would set—that is, equity and efficiency.

On the equity point, NATSEM modelling shows that nine out of 10 of the wealthiest families are a smidgen better off, while nine out of 10 of the poorest families are substantially worse off. A low-income family with a couple of school-aged kids can lose $6,000 a year under this budget and it increases taxes by $228 for Australians with an income of between $22,000 and $37,000.
On the issue of confidence, the Westpac consumer confidence number is still seven per cent lower than when the coalition won office. Unemployment is forecast to be over six per cent right out to the end of the forward estimates. The Reserve Bank has lowered rates to a level well below what Joe Hockey called 'emergency levels' back in 2013. So much for the statement made by—

Mr Nikolic: On a point of order, Mr Deputy Speaker: I request the honourable member refer to the Treasurer by his title, not by his name.

The DEPUTY SPEAKER (Mr Randall): We refer to members by their title, member for Fraser.

Dr Leigh: I thank the honourable member for his intervention. As the former shadow Treasurer said in 2013, Reserve Bank rates were at emergency levels. I do not know what he would make now of the fact that, now that he has moved from being shadow Treasurer to Treasurer, the Reserve Bank cash rate is lower than it then was. And in February 2013 the Prime Minister, then Leader of the Opposition, said:

I am confident that should there be a change of government later in the year, there will be an instantaneous adrenaline charge in our economy. There will be an instantaneous surge of confidence because of an incoming government.

So much for a surge of confidence. Westpac's consumer confidence figure is seven per cent lower than it was under Labor. What this government fails to accept is that under it confidence has gone down, unemployment has gone up and we have seen debt and deficits going up. The economic numbers that should be going down are going up; the economic numbers that should be going up are going down. Perhaps it is no great surprise that the government has attempted to spin its way out of trouble. We have already heard from respected scientist Dr Karl Kruszelnicki about the fact that he feels abused by the way this government used him to promote the Intergenerational report. He said:

I deeply regret that I didn't get to see the full and final version—

and particularly noted its woefully inadequate treatment of the intergenerational challenge of climate change. But we have learnt recently that the problem is worse still. It is not the $11 million spend on ads that we thought it was; it is $36 million being allocated by Treasury to spend on budget and Intergenerational report promotion. At the very time when the government is complaining about a debt and deficit disaster, they are trying to spin their way out of trouble. We have a Treasurer who is at the whim of television shows, who is so fragile that it reminds his colleagues of the time just before the 2009 leadership spill where he said, 'Hey gang, I want to get your thoughts on the ETS,' when he turned to Twitter for advice on the ETS. I suspect now we have the Treasurer saying, 'Hi gang, I want to know what the deficit should be. Tweet me and let me know your views.' That is the standard of economic management we have from this Treasurer who wants to divide us into leaners and lifters, just as his Conservative counterparts in Britain are doing between strivers and skivers. For the coalition, it is all about us and them. It is about trying to divide Australians from one another, rather than trying to build a common wealth. This is a deeply dispiriting budget, a budget which fails the government's own tests, Labor's tests and the community tests of equity and efficiency.

The DEPUTY SPEAKER (Mr Randall) (17:06): I thank the member for Fraser. Is the amendment seconded?
Mr Thistlethwaite: I second the amendment.

The DEPUTY SPEAKER: The original question was that this bill now be read a second time. To this the honourable member for Fraser has moved as an amendment that words after 'That' be omitted with a view to substituting other words. The question now is that the amendment be agreed to.

Mr NIKOLIC (Bass—Government Whip) (17:07): I welcome the opportunity to address the House on the Labor 2013-14 Budget Savings (Measures No.1) Bill 2014, the clear purpose of which is to support the all-important issues of debt control and fiscal responsibility. As our political history records, national debt in Australia exploded exponentially during the Labor-Green years from 2007 to 2013. Labor spent, and promised to spend, recklessly and seemingly without regard for the long term consequences. In the end, as we know, Australians grew weary of the spendathon and threw them out—in the case of my seat of Bass, with a swing that was the second biggest in Australia at almost 11 per cent. The term 'spend like a drunken sailor' has often been used to describe periods of Labor government. The Howard government toiled for years to clean up after one such period of economic vandalism, and the current effort by the Abbott government is history repeating itself. But the term 'spend like a drunken sailor' does our navy a great disservice; Labor's approach to public money was far less respectful than what might have been expected from modestly-remunerated sailors—drunk or otherwise!

I mentioned the Howard government's years of toil to pay down Labor's debt, and it is worth recalling former Prime Minister Howard's words as he framed the job ahead just prior to becoming Prime Minister in 1996:

When Labor came to power Australia owed the rest of the world about $23,000 million. We now owe the rest of the world $180,000 million. Nothing, my friends, symbolises absolutely completely and comprehensively more than that disgraceful figure the total failure of Labor's economic management over the last 13 years.

The reasons for this bill resonate with the sentiments expressed by former Prime Minister Howard. They resonate with the public's insistence that this parliament continues to redress the current and future debt burden on all Australians.

This bill repeals the second round of carbon tax related personal income tax cuts, which are due to start on 1 July this year. This measure has been introduced to the parliament twice under the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 as part of the package of carbon tax repeal bills. Yet the Senate has now twice voted down this budget repair measure, which was actually put forward by the former Labor government—that is right, this bill seeks to implement a measure first announced by the Labor Party and now they are blocking it. In Wayne Swan's final budget, handed down on 14 May 2013, the former government deferred a second round of personal income tax cuts, resulting in a $1.5 billion saving over the then forward estimates. Due to the addition of two further years to the forward estimates since then, the measure is now worth $2.8 billion to the budget over the next four years. The problem is, the former Labor-Green government never followed through. This was one of nearly 100 'announced but unimplemented' taxation measures. Since becoming the Opposition, they have now twice voted against legislation that implements their own budget repair measure—and they double the damage to the economy by providing no alternative plan to pay for their 180 degree U-turn on this measure. This is not the first time that the Labor
Party have done this. They are not only standing in the way of this $2.8 billion savings measure but are also blocking a total of $6.5 billion in other measures that they themselves announced:

You can also add the change of Labor's Student Start-Up Scholarship, provided as a grant, to a loan repayable through HECS—a $2.1 billion measure. You can also add the change to apply an efficiency dividend to university funding—a $1.2 billion measure. You can add the abolition of the discount for paying HECS fees up front—a $336 million measure. When questioned by Chris Uhlmann on ABC AM why the Labor Party is now opposing their own savings, Bill Shorten's only response was, 'Chris, we're the Labor Party.' It is a bit like the fable of the frog and scorpion, where the frog is asked by the scorpion to ferry it across the river. The frog is scared of being stung until the scorpion explains, logically, that if he was to sting the frog they would both drown. Reluctantly the frog agrees and, sure enough, halfway across the river, the scorpion stings the frog, dooming them both to drowning and death. As they are about to sink into the river, the frog says to the scorpion, 'But why?' The scorpion say, 'It's in my nature.'

As we have seen, Australians remember being economically stung by Labor and Labor-Green governments from 2007 to 2013. They understand it is deep in Labor's nature, in their DNA, to spend and borrow unsustainably, and they will not be stung twice. They rejected the Rudd-Gillard-Milne model of economic vandalism in 2013 and they continue to reject Labor's tax, spend, borrow approach to economic management. The sad thing is that the Leader of the Opposition is the IED of scorpion bites—indiscriminately stinging even his own people. There will be some interesting commentary on that from two former Labor prime ministers on the ABC on Tuesday night.

Labor's cynical opposition to their own savings measures is laid bare through a $58.6 billion black hole that continues to grow with every blocked saving—with every new unfunded promise. The Australian people can see Labor has learned nothing from their repudiation at the 2013 election. They understand that we have to act to repair the budget. The Intergenerational report clearly explains why and the Labor-Green politicians in this parliament will continue to be rejected by the Australian people while they maintain a tin ear to the need to restore our economic freedom of action.

Consider the economic inheritance of the Labor-Green years from 2007 to 2013. The cumulative deficits inherited from the former government, as outlined in the 2013-14 MYEFO, total $123 billion for the four years to 30 June 2017. We have now brought that down to $82 billion over the next 4 years. Government debt, if we did nothing to change Labor's borrow and spend trajectory, would have been $667 billion over the next decade. Under the budget settings Labor left us, we would never have got to surplus and we would never have started to repay the debt.

There is both economic and moral virtue to changing course and putting the budget back onto a more secure and sustainable footing. But do not just accept the word of this government that it is important to repair the budget and to get to a point where the government is living within its means. The former Treasurer and Deputy Prime Minister, the member for Lilley, in his budget speech in 2011 said that:

… meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people.
In a doorstop interview on 8 May 2012, the member for Lilley also said that:
… coming back to surplus is about making sure we help those people sitting around the kitchen table when they're figuring out how they will make ends meet.

Again, those were wise words indeed from the member for Lilley. How in all conscience can the Labor Party express those sorts of sentiments about Australian families and then act totally contrary to the interests of those Australian families?

By way of contrast, the coalition's budget is about building a stronger economy. The measures we announced in the budget are responsible, measured, fair and entirely focused on building a strong and prosperous economy. Since the last election, our economy has created a quarter of a million new jobs, and the centrepiece of this budget is a plan to create even more local jobs. Jobs are now growing at about three times the pace they were under Labor. The coalition's 2015 budget reduces the small business company tax rate to its lowest in almost 50 years and, for two years, we are giving all small businesses an immediate tax deduction on any asset they buy costing up to $20,000. This will benefit more than 95 per cent of all Australian businesses.

The budget also delivers for families. Our Jobs for Families reform will deliver a simpler, more affordable and more accessible childcare system, giving parents more choice when it comes to balancing work and family. Low- and middle-income families will be $1,500 a year better off if they are using the childcare system. Families using child care in 2017 on family incomes of between $65,000 and $170,000 will be around $30 a week better off. The Abbott government's 2105 budget delivers for families, for small business and for our economy. It is responsible, measured and fair. It cuts taxes, creates local jobs and delivers a responsible path back to surplus.

This bill is actually a rare conjunction of usually dissenting parliamentary viewpoints. The coalition are wholeheartedly supporting Labor's former intentions. Yet, if I understand the position of those opposite, they are indignant that we are supporting their own budget measure. If Niccolo Machiavelli were alive today he could write a whole new chapter on that sort of Labor logic. Why wouldn't Labor members consider this bill as an olive branch of sorts? Disagreeing in politics is fine when we both have legitimate and different positions, but to do so when both sides strongly agree is internecine politics at its very worst.

Labor should not think we're trying to embarrass them with this bill. They need little, if any, help from us on that front! Rather, we are seeking, in a constructive spirit of bipartisanship, to help them help us help our fellow Australians. The passage of this bill would reflect well on the government and the opposition whilst also advantaging the taxpayer. If there is such a thing as a triple win in politics, this is it. I trust that this approach will not fall on deaf ears or that Labor, out of sheer pique, will not seek stubbornly to cut off their nose to spite their face. Either would be a great shame because, in the end, this bill offers great potential to benefit all Australians.

In conclusion, through its action on this bill the coalition are continuing our efforts to repair and sustain Australia's financial future. It is not an easy task; it is a mammoth task. I said before that we inherited $123 billion in cumulative deficit and debt on an extraordinary trajectory to $667 billion. It is a mammoth task which naturally calls upon the collective efforts of all of us in this House, as well as all Australians beyond it.
Equally, this process is a test of character for those opposite, who pledged to the Australian people to make this saving. I say to the opposition: 'If you do not like our savings, what are yours? What is your plan to restore the economic freedom of action of this country? What is your plan, and how are you going to pay for it?' The wider community rightfully expects the opposition to do what they said they would—nothing more and nothing less than what they promised.

The Labor Party, the Greens and Independent senators might not agree with everything in our budget or every policy announcement—I get that—but they must surely have heard, loud and clear, the message from Australia that our nation must live within its means. How do we live within our means when as a consequence of that concurrent spending, that spending across political cycles that was entrenched during the Labor-Green years, we now borrow $100 million every day more than this country earns in revenue? To get the budget back under control and regain our economic freedom of action requires an effort on all sides of this parliament. If Labor disagree with this—their own budget savings measure, in the case of this bill—then what is their alternative? What is their alternative plan, and how will they pay for it? I commend this bill to the House.

Mr NEUMANN (Blair) (17:20): I rise to speak on this curiously named bill, the Labor 2013-14 Budget Savings (Measures No.1) Bill 2014. The bill seeks to amend the Clean Energy (Income Tax Rates Amendments) Act 2011, to amend the Clean Energy (Tax Laws Amendments) Act 2011 and to repeal Labor's planned personal income tax cuts for low- and middle-income earners. Those tax cuts would have been as follows. They would have seen: the tax-free threshold rise from $18,200 to $19,400; the second personal marginal tax rate rise from 32.5 per cent to 33 per cent; the maximum value of the low-income tax offset fall from $445 to $300; the low-income tax offset withdrawal rate fall from 1.5 per cent to one per cent; and the taxable income threshold below which a person may receive a low-income tax offset rise from $66,667 to $67,000. These tax cuts would have provided real help to low- and middle-income earners across my electorate of Blair and south-east Queensland.

These are the families that have borne the brunt of the Abbott government's cruel and unfair cuts and increased taxes. These are families that in significant numbers believed the promise of the then opposition leader prior to the 2013 election. On 6 September 2013—they are his words, not mine—he said there would be 'no cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS'. On 6 August 2013 he said, 'Taxes will always be lower under a coalition government.' One of my personal favourites is what he said on 22 August 2011: 'There should be no new tax collection without an election.' He seems to have forgotten that one whilst occupying the Treasury benches. The low- and middle-income families in my electorate could be forgiven for taking him at his word. Fortunately, they did not take his candidate at his word too much, and I was re-elected.

After all these years, we have seen across two budgets the coalition parties and the Abbott government break the sanctity of those promises. Do not forget he told the Australian public on 22 August 2011, 'It is an absolute principle of democracy that governments should not and must not say one thing before an election and do the opposite afterwards.' That did not survive MYEFO in 2013 and it certainly did not survive the May 2014 budget. It was a principle that was broken pretty quickly by this government, who said one thing before an election and did precisely the opposite thereafter.
Families in my electorate watched in horror as we saw the Abbott government increase taxes and cut services, just as the Campbell Newman LNP government did in Queensland, and look what happened to them—turfed out after one term, despite their record majority of 79 seats out of 89. The Abbott government ripped away funds from the states for local schools and hospitals—$30 billion on one count for schools and $50 billion for the public hospital and health system. This budget continues that. Those opposite want to make families pay more for their kids' medicine and when they take kids to the GP. That is their policy; that is their commitment. One of their proposals was to freeze the family tax benefit payments, eroding help provided for the family budget, or cut family tax benefit part B entirely when youngsters turn six years of age. This bill abolishes tax cuts for those same families whilst blaming us for it, as I have heard speakers from the Treasury benches say. It is a real trick to be able to get a broken promise together with a cunning stunt in the one speech and in one piece of legislation. At the start of the Treasurer's second reading speech, I notice that he was blaming us for this legislation. It is not true. I do not think too many people in my electorate believe much of what the Abbott government has to say, because their attitude towards the Prime Minister is akin to the attitude they took to former Queensland Premier Campbell Newman.

I think the government have a truth deficit, not a budget deficit, in many ways. They have lost the capacity to understand what fairness is. Broken promises have been a real problem for the government, and they have hurt people. People know it, the government know it and their backbenchers in marginal seats know it. Since the 2014 budget, when they have done what they call their listening posts—what we call our mobile offices—they would have heard that message loud and clear. No doubt the endless focus groups at Liberal and National Party headquarters would have told them the same. Certainly the Prime Minister knows it and the Treasurer knows it. Just prior to the 2015-16 budget being handed down, the Prime Minister told radio 3AW in Melbourne:

My determination is to ensure that this Budget is fair. That is my determination .... I don't want anyone to say that this is an unfair Budget.

Simply, they knew very much that the 2014 budget was unfair. This unfairness continues, because the cuts continue. In my portfolio areas, the cuts have continued in aged care and in Indigenous affairs. Over $40 million has been cut from the Workforce Development Fund, over $20 million has been cut from dementia assistance and $145.6 million has been cut from Indigenous affairs. The unfairness continues.

It is interesting, because again and again we hear the Abbott government refusing to accept this unfairness and excoriating the National Centre for Social and Economic Modelling, NATSEM, at the University of Canberra. Who can forget the Prime Minister previously praising that centre as the most reputable modelling organisation in Australia? The coalition proudly boasts that some of its pre-2013 election commitments were 'modelled independently by NATSEM, Australia's foremost social policy modelling consultant'. NATSEM's credentials are accepted across the political spectrum by us and by those opposite. Following the 2014-15 budget, NATSEM analysed its financial impact on a range of families and reported as follows:
The burden on families for 2014-15 falls most heavily on low and middle income families with children. The impact on high income families with children is smaller in dollar terms and percent change terms.

It is quite clear that NATSEM's modelling and its conclusion destroyed any claim about fairness in the first budget. NATSEM went on to say:

The results clearly demonstrate that low income families with children are the main family group to be impacted by this budget. The budget impact is relatively moderate in 2014-15 but becomes more significant by 2017-18.

NATSEM modelling also showed:

Low income couples with children (bottom 20 per cent) are worse off by around 6.6 per cent while single parents are worse off by around 10.8 per cent on average.

NATSEM found that 15 of the 16 electorates hit hardest by the first Abbott budget were held by Labor, with low- and middle-income families in Western Sydney and the outer suburbs of Melbourne overwhelmingly worse off. My electorate of Blair did not escape. NATSEM found that the first Abbott budget would leave families in my electorate worse off by about $406 a year. The impact was more severe in neighbouring electorates, even in the electorate of Wright, which wraps around the bottom part of Ipswich, where families would be worse off to the tune of $439 a year.

The government must have held its breath waiting for NATSEM's modelling and its verdict on their second budget. They were pretty disappointed, and you could see the way in which they attacked NATSEM, which torpedoed the budget with respect to fairness. On the 2015 budget, NATSEM found:

The burden on families for 2014-15 falls most heavily on low and middle income families with children. The impact on high income families with children is smaller in dollar terms and percent change terms … In percentage terms, the impact is clearly felt by the low income families more than high income families.

The modelling across electorates was very similar. In their modelling, Family 1, for example, is a sole parent family with an income of $55,000 and two kids, one at primary school and one at high school. Across the forward estimates in the 2015-16 budget to 2018-19, the Abbott government's cuts and taxes will see Family 1 lose $20,647. By 2018-19, the weekly impact of the Abbott government's 2015-16 budget on Family 1, based on decisions they made previously as well, will be a loss of $117.46. Family 2 is a couple with a single income of $75,000 and two kids, again, one in primary school and the other in high school. Across the forward estimates the Abbott government's cuts and taxes will see Family 2 lose $6,049. By 2018-19, the weekly impact of the Abbott government on Family 2 will be a loss of $38.75. Family 3 is a couple with a dual income of $120,000 and two kids, both in high school. Across the forward estimates, the cuts and taxes will see Family 3 lose $11,575. By 2018-19, the loss will be $62.92 a week. This is the impact of these two budgets on families, and it worsens across the forward estimates. There is no peak and respite: just pain. NATSEM stated:

… low income families with children are the main family group to be adversely impacted by policy changes since the last election. The budget impact is relatively moderate in 2015-16 but becomes more significant in the outyears.
So the Abbott government's claims to fairness lie utterly in tatters—or dead, buried and cremated, to use of the Prime Minister's favourite phrases.

For most of the last two years, and while in opposition, the coalition gave pushed a hysterical bombast of a budget emergency and a debt and deficit disaster, at every opportunity comparing our economy to that of Greece. That ridiculous rhetoric has vanished in the 2015-16 budget. It is instructive to note that the 2015-16 budget has more debt and deficit. Taxes go up. There is more spending. There is higher unemployment. And it is all there in the budget papers. They reveal at least $3.9 billion of new taxes and increased taxes and charges. Tax receipts will rise each and every year across the forward estimates of the 2015-16 budget. The Abbott government now taxes the Australian public at a higher rate than at any time since the Howard government.

Let us compare tax to GDP. Over Labor's last period in government, tax receipts averaged 20.8 per cent of GDP. Under the Abbott government, tax receipts average 22.6 per cent of GDP, across the forward estimates. Alan Kohler, writing in Business Spectator on 20 May 2015, put the lie to the fiction of the coalition being a low-taxing, small government administration. He dismissed this as:

Spin. The 2015-16 deficit will be $6 billion less than this year because taxes increase by $20 billion because of bracket creep, and spending by $14 billion, making this the biggest taxing and biggest spending government since the GFC. Before that you have to go back to the previous coalition government.

That previous coalition government was the big-taxing, big-spending Howard government. Page 317 of budget paper No. 2 reveals that the Abbott government has doubled the deficit, from $17.1 billion to $35.1 billion, in the last 12 months. They doubled the deficit. Of the government's claims to have inherited $48 billion deficit, Mr Kohler, again writing in the Business Spectator, said:

Spin. At least $10 billion of the 2013-14 deficit came from decisions of the Abbott government, including the $8.8 billion capital injection to the Reserve Bank.

In terms of debt, budget paper No. 1 estimates the net debt at $285.8 billion in 2015-16, which is 17.3 per cent of GDP, the highest in Australia's history. The budget papers estimate net debt to peak at $313.4 billion in 2016-17, which is 18 per cent of GDP—incidentally, some $9 billion more than estimated in last year's MYEFO.

Put simply, net debt under the coalition government continues to grow in nominal terms each and every year across the forward estimates. The spending increases in this budget are another coalition myth buster. The former Labor government keep spending growth at an average of 1.3 per cent in the four years following the global financial crisis. Under the coalition government, spending growth averages 1.8 per cent across the forward estimates. The government has broken its promise to save as much as it spends. Coalition members should have a look at the budget papers because they do not understand what they are talking about. The budget papers reveal a very different story to the spin that this government is presenting about its own last two budgets.

Mr HUTCHINSON (Lyons) (17:35): I actually think the member for Blair believes that. But the Australian people do not. They do not believe it. This bill that I speak on today, the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014, really goes to the heart that is the hypocrisy of the Labor Party since the election. This government was elected, absolutely, on a
platform of national security. I think that every Australian believes that the federal government should take a very strong line to protect our citizens, and that is exactly what we are doing. There is also an absolute expectation for economic security, and that is what we are determined to provide for the Australian people, because, whether it is a family, a small business, a big business, a council, or a state or federal government, they all know that we must live within our means.

What we inherited was debt and deficit as far as the eye could see. Do nothing. And we had $123 billion of deficits in front of us, over the four years of the forward estimates, peaking in 10 years at a debt of $667 billion. With the Labor spending we inherited we had no way of returning in any way, shape or form to surplus, no way of starting to repay the debt and deficit we had inherited from just six years of Labor government. It is quite extraordinary. They were the single biggest-spending government, in the speed at which spending increased over the six years they were in government.

The hypocrisy of what we see before us today is that in the 2013 budget Labor booked the revenue from the deferral of these tax cuts—but they did not legislate this. This was one of almost 100 taxation measures that were highlighted and booked within the spending, within the revenue—and savings, in some cases—by the previous government and never legislated. This is what we inherited. We inherited, beyond the forward estimates, the skeletons in the cupboard, the kickers. Beyond the forward estimates, we know there was $123 billion. What most Australians do not know is that beyond the forward estimates revenue was projected to increase at around three or 3½ per cent but the spending kicked to nearly double that. This is what Labor left us. The task we have is a real task.

We hear so much from those opposite about unfairness. We often hear the word ‘unfair’. This was unfair; that was unfair. What is unfair is stealing from the next generation, stealing from my children and their children, with an inability of this generation to be in charge of its own finances. That is the fundamental unfairness of what Labor left this country between 2007 and when they were booted from government in 2013. Look at what they delivered. I have mentioned the debt and deficit, and we are working on that; we have not finished the job. But what we have done—and it is truly a budget measure as well—is stop the 50,000 illegal arrivals that came in the six years under Labor. We have done that job, and the Australian people know that. We have completed that task. And we have removed the carbon tax. That was a dividend, on average, to every household around the country of $550 per year. That was the dividend of removing bad public policy.

What I hear at the listening posts I hold regularly around my large electorate of Lyons is: 'How are you going to do it? How on earth are you going to get on with the task that we elected you to do? How on earth are you going to do it when you are getting absolutely no help from those opposite, no help at all from the Labor Party?' All complaint; no solution. The bad tenant that trashed the house—and then locked the door and will not let us in to clean up. This is the Labor Party of today.

These are not the only measures opposed by the Labor Party that were nominated as their own savings. In addition to standing in the way of this particular measure, which is a $2.8 billion budget-repair measure, Labor is standing in the way of other measures they announced but are now refusing to vote for. I do not understand—and I think most Australians do not understand—how this could be. There are a number of measures for start-up scholarships that
were a $2.1 billion saving. There was an efficiency dividend to university, saving $1.2 billion. These are savings Labor had highlighted and now refuses to support. There is an abolition of the discount fees for paying HECS up-front, a $336 million saving.

An interview conducted with the Leader of the Opposition on ABC Radio said it all. Chris Uhlmann asked Bill Shorten why the Labor Party was now opposing its own savings. His only response was: 'We are the Labor Party.' Chris said, 'We'll get to that, but why won't you even back your own cuts?' Bill Shorten said, 'Chris, we're the Labor Party.' I think that says it all, and the Australian public understand it.

The Budget reply was on Thursday a fortnight or so ago. It will need to be a pretty good money tree—because the Labor Party black hole now totals $58.6 billion—if they are re-elected to government, for the promises they have made. But the Australian people understand it simply does not grow on trees. We thought it was the magic pudding but it is now the money tree, and Australians will not buy it.

We must continue the work of budget repair. The deficit we inherited, outlined in the 2014 MYEFO, totalled $123 billion over the forward estimates. And we are doing the job. With no help from those opposite, we have been able to reduce that to $82 billion. It is nothing to be proud of, but we are making steady headway over the next four years.

As I mentioned before, government debt was on a trajectory where, if we were to do nothing and if it were left unchecked and allowed to continue, within 10 years, it would have been at $667 billion.

Under the budget settings that Labor left, the budget would never have got to surplus and repayment of the debt would never have started. That is simply unacceptable. It is simply unacceptable in the context of the family budget, it is simply unacceptable in the context of a small business and it is simply unacceptable in the context of the federal government budget. There is a strong economic imperative—indeed, a moral imperative—to change the course and put the budget back onto a secure and stable footing. This is what I hear when I am talking and listening to people in my electorate. They are very concerned about the direction that our nation is heading.

We have seen what has happened in Europe. We have seen the concern there when governments lose control and it all becomes too hard. I have no doubt that there was a time in Greece, Spain, Italy and places like that when there were people who identified that there was a credible way back to surplus. But they did not take those difficult decisions at the time. They left it and it got to a point where it was simply impossible to see a pathway back. Then you start to have the very difficult conversations that are going on in parts of southern Europe at the moment about the right way to deal with these issues and the conflict that that will bring.

It really is a challenge for all of us. In Australia, we are truly the lucky country in every respect. But we must heed the warnings. I believe that Australians understand that we cannot afford to go down that path ever in this country, and that is what they elected this government to do. They elected us to make those difficult decisions. This has been confirmed by Labor's inaction, inability and unwillingness to support their own budget savings measures in the Senate. We are quite clear that the Labor Party will never do this job. The Australian people know that it is up to the coalition to reset the course of the federal budget to head back
towards something that is sustainable into the future and not to leave that challenge to the next generation.

In respect of the bill, this was a legacy of, as I say, the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013. It was the final package of bills to repeal the carbon tax. It was introduced into the House of Representatives on 14 July 2014 and it was agreed by the Senate on 17 July 2014. However, a bill to repeal the legislation in the 2015-16 tax changes was no longer part of this carbon tax repeal package. This was the history, if you read through the plan that the previous government had to go to an emissions trading scheme. I think there was maybe even a realisation by those opposite that the policy that had been forced upon them by, effectively, the Greens was failing and that this was a desperate attempt, at that time, to convince the Australian public that they had a credible plan. It was not a credible plan, and the Australian people understood that.

What we see here before us is a measure that was reasonable at the time, that was proposed by the Labor Party when in government but that was not legislated, and I call on those opposite to examine the morality of this. It is not about us, it is about the Australian people, because, at the end of the day, it is we who need to take responsibility as a government. We know we want to see lower taxes, and in the recent budget we have taken a step in that direction with the engine room of the economy—small businesses in this country—being given an opportunity to be their best selves through a reinvigoration: a tax cut for incorporated entities, a discount of five per cent for those entities that are not incorporated and the opportunity for those small businesses, through the $20,000 instant asset write-off, to reinvigorate their businesses, to employ more Australians and to grow the economy.

We want to see lower taxes in this country. But, in this instance, this goes to the very heart of the hypocrisy that was the Labor Party. In government they saw fit to introduce these measures, and now in opposition they are unwilling to support them. Quite frankly, the Australian people understand. The people and families in my electorate know that that is unacceptable. The small businesses know that that is unacceptable. Governments, as well as small business and families, must live within their means. I encourage those on the other side to examine their consciences and support this measure.

Ms HALL (Shortland—Opposition Whip) (17:50): I rise not to oppose the Labor 2013-14 Budget Savings (Measures No.1) Bill 2014 before the House tonight but to point out the rank hypocrisy of the government. Australian people do recognise one thing, and that is that you cannot trust the Abbott government. They say one thing before the election and another thing after the election. They constantly change their policies, they are a high-taxing government and they are a government that has not delivered what they promised to the Australian people.

When the Abbott government came to power, it was with one of the best performing economies in the developed world. We had a triple-A rating by all credit agencies. Since they have been in power they have done nothing but trash the economy. Every time we hear the Treasurer open his mouth he is trashing our economy. Business confidence is at an all-time low. People could be forgiven for thinking that this country was in a very sorry state. But even with the Abbott government in control and even with the current Treasurer we have, we are still performing quite well.

The mantra when the government was elected was, 'The adults are back in control.' One thing that adults do is take responsibility for their actions. If I could say, this government has
at no time taken any responsibility for its ineptitude and for its failure in the area of economic management. I think that they stand condemned. The one thing Australian people are looking from their government is honesty. They want a government that is actually truthful, they want a government that does not govern with three word slogans, they want a government that has got a plan and they want a government that is actually really looking at strong economic management.

If I could just refer to the member for Lyne's contribution to the debate, he talked about debt and deficit. He was saying that the government has not finished yet. I think the Australian people need something a little bit more honest than that. What really has happened is that the government has not started yet. It is not finished; it has not even started! What it has done is lead to a massive increase in our debt and a doubling of our deficit. If that was what the government was elected to do, then it has succeeded. Unfortunately, the Australian people put faith in the Abbott government. The Australian people thought they could actually deliver on their promise to get rid of the deficit and to lower debt. But the government has done anything but that.

Along with that, the government have cut funding to education, they have cut funding to health and they have broken every promise they made to the Australian people before the election. I do not think that is good enough. I really do not think that is good enough. It is a high taxing, big spending government. That is what Australia has got: a high taxing, big spending government, where debt has blown out and the deficit has doubled. I think it is high time that they really looked at themselves, looked at their policy and decided to inject some fairness into it and deliver to the Australian people.

This year's budget and budget changes built on the unfairness of last year's budget. Last year's budget was inherently unfair. It targeted those people who could least afford to be targeted. It targeted people who look to government for support. Instead of getting that support, what this government delivered was GP taxes and freezing the rebate paid to doctors for a four-year period, which I might add is still in place. That in effect will lead to GPs being tax collectors. Eventually, doctors are going to need to charge a fee so that they can survive. The best information that I have been able to receive is from the AMA president, who indicated that that increase will be in the vicinity of around $8 a visit.

I implore the government to actually act as adults, take responsibility for their poor economic management, take responsibility for the skyrocketing debt in this country and sit down with the opposition. We are happy to help them out and we are happy to work with them to address some of the economic problems that seem to be just a little bit above them. We understand that, as I was saying, fairness is not one of the strong points of the Abbott government. We understand that putting tax on petrol at the bowser is something that the Abbott government does not understand. It does not understand the impact that it has on people, like on families and on low- and middle-income earners. I think it was the Treasurer that said that if you are on a low income, it will not affect you.

You may ask why that is. The Treasurer believes that lower income families do not drive cars. In Shortland electorate, it is a relatively elderly electorate. We have got a lot of pensioners. I think in New South Wales, where Shortland electorate is, it is the electorate that has the most pensioners of any Labor electorate. It has the fifth most pensioners of any electorate in NSW and about the seventh most pensioners of any electorate in Australia. I
might say that the median income is fairly low. Those pensioners struggle. But the way the area that I represent is set out, you cannot rely on public transport. That is because it is a very spread out electorate. It is a series of little villages that have come together to grow into suburbs and grow into regions, like Lake Macquarie and the Central Coast. For people in those areas, no matter what their income, if they do not have a car, they are unable to get to the shops, to the doctors, to travel and visit their friends and families, and to survive.

The statement by the Treasurer shows just how out of touch the Abbott government is with the Australian people. It shows how they do not understand that the changes and cuts that are going to cost Australian families $6,000 a year will really hurt. They do not understand the impact on charities like the Salvation Army, which had their Red Shield Appeal last Saturday. I was very happy to go out and assist with that. I knocked on one person's door, and this guy was a cement renderer. He said:

I don't have much money. I lost my job last week, but I have some change in the middle of my car.

He came out with a handful of coins and threw them in. He said:

I know that it is hard times. I know that jobs are hard to get, and I know that the Salvation Army is being called upon to provide a lot these days.

So I say to those members on the other side of this House—the government members of a high-taxing, big-spending government who cannot bring the deficit under control, who have seen debts skyrocketing out of control, and who took over at a time when we had an AAA rating from all rating agencies—to be honest with the Australian people. I ask them to deliver real economic reform, and deliver it to all Australians, not just a few selected Australians. Tell the Australian people that you are not up for the job, that you are unable to manage the economy, and that you are unable to deal with the debt.

We hear in this House every day how the government is delivering increased spending in every area, yet on the other hand we hear how they are cutting and making savings. Please! That is conflicting. Surely, they are either spending more, or saving more. Or maybe it is the extra taxes that they are putting on the Australian people?

I am not rising to oppose this legislation. I am rising to point out to the Australian people just how inept the Abbott government is—how unable and incapable they are of handling the economy; how they have let the Australian people down; and how they have promised one thing before an election, and delivered something else after the election. Time and time again, they have told this House that the ‘adults are in control’, but, as adults, they have been unable to accept responsibility for their poor management of the economy. They have been unable to accept responsibility and show real leadership to prepare Australia for the future with jobs for the future.

They have been unable to accept responsibility for cutting from health—they are saying that they are spending more. They have been unable to accept responsibility for making sure that every Australian will have access to quality health. They have introduced legislation that is only going to deliver hardship to all Australian families.

Dr HENDY (Eden-Monaro) (18:04): I rise to speak on the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014, on taxation policy, and on the 2015 budget. Let me start by relating a relatively bizarre incident that occurred last month. On 24 April this year I received an email from the ALP National Secretary, George Wright. He wrote that I was randomly
selected to help the ALP in its year of ideas. In fact it is worth quoting the email verbatim. I says:

Friend

2015 is the year Labor puts forward our ideas to the Australian community.

We want to hear from as many people as possible to get views from as broad a section of the community as possible.

That's why you've been randomly selected to participate in this survey about your values and priorities. Could you please take this survey and let us know what's important to you?

I hope you take this chance to let us know what you think our policies and priorities should be.

Thanks for taking the time to make sure we do a better job of developing the policies that will make Australia a fairer, better country.

George Wright
Labor National Secretary

I am much obliged to Mr Wright for asking me for my views. I am surprised that Labor admits that I have a legitimate contribution to make, given the slanderous things their candidate, the former member for Eden-Monaro, has had to say about me while hypocritically claiming he will not indulge in personal attacks. He might ludicrously label me an 'ideological extremist'—me of all people. Obviously, the national secretary of his party thinks differently, treats me as a friend and values my ideas! Indeed, what an embarrassment for Labor. They have to turn to Liberal party members of parliament to get some ideas.

I am happy to help them. They should sign on to the government's agenda, and help pass the budget in full. They should vote for this bill that seeks to repair the budget problems they imposed on the Australian people. As the Treasurer said in his second reading speech, this bill repeals the second round of carbon tax related personal income tax cuts that are due to start on 1 July 2015, because that is what the Labor party promised prior to the last election as a budget saving measure to help repair the budget. However, since the election they have failed to keep their promise to the Australian people. We are now introducing legislation to allow the Labor Party to keep its promise to Australian people to fix the budget. The cost to the budget for the second round of personal income tax cuts has increased from $1.5 billion to $2.2 billion over the current forward estimates period to 30 June 2018.

The government's 2015 budget has been a well-received budget across the Australian community and in my electorate of Eden-Monaro. Since the budget, I have been crisscrossing the 29,000 square kilometres of my electorate—that is an area equivalent to a European country like Belgium—to find out what my constituents think. In the week or so since budget day, I have had listening posts or other engagements in Queanbeyan, Bredbo, Bega, Moruya, Bingie, Merimbula, Jerangle, Tathra, Narooma, Dalmeny and Frogs Hollow. That is a good cross-section of the electorate and I have met hundreds of people. What I have found is a good reaction to the soundness of the budget. There is a recognition that it is a pragmatic way to proceed given the enormous constraints and roadblocks caused by an unthinking Senate, led by the ALP and the Greens. There is a general recognition that, while last year's budget might have tried to bite off more than we could chew, it is understood that this budget is taking the path to fiscal improvement, admittedly more slowly, in a constructive way that gets us measured progress.
In a macroeconomic sense, what I can note is this: we inherited a deficit of $48 billion. The deficit for the budget year is now estimated to be $35 billion and it is forecast to reduce each and every year to below $7 billion over the next four years. Over four years, this means that we will have reduced the $123 billion of deficits inherited from Labor by over $40 billion to $82 billion. Because of our efforts, the deficit reduces each and every year on average by around half a percentage point of GDP. For those of my constituents who are concerned that we may be dropping the ball on fixing the budget, can I say: you should not believe everything you read in the newspapers and hear on the radio or TV. In fact, the budget explicitly contains a credible path back to surplus.

I understand that the Prime Minister and Treasurer are reluctant to give the firm commitment of getting back to surplus in five years time, in 2019-20, with surpluses projected over the remainder of the medium term, as it says on page 1-8 of Budget Paper No. 1. The debacle of Gillard, Rudd and the member for Lilley, former Treasurer Swan claiming on hundreds of occasions that they were getting back to surplus or had in fact actually delivered a surplus, when in fact they were just blowing out the deficit by ever more billions of dollars, is not something we want to repeat. They are concerned about the 'curse of Lilley'. However, as a mere backbencher I feel I can point to the budget papers and say that, on the basis of all that is known now, the Treasury experts are predicting a surplus in 2019-20, five years from now. With such a surplus, we can start paying down Labor's debt.

Let me tell you about Labor's budget black hole. Labor has a budget black hole of more than $58 billion. Before the Leader of the Opposition's budget-in-reply speech, Labor faced a $52 billion budget black hole, but, by 8 pm that Thursday night, that hole had grown to $58.6 billion. Labor is blocking $17.2 billion worth of government savings and revenue measures, including more than $5 billion of their own savings. Labor is also calling on the government to restore $31 billion in savings that have already been banked, including spending an additional $18 billion in foreign aid. Labor would deliver higher debt and higher deficits.

As former New South Wales Labor Treasurer Michael Costa wrote in The Daily Telegraph a few days ago, on 26 May, the Leader of the Opposition's:

... refusal to acknowledge let alone deal with the budget deficit and emerging debt burden, which the Rudd government was largely responsible for, is a clear example of the consequence of union and special-interest politics.

It's tragic that the party of Hawke and Keating which did so much to liberalise and economically reform the Australian economy has now embraced kindergarten Keynesianism and the infantile ideology of anti-neoliberalism.

Mr Costa could not have been more accurate. Labor are indulging in 'kindergarten Keynesianism'. In my view, kindergarten Keynesianism is when the left takes the most simplistic interpretation of what the great economist John Maynard Keynes said about economic policy and turns the solution to every social, cultural and economic issue facing the nation into a simple recipe of spending more and more taxpayers' money. It is nonsensical and a complete travesty of what the great man actually proposed. They have no constructive plan for Australia and, if they are ever elected to government again, there will be a very high price for Australian families.

For example, Labor has returned to its failed carbon tax policy. Labor says it will bring back its failed carbon tax, a tax which belted up household costs by some $600 a year without
cleaning up the environment. Labor wants its tax on electricity and will not give up on the past. So you have a very clear contrast between the coalition government, which wants to help business and jobs, and Labor, which wants to hurt business and jobs by increasing taxes like the carbon tax. The coalition government got rid of the failed carbon tax and, in its place, our Direct Action Plan is set to achieve and exceed the bipartisan cuts to emissions on targets. Labor will bring back the carbon tax and reopen the people smugglers' opportunities, threatening lives and billions of dollars in uncontrolled expenditure on detention centres. At the first sign of rising mineral commodity prices, you can bet that Labor will return to the mining tax as well, despite its denials.

One of the other things you can count on with Labor by their own admission is that they will raid your super if you give them half a chance. Their latest thought bubble is a big new tax on superannuation and retirees. Retirees are threatened by a multi-pronged attack to their retirement savings by the Australian Labor Party. As of the latest census, there are some 43,984 people over the age of 55 in my electorate. That is 32.5 per cent of the population of Eden-Monaro, and compares to only 25.6 per cent for the nation as a whole. So Labor's attack on retirees is a dagger at the heart of the incomes of a sizeable proportion of the people I represent in this parliament. What is the threat? Two weeks ago, Labor's shadow Treasurer confirmed that Labor will 'fix' the superannuation system with a big new tax. But first a little history lesson. I remind the House that Kevin Rudd, before the 2007 election, said that there would be no change to super—'not one jot, not one tittle'—and they broke their word. In fact, they increased taxation on super by just short of $9 billion. In particular, Labor sought to add a new tax on earnings on super above $100,000. After all that, in 2013 they promised that for five years they would not make any changes to super. In fact, that was a promise by the then Labor Treasurer, who is now the Labor shadow Treasurer, the member for McMahon. And now they are at it again. In 2015, amongst other proposals, Labor has announced that they would reduce their previous policy of a $100,000 income threshold to a new tax on super above just $75,000. This will affect, by some estimates, more than 300,000 retirees. They have also said that they would not index those thresholds, affecting thousands more Australians as the years pass by and inflation brings the effective threshold down every year in real dollar terms.

So much for the 2013 promise of a five-year moratorium on changes! However, that promise of no new changes did not end in 2013. The Leader of the Opposition, as recently as 22 April this year, said:

… these are the final and the only changes Labor will make to the tax treatment of superannuation.

Sounds like a strong assurance, doesn't it? But, less than one month later, in May this year, the shadow Treasurer at the Press Club said:

… what we have flagged is that we are still doing work on other aspects of superannuation policy.

So there is obviously more to come. Indeed, they are also explicitly flagging attacking the negative gearing that thousands of retirees rely on. On 22 April this year it was reported in The Sydney Morning Herald that, in a speech the previous day at the National Press Club, the Labor shadow Treasurer stated that it would be 'irresponsible to rule out going to the next election with changes to, for example, negative gearing'.

What might Labor be planning? We do not have to go far, as they have been doing media interviews to float their impending policy. Journalist Troy Bramston of The Australian
newspaper reported on 22 May this year, only a couple of weeks ago, that the New South Wales branch of the Labor Party—indeed, the shadow Treasurer's own branch of the Labor Party—was having internal discussions about an $8 billion hit to the negative gearing of investors in Australia. That $8 billion hit would be in the realm of the $9 billion they hit superannuation for in their last term of government. Labor have made a calculated gamble based on an appeal to the politics of envy to target these retirees to fund the vote-buying spree that the Leader of the Opposition announced in his budget-in-reply speech. It is cynical and disreputable. It is not about good policy. The government recognises that superannuation is the hard-earned saving of Australians, and not a piggy bank to raid as a desperate measure to fix Labor's budget black hole. That is why we on this side of the House have committed to no adverse or unexpected changes to superannuation this term. I say to the retirees in Eden-Monaro: you cannot trust your savings with Labor.

May I say in conclusion that the coalition government's 2015 budget is a 'have-a-go' budget. It delivers for families, for small business and for our economy. The budget is the next step in our economic plan for jobs, for growth and for opportunity. It is a responsible budget. It is measured and fair. It cuts taxes and will create jobs, and it delivers a responsible path back to surplus. The Labor Party should abandon its negative campaign and support our policies, including this bill. That is the one big idea they should adopt for their so-called year of ideas.

WYATT ROY (Longman) (18:19): Today I feel like we are entering a new era of very low-grade politics. The Labor Party came into this place today and tried to distract as much as they could from the budget and used something that is a very important political issue as a political football. As part of this pretty shameless act they said, 'Isn't it terrible that half the House was empty when we just had a routine tabling of a private member's bill?' It is pretty interesting that we are here in the chamber tonight debating a very serious bill and I see one Labor member here—one Labor member on a bill that really will define what the modern Labor Party stands for.

Mr Danby: How many are there on your side? Two, three—four.

WYATT ROY: Which is a few hundred per cent more than what is on your side. But it is a really interesting thing, because this bill is a serious question about what the modern Labor party stands for. We have a situation—and let's remove the partisan politics from this discussion—that we have to face as a country, not as political parties, not as politicians, but as a country. We have inherited from the former government hundreds of billions of dollars worth of debt. We have an economy that is reliant very much on the mining boom, and inevitably that will come off. And we have an enormous demographic challenge facing our nation. We can stick our heads in the sand and pretend that that does not exist or we can prepare for the future. The reality is this: today there are 7½ people working for every person who is not working. By 2050, when my generation is heading towards retirement, it will be 2½. We have these really pathetic political discussions in this chamber where we go across from one side to the other about how we can score these cheap political points, but the reality facing our country at the moment is this: if we cannot manage our finances as a nation, if we cannot set up our country so that, one, our government lives within its means and, two, the private sector is as productive as possible, as innovative as possible and as outward-looking as possible so that we have as many Australians in the best possible jobs and earning the highest
real wages and ultimately paying more tax, we are going to say to the next generation of Australians, 'We're sorry. We weren't up to the task. We weren't up to the challenge and, collectively, we'll hand over to the next generation of Australians a country with less opportunity than we have here today.'

I think it is up to us as political parties, as politicians and as a parliament to rise to that challenge and say that it is not good enough to hand over to the next generation of Australians a country with less opportunity. The Productivity Commission says that if we do nothing, which is essentially what the modern Labor Party stands for, then just to meet the demographic challenge—and it is not a political party saying this; it is the Productivity Commission—we would have to raise taxes by 21 per cent. That is before we add funding to schools or roads or hospitals or important schemes like the National Disability Insurance Scheme.

If we cannot act and have a government that lives within its means, a government that can provide for the future of everyday Australians, then we are going to say that this is all too hard, that we are going to have a cheap political win today and our kids and grandkids—my generation—are going to pay 21 per cent more tax than we currently do. I do not think there is anything fair or equitable in that. We are going to say to them that because we could not manage our own finances, because we could not live within our means, the next generation of Australians are not going to have as much money to spend on roads, on schools, on hospitals and we are not going to have the ability to provide the opportunity to them that is provided to our current generation.

This is a reality that we all know in this place. The Labor Party might sometimes like to pretend that these challenges are not there, or make cheap political arguments wherein they say: 'Look, it's all okay; it's fine. Nothing to see here. We'll just keep handing out other people's money for as long as we can.' But this reality exists for us as a country, and if the Labor Party and the Liberal Party cannot come to terms with that, if we cannot live within our means, and if the people in the other place, in the Senate, cannot come to terms with that, then that is what we are going to do. We have to be prepared enough to say that we are just going to hand over a country where you pay more tax and have less opportunity than we do. I do not think that is a fair or equitable thing for us to do as a nation.

This bill shows the remarkable turnaround of the modern Labor Party, from the Labor Party of Bob Hawke and Paul Keating, who did amazing things for our country—opened up our economy, increased the prosperity of our nation. What does the modern Labor Party stand for? I cannot understand what Bob Hawke and Paul Keating would see, looking at the modern Labor Party. The bill we have before us contains saving measures that the Labor Party in government proposed—saving measures not from this side of the chamber but from the Labor Party when they were in government and that now, under new leadership, they are trying to deliver as a new direction. It is simply the most populist political party our country has seen in decades. This is no longer the Labor Party of Bob Hawke and Paul Keating. This is just a populist movement seeking power for power's sake. And now, in opposition, they are opposing these saving measures.

We all know in this place that we have to have a government that lives within its means. The Labor Party was prepared in government to put some savings—not enough savings, but some savings—on the table so that the next generation did not inherit an enormous amount of
debt, so that the next generation did not pay much higher taxes, and they proposed some savings. And of course now in opposition they have this crazy political ideology that will just keep rattling the money tree, and money will just keep falling out and they will promise absolutely everything to everybody. Surely that is the easiest political thing for somebody to do if all they want to do is seek power for power’s sake. If all we wanted to do in this place was to be politicians who came here and sat on this green leather and never actually had to do anything good for the country, we would just promise more money for everybody for everything. But the reality is that the next generation of Australians will pay for it. The reality of us seeking our own political survival today is that the next generation of Australians will have less opportunity. Seeing the Labor Party opposing their own savings in this bill, I think the next generation of Australians should be very disappointed in the level of political discussion we have as a nation. They should be disappointed in the lack of credibility of the modern Labor Party, and they should be disappointed by a political class that thinks it is okay to just hand the problem over to the next generation.

While we are frustrated, while we are disappointed, I am eternally optimistic that we can rise to the challenge in this place and we can hand over to the next generation of Australians a country that has more opportunity, not less; a country where we pay lower taxes than we pay today, not higher taxes; and a country that reaches its potential, that takes hold of the opportunities of this century. But if the modern Labor Party cannot even bring itself to support a bill like this—their own savings—there is very little hope. So, my plea to the members of the Labor Party, those members opposite, is: support this bill, support your own savings and show the next generation of Australians that you are not just going to kick the can down the road and make them pick up the bill. For that reason, I commend these bills to the House.

Mrs PRENTICE (Ryan) (18:27): This bill is very well named. Indeed, it is quite deliberately named the Labor 2013-14 Budget Savings (Measures No. 1) Bill, because, despite being introduced by a coalition Treasurer, it is very much a Labor bill. It is a Labor bill because it gives effect to a commitment made on 14 May 2013 by the then Treasurer, the member for Lilley. In his final budget as Treasurer, the member for Lilley committed the then Labor government to the deferral of a second round of personal income tax cuts, a measure that was estimated at the time to save $1.5 billion over the forward estimates. The tax cuts were to be unwound because their original purpose—to compensate taxpayers for the movement of a carbon price from a fixed to a floating price—was no longer necessary. This was because the floating carbon price forward estimate from 1 July 2015 was revised significantly downwards, from $29 to $12 a tonne, a figure below even the fixed price that taxpayers were already paying.

However, Labor happily banked the $1.5 billion saving to prop up their flagging budget bottom line. But the people of Australia well remember the chaos and dysfunction of the dying days of the Labor government in 2013. It will therefore not be a surprise that Labor did not follow through with what it said it would do at the time. The legislation was not unwound. The weakened, disorganised, chaotic government of the day could not sufficiently get its act together to introduce legislation giving effect to savings in its own budget. So, this bill is as welcomed as it is late. We should have been debating this bill in this House, in this session, two years ago. However, whether by incompetence or by design, Labor failed to deliver. So,
yet again, it is left to the coalition to repair Labor's budget mess. Members opposite should be lining up to support this bill. After all, it fulfils the intention of the 2013 Labor budget.

The member for Lilley should certainly be supporting it, and so should all those opposite who supported him to be Treasurer for all those years. The member for Lilley will, I am sure, also be enthusiastic in his support for this bill because it charts a sustainable path back to surplus. We all know that the member for Lilley liked to talk about budget surpluses—so much so, he had a persistent habit of announcing budget surpluses that failed to materialise. But, surplus or not, printing and distribution companies were kept in business producing glossy brochures proclaiming his budget-conjuring genius. But perhaps I am too harsh on the member for Lilley. He did make a very good point during his budget speech back in 2011 when he remarked:

...meandering back to surplus would compound the pressures in our economy and push up the cost of living for pensioners and working people.

Fine words from the then Treasurer. Unfortunately we know that, in six budgets, he never quite led Australia back to surplus—meandering or otherwise.

And we must also not forget that not only did Labor promise this measure in their final budget; they also took it to the last election as an election promise. In the time that has elapsed since 2013, the cost to the budget of not passing this measure has increased over the forward estimates. The explanatory notes to this bill, prepared following the 2014-15 budget, identify that the cost has now risen from $1.5 billion to $2.2 billion in the period to 30 June 2018. It will now have risen further.

So here is an opportunity for Labor to finally make good on their commitment to budget responsibility and to make good on their own election commitment. They could not do it in government but now, finally, they have an opportunity to make good on their rhetoric and support a government that it is serious about getting our country back to surplus. Sadly, I have my doubts about the opposition's commitment to budget repair. After all, this is an opposition which has combined with their old friends the Greens in the Senate to block so many of the government's savings measures necessary to get Australia's finances back on track.

Mr Danby interjecting——

Mrs PRENTICE: There is an interjection about the opposition's friends the Greens. Sorry, they were not only their friends; they formed a coalition government with them in the last parliament. They are now an opposition who have favoured politics and partisanship over responsible economic management. So much so, we have seen the ludicrous scenario of a Labor opposition voting against $5 billion worth of budget savings measures proposed by Labor themselves when they were in government. They are voting against their own budget savings measures! Such obstructionism may be in Labor's short-term political interests but it is not in the interests of Australia's long-term financial sustainability. It is time for Labor to be responsible—hard as that may be. It is time for them to put their own interests aside and to join with the government to back a bill that enacts savings measures supported in principle by both sides of the House.

I commend the bill to the House.

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (18:33): It is no wonder that Labor members took themselves off the speakers list. They are
embarrassed about the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 and they are embarrassed about the fact that, through their obstructionist behaviour in the Senate, they are holding up their own bills to help repair the budget situation. The member for Melbourne Ports made a comment during the member for Ryan's excellent contribution to this debate. I do not think it would have been recorded in the Hansard but I will record it. He voiced his objections about the Greens. The member for Melbourne Ports does not like the Greens. He is probably a little more in favour of them than I, as a Nationals member, am. He knows full well just how obstructionist the Greens can be and the agenda that they are running. I will give the member for Melbourne Ports his due. He has scant regard for the Greens and their social agenda which is damaging to this nation.

The bill that we are debating tonight talks about Labor's 2013 budget policy of repealing the second round of carbon tax related personal income tax cuts which are due to start on 1 July. In opposition, we committed to keeping the first round of personal income tax cuts and all the associated pension and benefit increases—and they have been retained. We said prior to the September 2013 election that they would be retained and, indeed, they have been retained. We have also delivered further savings to Australian households by removing the carbon tax itself.

The carbon tax was that wonderful piece of public policy that the then Prime Minister Julia Gillard announced within months of being elected. I remember it well. We had the smiling, bearded member for Lyne standing behind her. He had grown a beard to hide his appearance in public because he was so embarrassed about the fact that Labor also had to get the Greens vote—and we also had the Independent member for New England. Julia Gillard realised that she needed the support of the crossbenchers, she needed the support of the Greens, to hold the numbers in the parliament. I suppose you can say fair enough, numbers is what politics is all about; you cannot govern if you do not have the necessary numbers. But you should not govern if you have to almost sell your soul to achieve the treasury bench. You should not govern if, to have the numbers, it means you have to give the independent crossbenchers or the Greens everything they want. And that is what we saw after the 2010 election. That is what we saw in early 2011, when Julia Gillard stood there at that infamous press conference and announced that there would be a carbon tax—after she had so famously said: 'There will be no carbon tax under the government I lead.'

But the removal of the carbon tax is saving the typical Australian family $550 a year. That is a significant saving. We all know that the typical Australian family—indeed, any Australian family—is under cost-of-living pressures with maintaining family budgets, and it is not easy. Five hundred and fifty dollars is a big saving. But we know what Labor is going to do if Labor does get re-elected next year: they will reintroduce the clean energy or carbon tax—call it what you will. They will reintroduce that legislation. Goodness knows, we do not need that!

This bill implements a measure first announced by the Labor Party. In the member for Lilley's final budget—thank goodness it was his final budget!—when he handed it down on 14 May 2013, the former government deferred a second round of personal income tax, and that resulted in $1½ billion worth of savings over the then forward estimates. Due to the addition of two further years to the forward estimates since then, the measure is now worth $2.8 billion—I will repeat that: $2.8 billion—to the budget over the next four years.
The former government, the Labor government, never bothered to legislate this May 2013 budget measure. This was just one of 100 announced but unimplemented taxation measures left to us by Labor. It was like, as the Treasurer announced today, time bombs left in the cupboard for us. When we opened it, there they were.

Upon coming to government, we attempted to legislate this Labor measure as a matter of urgency. We had to do it, because we did have a crisis. We had a crisis of confidence in business. We had a budget emergency. There was so much despair and gloom about the situation that we were left. We all know there were accumulated deficits as far as the eye could see, with projected debt of $667 billion if we did not act. As such, this measure was introduced to the parliament twice, under the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 as part of the package of carbon tax repeal bills. However, Labor have now voted twice against this legislation—twice—which implements this budget repair measure, without outlining an alternative plan for it. That is the trouble we find with Labor. Even in the budget reply speech delivered by the member for Maribyrnong, the would be if he could be Prime Minister—

Mr Danby: Will be.

Mr McCORMACK: Not 'will be', member for Melbourne Ports. God forbid! He would be if he could be, but hopefully never will be. Surely the Australian public are smarter than that! But, in his budget in-reply speech this year, the debt just blew out and out and out. We heard the Treasurer, in question time today, mention the fact that, for every minute that the opposition leader stood and delivered that budget in-reply speech, it would cost this nation, if it were to be implemented, another $200 million. Thank goodness no-one from Labor's side called for an extension of time! It was $200 million a minute—that is just extraordinary—but without any possible way of saying, 'This is how we will pay for it; this is what we will do if we are elected to govern this great nation, and these are the savings that we will implement to actually pay for it.'

This is not the first time that Labor has opposed its own budget repair measures. In addition to standing in the way of this $2.8 billion budget repair measure, Labor is also standing in the way of other policies that it itself announced but is now refusing to vote for. Labor measures that Labor now opposes now total—they have now racked up—$6.5 billion. You can look through the list. There is this particular $2.8 billion budget repair measure; the change of Labor's student start-up scholarships, provided as a grant, to a loan repayable through HECS, which was a $2.1 billion savings measure. The abolition of the discount for paying HECS fees up-front was a $336 million savings measure. The change to apply an efficiency dividend to university funding was another $1.2 billion savings measure. And they all add up.

The trouble is: Labor could not manage the country properly in the six years from 2007 to 2013 when in government. They could not manage government. They certainly could not manage money. And we all know of Labor's absolute fiscal ineptitude when it came to making sure that the economy was ticking along nicely and debts were being repaid. And what did Labor leave us? They left us with $133 million a day over and above what we could afford to pay. So, every day, when Australians go out to work, and every day, when we are trying to run the economy, we are trying to pay our debts and we have got balance of payments figures, but, under Labor, we are $133 million a day over and above what we should be. And we have got that down to $96 million a day. That is way, way too high. But
we are getting it under control because of sensible, measured, responsible Treasury management by Joe Hockey, the member for North Sydney.

When questioned on why the Labor Party is now opposing its own savings, the member for Maribyrnong's only response was: 'We're the Labor Party.' What sort of response is that? Chris Uhlmann, on ABC AM on 17 July 2014, asked: 'And we'll get to that, but why won't you even back your own cuts?' And Bill Shorten, the member for Maribyrnong, says: 'Chris, we're the Labor Party!' What sort of response is that to a question? 'How are you going to pay for it?' 'We're the Labor Party.' I mean, seriously! These savings now form part of the $58.6 billion black hole of the Labor Party—$58.6 billion; it is just extraordinary!

We have to get on with the job of repairing the budget. That is what good Liberal-National governments do. We come in and do that. We did it in 1996. Kay Hull, my predecessor, was elected in 1998, and she often talked to me about the hardship and heartache that, even two years in to government, the Howard government, in its early years, suffered as a result of trying to fix up the mess that Labor left it. And it did, with prudent fiscal management by John Howard; by Peter Costello; by the National Party leaders at the time, Tim Fischer and John Anderson, and, later, Mark Vaile. They fixed up the mess that Labor left and restored confidence to regional Australia and did all the sorts of things that people expect Liberal-National governments to do. And, once again, in September 2013, the Australian public tasked us with that very important job of fixing up the mess left by the Rudd-Gillard-Rudd years. But what do we get? We just get baseless accusations in this place, we get measures of mass distraction in this place, we get measures of mass distraction in this place from those opposite and then, when it goes to the Senate, we, again, get obstructionism; again, we get held up; again, Labor will not even pass their own budget savings measure. I say: shame on them.

Our budget is about building a stronger economy, and that is what we saw when the Treasurer, Mr Hockey, announced his 2015-16 budget. While Labor is distracted about all things which are not getting on with the job of creating prosperity, are not about generating new jobs, are not about fixing our balance of payments and are not about increasing hope, reward, opportunity and investment, we are getting on with the task of building a strong and prosperous nation. The focus of the Abbott-Truss coalition government is on a credible path back to surplus. It is not going to happen next year. It is not going to happen the year after. We are not going to stand here—and Joe Hockey is certainly more sensible than to stand here and promise, 'The four years of surpluses which I announce tonight', as the member for Lilley so mischievously did. He is not about to mislead people to say, 'The surpluses I announce', because he knows that it is going to be a tough job; he knows it is going to be a tough task. But jobs are now growing at well over three times the pace under Labor.

The coalition government's budget cuts the small business company tax rate to the lowest in almost 50 years—since 1967—bringing it down from 30 per cent by one and a half per cent. All around the Riverina region that I represent, that has really been welcomed. On the way home last Friday, I pulled up along the Sturt Highway and Roger Morton, a mate of mine, was fixing a fence. I pulled up, walked across and chatted to him while he was repairing his fence. I said, 'You know that—

Mr Danby: Did you hold the post for him?

Mr McCormack: Yes, I did actually. I held the barb wire whilst he was straining it. He was grateful for that, but he was even more grateful, member for Melbourne Ports, for the
fact that, under the budget announced by Joe Hockey, he would be able to replace that full fence for his cattle farm with a new fence and there would be an instant asset write-off for that. That is great. Of course, companies are going to be able to do it for $20,000 worth of equipment. That has really gone down well.

I have to say that after the 2014 budget it was tough work going out into the supermarkets and going out to sporting events and community events which I attend all the time because people said, ‘Gee, the budget's tough.’ It was necessarily tough, but this year's budget does provide hope for business. We know that small business is the engine room of the economy. We know that we are going to get a jobs boost and an economic boost from those small businesses which are the lifeblood of particularly regional Australia but, indeed, the whole nation. We know that Labor failed. We know that because we see it on so many fronts. We are getting on with the job of fixing up the mess that we inherited. The member for Melbourne Ports knows that there was a problem when we took over government. We will get on with the job of fixing it because that is what good, responsible, measured and fair Liberal-National governments always do.

Mr WILSON (O'Connor) (18:48): I would certainly like to invite the member for Riverina when he is in Western Australia to come and help with some fencing at my place. It sounds like he is a bit of a dab hand. It is a pleasure to follow the member for Riverina. He is a great advocate for rural Australia. I will be followed tonight by the member for Grey, who is also a great advocate for rural Australia.

Today I rise to commend the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. The bill is the second carbon tax related repeal bill legislation, legislating the removal of a proposed personal income tax from 1 July 2015. There are three points I would like to make in supporting this bill. Firstly, this legislation implements a Labor Party election promise, and this is an opportunity for them to keep that promise. Secondly, there is a lot of commentary, especially in the media and by the opposition, that there is not a budget emergency. But there is. I will talk about why our current structural deficit is a serious problem for our country to find itself in. Just in recent days it has been revealed in media reports that the opposition is holding up up to $100 billion of saving measures in the Senate. Thirdly, the first part of the carbon tax repeal bill, the actual removal of the carbon tax, has been greatly welcomed in my electorate of O'Connor, with many businesses publicly coming out in its support.

When the carbon tax was introduced by the former government, they included two rounds of personal tax cuts to compensate for the carbon price. The first round of tax cuts to compensate for the introduction of the carbon tax took effect in July 2012. This increased the first personal tax threshold to $18,200. Increasing it again to $19,400 was to take effect from July 2015. This is because, in the Labor Party's final budget, revealed in May 2013, the increase in the carbon price was not expected to occur until 2018-19 due to a revision in their carbon tax price forecast. So they deferred the tax cut until 1 July 2015.

At the time, Labor booked $1.5 billion in savings to the budget bottom line over the then forward estimates period but did not seek to introduce the legislation to reverse the personal income tax changes which it had legislated. Then, leading into the last election, the Labor Party continued to campaign on this budget saving strategy. So here we have a situation where the Labor Party lost the election but the coalition was prepared to honour their promises and remove the second round of personal tax income changes due to commence on
1 July 2015. Currently, the cost to the budget, if this bill does not pass, is $2.2 billion over the forward estimates to 2017-18. Since the election, this measure has been introduced to the parliament twice under the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 as part of the package of carbon tax repeal bills. At both those times, the Labor Party voted against this legislation. That means the Labor Party has voted against its own election commitments and has not provided any ideas for alternatives.

The government inherited an unsustainable budget position from the previous Labor government, with the deficit inherited totalling $123 billion. Without action, the budget outlook is deficits and rising debt for at least another decade. The budget would never get into surplus and the debt would never start to be repaid. The interest bill on that debt would rise to $3 billion a month. That is the equivalent of the construction of three brand-new teaching hospitals in Australia every month, and we are just spending on interest unless we address this issue.

We have already reduced the projected debt in 2023-24 to $389 billion—that is, $300 billion less than the projections that we inherited. There are many nations that have much greater government debt, but they fund it from within their own economy because they have a huge pool of domestic savings. But, in Australia, 70 per cent of the interest we pay goes overseas because Australia fails to fund itself.

Japan is a classic example where the government has an enormous debt, as a percentage of GDP, but it is the Japanese families, the 'Japanese housewives' as they were previously called years ago, who save the money and can fund the government debt. They can fund it within their own economy. Even Italy has the capacity to fund its own needs. It is a net exporter of capital. But Australia is not an exporter of capital; Australia is an importer of capital. Each year we import from the rest of the world to fund ourselves and this year we will import about $40 billion. During the global financial crisis it was a rude shock because our banks could not get offshore funding, so they relied on government credit rating. The government had a strong credit rating; therefore, we were able to fund ourselves in the international markets.

Therefore, it is so important that we have a government that lives within its means so that money becomes more accessible and more affordable for the private sector, which then uses that capital to develop the big projects in the big land that help drive our economy.

There is always a lot of talk that there is no budget emergency, but my question to the opposition is: does that mean you are happy to stay in deficit? Because, on 8 May 2012, former Treasurer and Deputy Prime Minister, the member for Lilley, said:

… importantly by coming back to surplus we give the Reserve Bank maximum flexibility to cut interest rates, should they decide to do so independently of the Government.

… coming back to surplus is about making sure we help those people sitting around the kitchen table when they're figuring out how they will make ends meet.

Here we have a clear statement that the opposition knows that being in surplus is better than being in deficit. Acknowledging the fact that there is a budget emergency, Governor Stevens, Head of the Reserve Bank of Australia, said:

… the fact that the real issues with public finances are medium-term ones is not a reason to put off taking decisions to address them. On the contrary, as experience in so many other countries demonstrates, by the time these sorts of problems have gone from being out on the horizon to on our doorstep, they have usually become a lot more difficult to tackle. Early, measured actions that have
effects that build up over time are a much better approach than the much tougher response that might be required if decisions were delayed.

Phil Bowen, the Parliamentary Budget Officer, echoed this statement, saying:

It is time to start coming out [of debt and deficit], otherwise the longer you leave it the more exposed you become and the harder it is to wind it back …

He continued:

Sure we're currently at a very low level relative to the rest of the developed world, but frankly we don't want to find ourselves where the rest of the world is …

You've got to have a buffer. One of the reasons we came through the global financial crisis so well was because we started with assets.

Mr Bowen continued:

If the rate of the increase [in debt], if allowed to go unchecked, would mean that net debt would increase quite rapidly to the point where that fiscal buffer … would not be available …

To understand budget situations and choose appropriate solutions, it is important to distinguish between cyclical and structural components of the deficit. The cyclical component can be attributed to a weak economy. A recession drives down government revenue because many workers and businesses are no longer earning as much taxable income. At the same time, government spending rises because more people need assistance through programs such as unemployment benefits. In budget phrasing these are known as 'automatic stabilizers' because they help to maintain demand in an economy that is not producing enough for it to keep growing. The result is a temporary or a cyclical increase in the deficit. Once the economy recovers, tax revenue and government spending on assistance programs should return to normal.

If government spending exceeds tax revenue, even when the economy is strong, then the deficit is deemed to be structural. Unlike cyclical deficits, structural deficits reflect a chronic problem that must be addressed through changes in tax and spending policies.

The most effective policy changes are those affecting permanent law, such as entitlement programs and tax provisions that run on autopilot. With structural deficits, one-time spending cuts or temporary tax increases may help to relieve the pressure but cannot solve the problem.

So why should we be concerned about a structural deficit? The most basic reason to be concerned about a structural deficit is that it is generally projected to grow faster than the economy. Even assuming a strong economy, with no cyclical deficit, the current structural deficit will produce a steadily rising debt-to-GDP ratio for as far as the eye can see. Eventually, the debt burden will become too great to bear.

Although it is impossible to say exactly when it will happen, don't you think it would be foolish to risk finding out? While cyclical deficits can assist the economy to get back on track or at least smooth out the bumps, large chronic deficits pose significant risks in many ways. For one thing, deficits tend to divert savings away from more productive investments in the growth capacity of the economy. The strength of the future economy depends on an educated workforce, productive capacity, sources of energy and solid infrastructure.

If there is no financial slack in public budgets because a rising share of available resources is already committed to programs for older people and to paying interest on the national debt,
it will be harder to invest in children, research and development, transportation and communication, and other factors that will promote future growth.

Phil Lewis, Professor of Economics at the University of Canberra, said in his article 'How the budget is faring':

... it can be demonstrated that Australia's economy is strong. However, there is concern that Australia, on its current trajectory, is heading for (or well on the way to) an unsustainable structural deficit. This is where the budget may most influence economic growth, as it impedes the ability of a government to plan future spending.

It is generally accepted that the actual government budget will (and should) fluctuate between deficit and surplus during, respectively, downswings and upswings in the economy. While there is a lot of public attention on whether the year-on-year budget balance is in deficit or surplus, and by how much, the structural balance is the more important concept.

Professor Lewis went on:

As I have pointed out previously ... this structural imbalance is a result of irresponsible spending policies of successive governments ... but particularly by the Rudd/Gillard governments. New spending initiatives, such as the Gonsky funding changes and the NDIS, have been brought in without plans to raise the revenue to pay for them, and often, without due analysis.

And bad luck for Tony Abbott—

the Prime Minister—

that he is left with unfunded big budget items in the future to deal with, as a legacy of the former government.

Professor Lewis says the answer is:

The only way to reduce the deficit is through reduced expenditure and/or increased revenue. As each idea of how this can be done is shot down on a daily basis, the Coalition government is realising what a difficult thing this is to sell. The hostile reaction to the Commission of Audit report at least might mean some of the unpopular decisions in the May budget are, by comparison, greeted with relief.

Peter Fray, on The Australian website, echoed this sentiment, saying:

But we do have a structural budget problem. If the budget remains in deficit indefinitely, creditors will eventually lose confidence. Australia is unique in having run a current account deficit throughout the past 150 years and is much more dependent on the goodwill of the international capital markets than any other advanced country.

Economist Leith van Onselen said the following:

... the above headwinds mean that the budget will remain permanently in structural deficit unless action is taken on both the revenue and the expenditure sides. The debate, therefore, should not be about whether to have budgetary reform, but rather about ensuring that reform is undertaken in an efficient and equitable manner ...

I have a few comments about the carbon tax repeal bill, which has been widely welcomed in my electorate of O'Connor, not just by small and medium businesses, but by local government. The City of Kalgoorlie-Boulder CEO Don Burnett said:

In the city's 2014-15 draft budget we allocated $92,000 for our 2013-14 carbon tax liability. It is estimated that future carbon tax costs for the city would be a minimum of $100,000 per annum. That impost, across all local governments in O'Connor, represents a significant saving that councils can now spend on services for ratepayers.
Businesses also were quick to welcome the repeal, with Plant Manager Tony Bessell of Western Australian Meat Marketing Co-operative at Katanning saying:

Last financial year, our energy provider's carbon charge was $20.56 per megawatt-hour and we used 8,192 megawatts, that's a carbon charge bill of $168,427, solely for our electricity usage. And that is not even taking into account the large number of suppliers we use that pass on their carbon tax component to us.

Fletcher International WA, based at Narrikup, is one of Australia's largest export abattoirs and their general manager, Greg Cross, said:

The carbon tax was a weight in our saddlebags we certainly didn't need and repealing it is a step in the right direction. The meat industry are one of the last manufacturers in Australia, with other manufacturers closing or moving off-shore. We don't want to do that but the extra cost from the carbon tax was a serious impost on us.

In a follow-up story that the Countryman and Albany Advertiser newspapers did on both these companies, the two businesses claimed the carbon tax repeal could save each business $400,000 a year on packaging and electricity alone.

If we do not fix the budget now, the pain and impact on the Australian people in the days, months and years ahead will be far greater. To quote John F Kennedy, 'It is always best to repair the roof whilst the sun is shining,' than to be in a situation where, in the middle of a cyclone, everything starts to come apart. I commend this bill to the House. I should not have to urge the Labor Party to keep its election commitments, but that is what I am here to do. Honour your promises. Keep your word to the Australian people. Help us get on with the job of fixing the economy.

Mr RAMSEY (Grey) (19:02): I would like to say to the member for O'Connor that if we can get the member for Riverina over there to do the fencing I will welcome him at Buckleboo.

I do not support the amendment. Bill Clinton famously had a sign displayed in his electoral office before his election to the presidency of the US in 1993: 'It's the Economy Stupid.' And so it was, and so it remains. It is the economy. Because very little can be fixed without money. The less anyone has, the less they care about everything else. Take the environment for instance. If you cannot feed your family, the environment comes last. The industrialised nations of the world, those that have money in their pocket, are the greatest friends of the environment. Those that have nothing can care little for the environment, because the pressing issues of today take precedence.

Making sure Australia has a viable and wealthy future is in so many way determined by what we do today. If we leave a legacy to our children and their children that promotes the best of what this country can afford to its residents, we will have done well. But I underline: 'the best of what this country can afford'.

If, by comparison, we live beyond our means like the prodigal son or, even worse, like the grasshopper in the ancient Greek story from Aesop that delivers the parable of the Ant and the Grasshopper: the grasshopper played away all summer and the ant stored for the winter. If we are like the grasshopper our future may be fine, but our children and our grandchildren may face an increasingly bleak and difficult future. No lesser an authority than the Bible tells us that 'the sins of the fathers will be revisited upon the children,' and nowhere can this be more apparent than this generation leaving mountains of debt for the next. Because not only does
high debt inevitably lead to higher taxes, with the same certainty it will deliver lower services. So our inability to pay our way at the moment is impacting on our descendants in a very real way. I suspect that while some deny it, in their heart of hearts every member of this chamber and this parliament knows that.

For all their terrible faults as a government, the previous Labor government knew it too, or at least they said they did. Kevin Rudd, after all, promised the nation that the Labor Party believed in surpluses and would operate in surplus on average, through the economic cycle. One would wonder how long that cycle might be, with current performance. And it was the former Treasurer, the member for Lilley, Wayne Swan, who repeatedly told the nation that returning to surplus was imperative. In fact, in his budget speech in 2011 he said:

Meandering back to surplus would compound the pressure in our economy and push up the cost of living for pensioners and working people.

He was right, and he kept telling us how important it was and how he had made it happen. With the emphasis, once again, on 'had'. In fact, in the 2010-11 budget he told us that:

The strategy will see the budget return to surplus three years ahead of schedule and ahead of every other major advanced economy.

In 2011, he told us:
We are on track from surplus on 2012-13, on time, as promised.

In 2012, he told us:

The four years of surpluses I announce tonight are a powerful endorsement of the strength of our economy, resilience of our people and success of our policies.

In his last budget, the member for Lilley said:

Speaker, tonight, we put in place the savings to fully fund these priority investments—Gonski and NDIS— for 10 years and beyond, an achievement unprecedented in our nation's history. That is the best bit: 'Tonight we put in place savings to fully fund these priority investments,' and 'an achievement unprecedented in our nation's history'. The words 'put in place' would indicate to me that this was a past event, that these savings had been put in place, that they had been legislated. Of course, they had not.

What would have broken historical trends is if the Treasurer of that time, the member for Lilley now, had delivered on what he had promised. That government was either too weak or too incompetent to do so. He and the Labor government did not legislate their own savings. Not to be denied, they sought a mandate at the election. They took the policy to the election and, as part of that existing bottom line, as incoming governments do, so did we. We picked up their budget, and that is our starting base. The Labor Party lost the election and with that they lost the zeal for any move that might lose them one vote. They lost their way and their appetite to deliver on savings that they had championed. They lost their solemn commitment to the Australian public to return the budget to surplus, not that the $6.5 billion in question would do that but it would most certainly help.

What a pathetic mob. Never has there been a mob so desperately lacking in intestinal fortitude. When asked on the ABC's AM program, by Chris Uhlmann—and this has been quoted extensively by my colleagues—why the Labor Party had backed away from its own
savings, the opposition leader Bill Shorten said: 'Well, Chris, we're the Labor Party.' That sums it up. What Labor Party is that? It is certainly not the old Labor Party of Hawke, Keating and Walsh. It is the new Labor Party of Rudd, Gillard and Shorten. It is that Labor Party: all for themselves and stuff Australia.

They opposed the $2.8 billion saving delivered by not pressing ahead with the increase in the tax-free threshold, by layering the marginal tax rate, with direct implications on low-income tax offsets—which the Labor Party championed when they spoke of achieving surpluses and their importance. Now they are abandoned. They opposed the modest changes to the HECS. They now want the coalition government to borrow even more money to mortgage Australia's future for short-term political popularity with their support base. Shame on them for walking away from their own proposal, for taking their bat and ball and going home. It would be funny if it were not so tragic or adding to the intractable issues facing this country.

The coalition has been working hard to try to bring the budget back into balance since it was elected. It is not easy. They are hard decisions. Almost no-one in the whole of the parliament is willing to accept there is a problem, apart from the coalition. From the Labor Party, what do we get? Straight obstructionism. I cannot understand why opposition leader Bill Shorten will not let us get on with the job. It is beyond me. Surely, he hopes to win the next election and, surely, he wants the books to be in the best possible position when they come to that election and, surely, the savings that he puts forward before the election—let us take the political heat but surely he wants those in place, so those books are in better shape if and when he is to lead this country.

While the Treasurer and the government have signed three new FTAs to enable our service providers, agriculture and manufacturing sectors to get to the markets they need to grow, while the coalition has removed $2 billion worth of red tape and 57,000 pages of legislation that were choking productivity, while the coalition makes tough decisions to sell Medibank, while it wears the political pain of freezing indexation on a range of services and lifting the freeze on fuel excise, the Labor Party cannot even support its own savings. To the Labor Party, I say: thanks for nothing.

The government has signed off on $1 trillion worth of environmental approvals, abolished 76 wasteful authorities and boards and reinstated employee share schemes. We are doing our utmost to fix the budget and stop mortgaging our kids' futures. For the record, Labor opposes savings which will climb to $110 billion over the next decade.

The new head of Treasury, Mr John Fraser, said in February that Australia did not yet have a budget crisis but it faced economic problems that would become harder to fix the longer they were left unresolved. He said:

Our net commonwealth government debt is rising to high levels when the average cost of servicing that debt is less than 3 per cent per annum ... If we don't start trying to turn around the rise in the quantum of debt, we leave ourselves very vulnerable to what will be the inevitable increase in interest rates somewhere down the track.

He went on to say:

More and more of our outlays will be going on government debt interest, paying the holders of government bonds, rather than being directed to more noble objectives.
So there we have it—from the head of Treasury—but the Labor Party denies there is even a problem. More importantly, on a moral basis, they deny their central part in creating that problem in the first place.

Once they had their hands on the levers of the economy, once they had an excuse to spend money because of the GFC, they just could not pull back on the hand break. They were able to give money to every group that had ever tapped them on the shoulder and said, ‘You can help us when you’re in government,’ and they just kept helping. Except they were not helping. All they have done is create a huge problem for future generations to deal with. This government knows the problem and, I suspect, some—not many—in the Labor Party do too, but it seems there are not enough of them.

It is worth reflecting on what Joe Hockey and the Abbott government have been able to do to address the problems. I have detailed some of the tough decisions but there has been so much that is positive as well. The abolition of the ineffective and incredibly expensive carbon tax has been a windfall not just for household consumers but also for our businesses, the employers in our economy. The compliance cost accompanying the tax that raised no money—the mining tax; an interesting tax, that one—is gone. The budget delivers huge incentives for small businesses. These decisions have been met with great enthusiasm by the business community.

We cannot fix the budget by just cutting outlays or by just curtailing expenditure growth alone. We also need to grow the economy and to facilitate the creation of new jobs. The budget delivers extra incentives for our very efficient and world-class agricultural industries, one of the very bright spots in our economic future.

The government has embarked on the biggest infrastructure spend ever, not because we have money to throw around but because we know that if it is well spent—as opposed to things like the home insulation scheme or the school halls scheme—then it will pump up the economy. I opened with a little bit about Bill Clinton and the notice in his office. In closing, I quote a song title to the Labor Party from that masterful musician of the twentieth century, John Lennon. He said: ‘How do you sleep?’

Ms MARINO (Forrest—Government Whip) (19:15): This bill, the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014, implements Labor's 2012-13 budget policy. It gives effect to just one of the almost 100 announced but not implemented taxation measures left to us by Labor. We really need to understand what has brought us to this point: firstly, why we need to pass budget savings measures and, secondly, why we need to expose the hypocrisy of Labor in opposing what were actually their own budget savings measures.

We have seen evidence today in question time of Labor's absolute rank hypocrisy, raising questions about spending levels but, here tonight, blocking these budget savings and this legislation. It is a very clear demonstration of why the Australian people simply cannot trust anything Labor says. They were saying one thing at question time; they are doing another thing now. They says one thing and do the complete opposite. Why are Labor opposing their own budget savings measure? Labor have opposed and are opposing these budget savings measures for a very special reason, the incredibly profound reason that the Leader of the Opposition gave to Chris Uhlman when he was asked why they would not back their own budget cuts. It is because, simply:

... we're the Labor Party.
That is the reason why you do not back these budget savings measures. This exposes not only the hypocrisy of Labor but also their almost pathological denial of responsibility for the financial mess they created.

I remember it well. When I was first elected in 2007, Labor was the incoming government at that time. At the time, I looked at the smugness on their faces. Clearly they believed not only that they would be there in government forever but also that being in government was easy. Maybe it looked that way to start with. They had inherited a very sound balance sheet, one that any business would have been proud of as a starting point. There was $20 billion in surpluses and at least $40 billion in savings.

To Labor, obviously, at that time, they thought that government was simply about deciding which of their pet projects would they splash taxpayers money on. It looked easy. And didn’t they just love that wasteful spending! Labor was addicted to spending. No matter what the problem or issue that arose, as a government, they had only one response. Kevin Rudd or Julia Gillard would stride into this parliament—I can remember it well—and simply throw some more taxpayers dollars at the problem, clearly of the belief that, by throwing money at a problem, the problem itself would disappear or simply that the Labor government could pretend that somehow they had fixed the problem because they had thrown money at it. That was the solution. It was government by the thought bubble of the day. It was that period in Australian politics. Every day I thought, ‘What is Kevin Rudd’s and Labor's latest spend-up or next you-beaut idea going to be today? What did those overnight focus groups tell them to do this time?’ I remember thinking very clearly—it was really dreadful—that it was like they were kids in a candy shop with taxpayers’ money. It was appalling.

As time went on in those first and second terms, I sat here in this place and I watched with absolute horror as Labor's spending spiralled completely out of control. It was just appalling. In my opinion, it was the time in Australian politics when there were so many billions being thrown around so easily that the actual quantum of how much a billion is—that thousand million—was actually lost. A billion became a Labor throwaway line. That is all it was. Perhaps, in some people's minds, it was more around a million in perceived cost, it was done so simply and easily.

Given the GFC, the coalition supported the first Australian stimulus package, that $10.4 billion announced in October 2008. But Labor did not stop there. That was not enough. The second stimulus package came in February 2009. It was $42 billion, and they sent $900 cheques to people—16,000 to deceased persons, and 27,000 went overseas. There was a wasteful $42 billion stimulus. What really appalled me was that they created the debt limit in 2008 and then treated it as a target—‘We've gotta get there’—setting the cap first at $75 billion, then in 2009 increasing it to $200 billion and then $250 billion in May 2011, and in May 2012 they went to $300 billion. It was just constant waste and reckless spending.

We saw things such as the failed border protection policies, which included not just tragedy at sea but also $11.6 billion in blow-outs. We saw a similar thing with blow-outs in the Building the Education Revolution and up to $8 billion in waste. The pink batts program included well over $2.4 billion wasted, precious young lives lost, house fire after house fire and small business after small business on a rollercoaster boom and bust cycle caused by the pink batts debacle. This is, yet again, another Labor mess we are now having to clean up, as the Minister for Industry and Science said in question time today. The findings of the royal
commission into the home insulation program was damning. Our government is providing the home insulation program industry payment scheme to help offset the very significant adverse financial impacts of what was a dreadful scheme. It was a mess. No wonder employment in small business fell from 52 per cent of the private sector workforce to 43 per cent. 519,000 jobs were lost in small business under Labor and there were fewer small businesses than during those Howard years.

We saw Labor throw away taxpayers' dollars repeatedly. They threw it around like confetti: the $900 cheques, as I said; the panicked cancellation of the solar homes program, which blew out by $850 million; $1,500 for a set-top box program, providing equipment to people when retailers said they could install them for $170; academic grants wasted, such as $145,000 to study sleeping snails and $578,000 to research a credit instrument in Florentine economic, social and religious life in the 1500s; and $300 million wasted in green loans. That is all before the National Broadband Network plan, which could have been done far more cost effectively and efficiently.

I have frequently referred to our experience of coming into government as kicking over each portfolio rock and finding another nest of poisonous snakes and spiders. That is exactly what it was for each one—one after the other. It was just like kicking over another nest of poisonous snakes and snipers; there was more to find every time. There is no doubt and no question that we inherited an unsustainable budget position from Labor. That is why this legislation is required. Labor cannot deny that deficits alone inherited from the former government, outlined in the 2013-14 MYEFO, totalled $123 billion. It cannot be denied and swept under the carpet.

In spite of Labor's opposition to budget savings, we have now brought that down to $82 billion over the next four years. We know that government debt would have been $667 billion within a decade, with interest rates of $3 billion a month—70 per cent of which goes overseas. At that time, we were paying $1 billion a month in interest under Labor. Under Labor's budget settings, the budget would never have gotten back to surplus and the debt would never even start to be repaid.

It does concern me that many people are of the belief that when the budget actually does get back to surplus then somehow automatically the debt has gone as well. You hear that out in the community. Somehow, there will be a clean slate, just because we get back to surplus for the first time. As we all know, nothing could be further from the truth. It will need and require year upon year of surpluses to even begin to pay back Labor's disastrous debt and deficit legacy.

I spend a lot of time in schools in my electorate, more often than not to deliver cyber safety presentations to students. I look at each one of these great young Australians and I think of the debt burden that they now bear. I am appalled by this. This is as a result of Labor's profligate spending; these young people will be forced to pay in one form or another. They actually have no choice. Even if we are making the tough decisions and doing our best in spite of Labor to make the tough decisions, Labor's debt stretches well into these young people's futures. It is something we cannot escape. It is that legacy that Labor has left.

It is time for Labor to take at least some responsibility for the debt and deficit by supporting this bill and other measures. We also really need to expose their further spending. Even in opposition, we see further Labor spending. They have already committed to $58.6
billion of additional spending. As we heard the Treasurer say in question time today, the Leader of the Opposition spent $220 million a minute in his budget in reply speech. Thank goodness, he actually only spoke for 29 minutes and not the full 30 minutes, otherwise he would have spent another $220 million! It really must concern young people that Labor is also announcing more taxes, such as the reintroduction of the carbon tax and a superannuation tax policy that could affect 125,000 Australians within the next decade. Unfortunately, we know that Labor sees superannuation as their own personal ATM. It cost superannuants $9 billion in the six years of Labor, including a $3.3 billion hit on low-income earners.

We also know our kids bank accounts are actually not safe either. In 2012, when Bill Shorten was Minister for Financial Services and Superannuation, Labor cut the time that inactive bank accounts were declared unclaimed from seven years to three. This saw millions of dollars held in thousands of active Australian savings accounts transferred to the Labor government. This caused real financial distress for many Australians. I heard it in my office and I know most members on our side heard that repeatedly. That included older Australians and community groups, who were not able to access their own funds when they needed them most. In 2011-12, around $70 million was transferred to ASIC as unclaimed money. In 2012-13, after the former government's changes, 156,000 accounts—worth around $550 million—were transferred to ASIC. Labor imposed large costs and inconvenience on people who were then forced—you had no choice—to go through a time consuming process to try to reclaim your money. That took at least six months in some instances.

I am a small business person and I am from a community and volunteer background. One thing that I have learned in my years in business and in the community is this: whenever there is a problem, the first step in dealing with that problem is to admit that there is a problem; and the second step is deciding what you are going to do to fix the problem and how you will go about it. Not only does Labor refuse to admit that they created a massive intergenerational problem for our young people but they are absolutely, wilfully determined not to be part of a solution for the Australian people. We have no choice but to live within our means. I support the bill before the House.

Mr TEHAN (Wannon) (19:29): It is a pleasure to speak tonight on the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. I want to start by referring to an interview. Other members have referred to this interview during the day in debating this bill. I think it is important to start with it because it really sets the tone and the mood for the debate we are having here tonight. It was an interview that the Leader of the Opposition had with Chris Uhlmann on the ABC AM program on 17 July 2014. During the interview, they were discussing why Labor was opposing its own savings measures. I think that Chris Uhlmann was trying to get the Leader of the Opposition to explain how he had ended up in such a contradictory position. How could it be that when he was in government he put forward certain savings measures but, then, when he was in opposition, he decided to do a complete 360 turn around and oppose the very savings measures that he was putting in place. One would have thought that the Leader of the Opposition might have taken some time to consider his response to such a predicament, because on face value it seems that this was incredibly contradictory. As a matter of fact, you would be saying to yourself, 'I might look like I can't lie straight in bed if I haven't got the right response to this.' You would think he would consider this, think about it and give an answer. Yet, it is very enlightening as to how the
interview went. It went along these lines. Chris Uhlmann, when talking about what the government was doing asked, 'We will get to that, but why won't you even back your own cuts?' Bill Shorten replied, 'Chris, we are the Labor Party.'

It says a lot that the savings measures that Labor is now opposing are part of a $58.6 billion black hole that the Labor Party has left for the government to try and fix—a $58.6 billion black hole that the ALP has bequeathed to the government and to the nation to try to fix. I would like to remind people about Labor's economic mismanagement and how we got to where we are. I know it is extraordinary that we could get to a situation where they are opposing the very savings measures they had tried to implement in government. It is worth remembering why we got into this predicament in the first place. The waste and mismanagement included the $29 billion blow-out of the NBN. Once again, it is hard to fathom. This is a project that was drawn up on the back of a beer coaster.

Mr Hogan: You would think it was a joke.

Mr TEHAN: You would think that you were joking. You would assume that you were joking, but this was the one that was drawn up on the back of a beer coaster. We would laugh about and it would be amusing, but here is a $29 billion blow-out, and, sadly, we have to repair the damage this has done to our economy. You would think that when something like that has happened—the beer coaster and the $29 billion blow-out—that when it came to the savings they had put forward, they would say in opposition, 'We do have some moral responsibility to try to fix this.' But all we have seen from those opposite is that they are happy to completely run away from the moral responsibility that they have to help us try to fix the nation's finances.

There was the $11 billion blow-out on border protection. It is going to be very interesting to see where the ALP end up on border protection at their national conference. I am going to be looking forward to hearing the debate that takes place to see whether we are likely to see Labor adopt the policies that have worked and been implemented by the coalition government—and that have seen us save money when it comes to border protection—or whether they will want to, once again, put in place those policies that will lead to a further $11 billion blow-out on border protection, the like of which we saw during the six years they were in government.

There was the $7 billion spent on school halls. We all saw that program writ large and the very public failures of rolling out that program. I will never forget, in my home town of Hamilton, visiting a school where $80,000, approximately, had been spent on portaloos because the first part of the building knocked down was the toilets. So they had to bring portaloos in for 12 months at a cost of $80,000. Once again, when you hear of these things you would think that they have a moral responsibility to try to address these issues and say 'We erred here. We got it wrong.' But there does not seem to be any sense of that from the other side. They seem to be all care and no responsibility. They ran up this enormous tab, and it is someone else's problem now.

There was the $2.8 billion on pink batts. I will not go into the very sad circumstances around that. Once again, you would think that, given what we saw with the pink batts, and the very tragic outcomes from that, there would be a moral responsibility from those on the other side to say, 'Yes, once again, we did err. We rushed the implementation of this program. We
didn't take due care in how we should've rolled it out and there were sad consequences.' But we have heard nothing.

Then, of course, there was the other tragic waste of money, which was the $900 cheques. Forty eight thousand $900 cheques were sent to Australians who were either dead or overseas. This was Labor's stimulus program—48,000 $900 cheques to either dead people or those living overseas. I suppose that some of those overseas who got the $900 cheques might have decided, 'I'll send it back so that it will stimulate the Australian economy;' but I think they would be pretty few and far between.

Mr Hogan: Stimulate the global economy.

Mr TEHAN: Yes, and maybe there was the hope to stimulate the global economy because, at that stage, there was one particular Prime Minister who I think did believe that, ultimately, he was going to rule the planet. So maybe he was trying to stimulate the global economy. It is not a bad observation, because the grandiose plans could potentially have led to us ruling the world in a rather perverse and deluded sort of way. But they are just some of the examples of what we are trying to fix.

What was the result of this? When we came into government, we were looking at deficits over the forward estimates of MYEFO that totalled $123 billion. Government debt, if left unchecked and allowed to continue on the inherited trajectories, would have been $667 billion within a decade. Those numbers are quite staggering. That is what we are trying to fix, and I am confident that we can fix it. We did so when we were last in government. When we came to government as a coalition in 1996, we faced $96 billion worth of debt and we were able to fix that. But the parliament was prepared to assist; the parliament was prepared to help. In this sad instance, unfortunately, the Labor Party does not want to carry any moral responsibility for what it did when in government for those two disastrous terms. Yet, previously, there was a willingness to play a part. The sad thing about the state of the nation that we face now is that the Labor Party is not willing to roll up its sleeves and assist in fixing the job that it messed up so badly. When we came to power in 1996, we were able to fix the problem, and when we left office in 2007 there was no net debt and the budget was in surplus.

We will fix it again—we are determined to fix it again. We are determined to get the budget back into surplus and determined to start paying down the debt. The Treasurer, in his excellent budget of a couple of weeks ago, clearly outlined how we are going to do that. I once again appeal to the Labor Party: please, just lend us a hand with the measures which you supported in government as savings measures and will not now support. Just change your mind on that; it will give you some credibility as an opposition. If you cannot find a way to do that, sadly, you are going to be seen as still the problem and not in any way part of the solution. The Treasurer in his budget speech took a two-pronged approach. He wants to continue down the savings path. He wants to make sure that spending is kept in check, but he also wants to make sure that we grow the economy at the same time. That, at its heart, is what the small business package was all about, and it was very, very well received across the Australian community. It was heartily received in my electorate of Wannon, where both small business and farmers will be beneficiaries. I have already spoken to small businesses and farmers, and they are very keen to utilise the measures in the small business package. So I am looking forward to seeing a stimulus from this. It is not a stimulus of the type you would get from sending cheques to dead people or those overseas; this is a real stimulus that will see
small business confidence grow. They will then look to invest and employ, and we will see sustainable economic growth into the future. That is what the budget was all about, as well as making sure that we continue to keep spending in check. Part of the issue is to, hopefully, get the Labor Party to change their mind on the budget measures that the Labor Party supported when they were in government, which they are now opposing. They are an important part of it—they are an important part of us starting to address those $123 billion of accumulated deficits over the forward estimates, so that the $667 billion worth of debt which would have accumulated over the next decade can be addressed also.

I say this to the Leader of the Opposition, returning to where I started regarding what he said in that now infamous interview with Chris Uhlmann: we know you are the Labor Party. What we would like to see from you, though, is a bit of a change of direction to take some moral responsibility for the damage you wrought on the nation's finances and for you to say, 'Yes, we do take some responsibility, and we're going to change our mind and support the government on these savings measures.'

Mr COLEMAN (Banks) (19:44): The Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 is a particularly important piece of legislation, so I am very pleased to have the opportunity to speak in support of it. I wanted to speak firstly about something which is so important to our economy; indeed, all of these economic debates really occur within the context of this issue. That issue is productivity, because, at the end of the day, the way that living standards rise in nations over time is through productivity increases. Of course, productivity is one of those words that we hear thrown around—it appears in textbooks and so on—but at its heart it is a very simple concept. It simply means that, over time, for living standards to grow, nations need to produce more goods and services effectively in the same amount of time. So for a unit of time we need to get more done, because, if we just keep doing the same thing that we did 20 or 30 or 40 years ago, then living standards will not rise.

It is absolutely incumbent upon government to always have productivity growth very firmly in its sights when it frames policy. Government can help productivity growth in a number of ways. One is by minimising tax, because obviously if you have a whole lot of tax it does not encourage investors and small-business people to go out and do new and productive things, many of which entail risk. So you have to minimise tax. You also, as a government, have to keep a strong balance sheet. By that I mean you have to not get into massive amounts of debt, and we will come to that in a moment. One of the many reasons why it is important not to go into huge amounts of debt is that governments that are servicing a large interest burden have much reduced firepower to respond to economic circumstances and potential crises as they arise. We see a very clear correlation around the world—Western and Southern Europe in particular—between high levels of debt and declining living standards, and that is something that governments must always stay away from. You want to encourage investment through sound regulatory policy—you want people out there doing things, not constrained by government regulation. This government is absolutely committed to productivity growth—ultimately driving, as productivity growth does, wealth in the long run. There is no more important thing than productivity.

We are doing it in a number of ways. In the budget there are initiatives around workforce participation, particularly for mothers who perhaps have been out of the workforce for a
while. There is a huge asset base of skills in Australian families—mothers and fathers who have taken time off work to care for children—and it is incredibly important that those skills are not lost to the economy. Those people generally have some significant experience—they are often very accomplished and highly productive employees—and it is important for the economy that those employees keep going up that curve of skill, so to speak, and of productivity. That is why the measures that the social services minister announced were so important, to encourage people back into the workforce. We also want people to set up businesses because it is through the establishment of businesses and the investment in new frontiers that we also drive productivity. The small business minister has had a range of initiatives allowing small businesses to expense all of their start-up costs rather than depreciating them over four or five years, which basically means in a cash sense that it is cheaper to start a business today than it was a few weeks ago. That is really important because we need new businesses to drive productivity growth.

We also need big, high-value projects to happen. They tend to be highly productive projects; they tend to have high levels of output. That is why we have had a trillion dollars worth of environmental approvals since the start of this government, to really enable the private sector to get cracking on some of these massive projects around Australia and, indeed, in the Australian waters, because these really are important projects. We also need a huge growth in infrastructure. Why does infrastructure matter for productivity growth? It matters because infrastructure basically allows people to get from A to B more quickly, and if you can get from A to B more quickly you can get more done in the day. If you can get more done in the day you are more productive, and that is ultimately the source of wealth creation in the long run.

On the tax side we also have the $20,000 instant asset write-off for small businesses—again, encouraging them to go out and invest in productive equipment and other assets for their business, and we are cutting the tax rate for small businesses by 1.5 per cent for incorporated companies or putting a five per cent reduction on the tax bill for non-incorporated businesses. These are all incredibly important productivity measures. The other thing we have done is taken away bad taxes: the carbon tax, the mining tax. We have discussed them a lot in this place, and rightly so because the carbon tax basically brought investment in many sectors of the Australian economy to a halt. The mining tax basically raised no money but created an enormous amount of uncertainty and a sense of malaise in the Australian mining sector, which indeed is so important to your home state, Deputy Speaker Goodenough, and to the entire nation. So there is a whole range of very important initiatives to drive productivity, because ultimately it all does come back to productivity.

We do need to contrast that with what the Labor Party did when in power. There is a very simple request in today's legislation. All we are really saying to those opposite is: 'You, when in government, proposed but did not legislate for a range of savings.' We say today: 'Here they are. These are things that you, the opposition, actually proposed.' It is a feat of great intellectual dexterity to be able to propose a set of savings measures, advocate them publicly, have your opponents effectively say, 'Do you know what? We'll support that idea. We think that's actually sensible,' and then turn around and say, 'Actually, we're not going to do it.' That is the absurdity of the situation that we face today. Of course, the problem with the previous government, amongst many, was a complete failure to understand the driver that is
productivity and the counterproductive activities that they pursued. And $50 billion in cash in the bank when they came in and net debt of $200 billion when they came out means a large debt servicing burden. A debt servicing burden means that governments have less to invest in the important affairs of the nation. That cannot be a good thing for the economy, and of course it is not. It is a very consistent theme for Labor governments from the 1970s onwards. The Whitlam government ran up a huge debt, which was cleaned up by the incoming Fraser government. Labor in the 1990s left a very large debt, which Prime Minister Howard and Treasurer Costello cleaned up. And now, after this short but brutal six years, we have a very substantial debt that needs to be addressed, and address it we will.

So, how did it get so bad under Labor? There were so many different examples. I have said this before, but the NBN will go down in the annals of Australian government as an extraordinary example of how not to run public administration in this country. This is actually frightening, when you look at what happened. On a whim—or, as my friend the member for Wannon said, on the back of a beer coaster, and I think that is doing a disservice to beer coasters, because they are often very well constructed—the previous government, flying around the country, in a few snatched conversations here and there, committed to something that they first said was going to cost $4.7 billion. Then they said it was going to cost $43 billion. And it turns out it was going to cost $73 billion. So, effectively, from the initial grandiose statement of the National Broadband Network by then Prime Minister Rudd to the actual reality of the rollout that the previous government was proposing, there was a gap of about $68 billion. It is just extraordinary. As I said, this is something that will always be remembered in our history as an appalling example of how not to manage things.

On border security, we saw some very poor administration. Two consequences were an appalling humanitarian consequence and an appalling financial consequence, with a huge blow-out of $11 billion. So we got to this position where the incoming government faces this terrible trajectory when coming into office: debts of $123 billion over the forward estimates. If that was left unchecked, if they were left to their own devices, if it was left to the Rudd-Swan-Gillard business plan, the country was heading for a total debt of $667 billion—that is two-thirds of $1 trillion; that is 'trillion', with a T, just completely unsustainable and completely unacceptable.

So we have had to do a range of things to get spending back under control so that government debt does not become this millstone around the neck of the nation, dragging down productivity growth. As part of a wide range of reforms under which we see real government spending growth go from about 3.6 per cent under Labor to about 1.5 per cent under us, we say, 'Here are a number of initiatives that Labor proposed when in government—an admittedly modest list of savings measures—'We'll support the previous government's plans on those things and we'll put those to the parliament.' One of those was some income tax cuts associated with the carbon tax, which Labor effectively put off towards the end of its term in government. There is a saving of about $2.8 billion there, and that is what we seek to pass through the parliament. There was obviously a change in the Start-up scholarships and the HECS from a grant to a loan. That initiative is about $2.1 billion—again, a Labor initiative. We say, 'That is a sensible initiative, given the financial circumstances we face, so here is that savings measure.' And obviously we would hope that the Labor Party would support those sensible measures. There was a $1.2 billion efficiency dividend from
universities, which, again, Labor had announced but not legislated. We say we should legislate that, and Labor, despite actually proposing that, say they do not want to support it, which is quite extraordinary.

So, there is a track record of activities that have hurt the budget, that have been negative for productivity in the economy. We have a current debate where we are saying, 'Here are some ways to sensibly address this massive debt burden', which Labor rejects. And then if you look out to the future, at what Labor advocates for the future, there are more problems on the horizon. And then there is the superannuation tax—Labor's year of ideas, with a capital I. The big idea from Labor is to tax superannuation. Basically they are saying that if you save, if you do that hard work over decades, often in highly productive industries, contributing to the economy—precisely, in fact what we want, precisely what we need—then they are going to hit you with a very significant tax. That is going to hurt literally hundreds of thousands of people, and these are not people who should be punitively taxed; these are people who should be lauded, because people who have done that hard work and saved for superannuation not only are helping to boost productivity in their work years but also are reducing the cost to the budget through their lack of reliance on the age pension.

Labor has a notion of a multinationals tax based on so-called thin-capitalisation rules, which is basically about the level of debt you can expense in a business. This one is very flimsy. The government has consistently sought detailed analysis of how these figures came about, which has not been forthcoming. This is a really complex area. It is not about putting out a press release, because multinationals are by definition multinational; they are mobile, and it is easy for them to change their activities. You have to be sensible, as we have been, in how you approach this issue.

Back in that famous editorial in January the shadow Assistant Treasurer wept at the grave of the carbon tax and the mining tax and very clearly flagged that they would be coming back. That is the agenda of those opposite. It is an agenda that is bad for productivity. It was in the past, is today, and will be in the future. We reject that agenda and we encourage those opposite to support these sensible savings measures.

Mrs MARKUS (Macquarie) (19:59): I rise to speak on the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. I rise to speak on this important bill because, as this government forges forward to alter the trajectory of the financial situation left by those opposite, there would be an expectation that those who helped create this problem would assist and contribute to solving it. This, as we know, has not been the case. As we saw last year, with so many of the cost-saving measures that this government attempted to introduce being negated by those opposite in an attempt to block legislation, they would rather risk a downward trajectory of this country's financial situation than see the changes required for our nation to remain strong and prosperous, grow small business, create jobs and maintain a safety net for the future for those who need it.

This is what we are seeing yet again with the personal income tax cuts linked to the Clean Energy Future package. The former Labor government introduced two rounds of personal income tax cuts, which were included in the 2011-2012 Mid-Year Economic and Fiscal Outlook. These two rounds were introduced through the Clean Energy (Income Tax Rates Amendments) Act 2011 and the Clean Energy (Tax Laws Amendments) Act 2011. Whilst the first round of personal income tax cuts commenced on 1 July 2012, the second round of
personal income tax cuts, which was legislated to commence on 1 July 2015, never eventuated. In fact, they were deferred by the previous government.

How can a government that said in its 2013 Budget speech, as Labor did, 'We have always put the interests of working Australians first,’ defer a personal tax cut? In fact, Labor have now voted twice against this legislation which implements this budget repair measure and helps Australian workers, the very people Labor claim to represent. By passing on the savings from the removal of the carbon tax, this government delivered to Australian households a saving of $550 per year for the average home. In opposition, we committed to keep the first round of personal income tax cuts and associated pensions and benefit increases—and they have been retained.

If Labor returns to government, their intention is to bring back the carbon tax. The Labor Party have forgotten what they have left us by way of debt and deficit and they are not helping to contribute to a remedy. This is mind-boggling. The former Treasurer’s second round of personal income tax cuts could have resulted in $1.5 billion worth of savings over the forward estimates at that time—not being implemented, and with two additional years since, that equates to a saving to the budget of $2.8 billion over the next four years.

This bill will give Labor the opportunity to keep their promise. This government wants to get on with the job that we said we would do. We want to give Australians the opportunities they deserve. Labor have demonstrated their view on taxes with the carbon and mining taxes and now they have announced a superannuation tax policy. The repeal measures in this bill will mean that the tax free threshold will remain at $18,200 rather than increasing to $19,400. The second personal marginal tax rate will remain at 32.5 per cent rather than increasing to 33 per cent. The maximum value of the low-income-tax offset will remain at $445 rather than falling to $300. The withdrawal rate for the low-income tax offset will remain at 1.5 per cent rather than falling to one per cent. This means the threshold below which a person may receive the low-income tax offset will remain at a taxable income of $66,667 rather than increasing to a taxable income of $67,000. This represents real measures to assist individuals, families and households.

These real measures have not been supported by Labor. And whilst Labor is delaying beneficial measures, this government will continue building a strong and prosperous economy. We are strengthening small business, the backbone of our economy, and, in doing so, giving small business the certainty to grow and produce jobs. Small businesses provide 4.5 million Australians with jobs and an income that enables them to spend and develop their own lifestyles in a real, credible way.

Since the last election, this government has created a quarter of a million new jobs and, with this budget, we plan to create more. This budget will ensure small business see the lowest company tax rate since 1967. We will give an immediate tax deduction for any individual asset valued at up to $20,000 that a small business buys. This measure will assist some 11,000 small businesses in the electorate of Macquarie who choose to take advantage of it. This budget will help, not stifle, small businesses.

This budget also delivers for families. Additionally, we are reducing the cost for small businesses to employ job seekers through initiatives such as wage subsidies and assisting job seekers to gain valuable work experience by providing $18 million over four years. This government wants to see jobs. We know how difficult it can be, particularly for the young,
and that is why the government will support wage subsidies which will also be available for mature-age workers through the Restart initiative. This government's wants to help families. The $4.4 billion Jobs for Families package will give parents more choice and opportunity to work, making childcare simpler, more affordable, more flexible and, most importantly, more accessible.

Ours is a budget for a stronger economy and jobs. Only this coalition government has a responsible, long-term economic plan that will grow the economy and fix Labor's debt and deficit disaster. Those opposite spend their time simply criticising the budget and criticising this government without presenting any credible alternative. They reject assistance measures which they themselves proposed. These measures will put money back into the hands of those who earned it so that they can choose how to spend it and invest in their own lives and futures. But this appears to be the central theme of Labor, with their superannuation tax policy again denying choice to those that earned the income, and, instead, designing to tax it. In contrast, the coalition, as the Treasurer has said, is introducing this bill that will facilitate the Labor Party keeping their promise. That is what we are doing: we are giving those opposite the opportunity to keep a promise.

The DEPUTY SPEAKER (Mr Goodenough): The question now is that the amendment be agreed to.

Mr IRONS (Swan) (20:07): I, too, rise to speak on the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014, in the resumed debate on the second reading. Never have I seen such hypocrisy as that displayed by those opposite. Despite the fact that they have no policy ideas—in their 'year of big ideas'—of their own, they stand in this place and vote against the government's policy measures that are based on a sound economic framework. And, worse yet, they vote against their own policies, as we have seen with the current bill before the House.

The Australian people would be confused by this, and may even take the next step of asking those opposite, 'Why?' Of course, the only answer that a person would get is a fumbling response by the opposition leader, such as maybe asking for a hot pie, when the reality is that, like the opposition leader, the entire Labor caucus has no sound policy reasons for opposing this bill. They are simply opposing it because it is the coalition government that has now introduced it. Like the average person, I would therefore say to those opposite: 'What are your policies? What do you stand for? And where is your leadership?' I am sure the people of Australia would not be surprised to hear that they have no answer.

Not only did those opposite fail to implement economically sound policies but they created a massive budget deficit that every single Australian taxpayer is now being forced to pay back. Now, instead of helping the government to implement our budget savings agenda—which, I should also remind those opposite, we actually have a mandate for—they have attempted to block us at every turn. Again, people may ask, 'Why?' And the answer is that apparently those opposite like debt, they like economic mismanagement, and they like to see every Australian suffer because they refuse to get their own act together.

Like any person, I would say, 'It's time those opposite started to act like adults, stopped their mindless negativity and looked at the legislation for what it is.' It is a sound policy to remove a tax concession that no longer applies, and a policy that will save this government, and, therefore, all taxpayers, about $2.8 billion over the current forward estimates period.
The Labor 2013-14 Budget Savings (Measures No.1) Bill 2014—which I must say the Treasurer very aptly named—seeks to give those opposite yet another chance to support every Australian, and perhaps to also support themselves, by passing a piece of legislation that they actually initially introduced into this place. It will also provide them with the opportunity to do something that they have never managed to achieve themselves in government, but could at least assist with while they are in opposition: balancing the books and putting the nation's economy back into surplus. Balancing the books—I know it is a concept that many people do struggle with, and I fully accept that. But neither I nor taxpayers accept a government's inability to balance the whole country's books, considering the number of people they pay with their hard-earned money to do just that, and that they are being blocked by the opposition—money that I must say was clearly wasted by those opposite.

I can, however, assure those same taxpayers that the coalition recognises and understands that this is not government money being used to fund initiatives and policies; it is the taxpayers' money. We also understand that, when money is wasted—as seen under those opposite—it is taxpayers' hard-earned money that is going down the drain. And that, I say to all members in this place, is something that should not be condoned; it should be condemned.

The government is proposing with this bill to amend the Clean Energy (Income Tax Rates Amendments) Act 2011 and the Clean Energy (Tax Laws Amendments) Act 2011 so that both acts have their future operative provisions repealed. This repeal will ensure that the former government's planned increase to the nominal tax-free threshold from $18,200, as applied in the 2014-15 budget, to $19,400 in the 2015-16 budget, and an associated increase to the second personal marginal tax rate from 32½ per cent to 33 per cent, will no longer take place. Consequently, the bill will also implement provisions to maintain the existing income threshold and withdrawal rate for the low-income tax offset or LITO. I do, however, highlight that the first income tax cut, which was introduced to compensate households for the increased burden on households and businesses that the carbon tax created, has now been delivered, as per the coalition's election commitment.

We are, however, repealing the second round of tax cuts because its original intent no longer applies. It does not apply because the former government made an assumption about the carbon tax which, as usual, did not work out too well. This assumption was that, as part of the carbon tax, the carbon price would continue to increase over future years, including a higher one-off predicted increase to $29 when the carbon price transitioned to an emissions trading scheme.

To compensate households for this predicted transition increase, a second round of personal income tax cuts and associated pension benefits were legislated, but, instead of the price increasing as those opposite predicted; the price fell significantly. This forced the Labor Party while in government to defer the tax changes indefinitely, and they then in fact stated that they would axe them completely, but the legislation was never implemented. Of course, even though they could not manage to introduce the appropriate legislation for their policy, they did manage to jump the gun and include the deferral of this increase in their budget estimates—which was about $1.5 billion at that time.

So let us take a step back and map this out so that those opposite are no longer confused. Firstly, we now have a situation where the legislation's policy intent stopped being valid under the former government because the carbon price did not increase to predicted levels.
Those opposite recognised this and planned to axe the planned income tax cut. Now they have twice voted against their own policy, which, if it was not valid before, is certainly not valid now, considering that the policy in question does not even exist anymore, thanks to this government's repeal of the carbon tax.

Despite this being crystal clear in my eyes and those of my colleagues, those opposite still do not seem to understand it, so I will explain it again. By the coalition government's repealing of the carbon tax's burden on industry and households, the intent of the former government's proposed changes is no longer valid because there will not be an increase to their costs because of their carbon tax. Rather than being faced with additional costs, Australian households are instead being delivered additional savings of $550, thanks to this government's repeal, and will have an additional $2.2 billion in savings to put back into the economy if this bill is passed in this place.

The actions of those opposite never cease to amaze me, because they are opposing just for opposing sake. That is what they have to be doing as it was their bill initially that we are introducing into this place. This government is implementing those opposite's proposal, and they even disagree with that. So I ask those opposite: if you cannot agree with your own policies, what can you agree with? Do you all agree that, if you do not know where you are going, any road will get you there? The coalition government is one that believes in living within its means while those opposite believe in cash splashing with no regard for the consequences. Again, to simplify things, I will remind those opposite of the consequences: $123 billion in deficits over the next four years to 2016-17. That is the legacy that the coalition is now, once again, left to clean up. But, as I have said, instead of helping us to do that and righting their wrongs, as adults would do, those opposite just want to keep dragging this country down into a black hole of debt.

I have previously highlighted Australia's debt issues, but what I think many members in this place and the general public do not realise is that, where countries such as Japan have debt, that debt is funded within their own economy. Australia's debt, however, is funded from overseas. So not only do we have a situation where we are faced with $123 billion in debt, which would have increased to $667 billion in the medium term if this government had allowed Labor's level of spending to continue, but we have to borrow money from overseas to fund our economy and then we have to pay back the massive interest bill on that debt.

Those opposite may like to sprout little phrases about giving things for free, such as seen during the GFC, but they seem to forget that the money has to come from the taxpayers. For those members who still have not caught onto what this projected deficit would have meant in the terms of interest, let me clarify: it would have meant $3 billion in interest per month. Again, that is the Labor legacy if they had stayed in government. The Australian government may not be able to prevent the United States or China, for example, from having an economic downturn, but if the GFC taught us anything it is that we need to do everything we can as a government to ensure we are best placed to ride out that storm in the event it reoccurs. Australia and, therefore, the former government were lucky in 2007-2008 when they were elected to government. The reason they were lucky was because of the financial position they came into government with. They were still benefiting from consecutive surpluses which were delivered by taxpayers and managed by the Howard government. Right now, however, thanks to those opposite, Australia is faced with a situation where, if this same economic
downturn were to take place, we would not be able to withstand it in the same manner because we are already in significant debt.

The answer to put our economy back on track is, however, quite simple: for members in this place to pass the government's budget measures so that we can stop the sinking ship we are all on and repair our economy—a ship that without change is only leading towards more debt and deficit and a ship that has no protection against a downturn in our own economy, which, I also remind members, is largely based on exports to these nations. The Australian people know that a coalition government can get our economy back on track, and that is why they elected us.

In 1996 the Howard government was faced with the same need for remedial action after inheriting a debt of $96 billion from the Labor government of the day. I am sure members in this place have caught onto the ongoing cycle of Labor creating debt and the coalition fixing it. Of course, like in 1996 when the Howard government began its process of fixing the budget deficit it had been handed, the Abbott government will do everything we can to now fix the budget deficit of those opposite. The only thing that is stopping us, however, is the mindless negativity of those opposite. They are opposing because they think that means they stand for something. The opposition want to talk about anything but the economy and the budget. Let me remind those opposite: standing for something means standing for your own commitments. So, again, I will remind those same members: the bill before the House was initially your commitment. It is now time to stand up and implement those budget savings which you earmarked and no longer have any support towards. Why any responsible political party would vote against removing invalid legislation is beyond belief, and I am sure it is beyond belief for all Australians.

What all members should know is that a big part of any government's ability to survive the political rollercoaster is to maintain their integrity. Integrity—it is a big word. I encourage those opposite to look it up and then apply it. It could also earn you some respect. Having integrity would mean passing a bill that you previously committed to. Having integrity would mean assisting to put this country's economy back on track to surpluses that those opposite have repeatedly claimed they want. They gave us four surpluses in a row but they never delivered them. What those opposite again do not seem to understand is that all the words in the world will not make a surplus appear. Action actually has to be taken.

This government has taken the necessary action to repair the repeated budget failures of those opposite and to once again create sustainability for our economy. We will achieve this by implementing our strategic policies that ensure our nation is once again living within its means. To do that, we have to rein in the unsustainable spending measures of those opposite. That is why the Abbott government has looked at all departments across all portfolios to find those areas where money is being wasted on unnecessary and often duplicative legislation. The government made a commitment to the Australian people to cut $1 billion in red tape and green tape each year as part of the coalition's overall deregulation agenda. This was a commitment and I am pleased to inform the House that we have now more than doubled it, to $2.4 billion, following the government's introduction of the Omnibus Repeal Day (Autumn 2015) Bill in March. So that is $2.4 billion in savings that this government has already found, which includes more than 21,000 pieces of additional regulation which was introduced by those opposite. Of those 21,000 pieces of additional regulation, the carbon tax alone had
1,100 pages of additional regulation and legislation, which have now thankfully been repealed.

The coalition is a government which believes in supporting industry and business, unlike those opposite who seek to burden it with more bureaucracy and regulation at every turn. Now we have this bill before the House which seeks to save the Australian taxpayers $2.8 billion. But what do those opposite do? They stand in this place and hypocritically vote against it, not once but twice. When questioned why the Labor Party are now opposing their own saving, Bill Shorten's only response was, 'We are the Labor Party.' I would laugh if it were not the Australian taxpayers who were coping the brunt of the opposition leader's ridiculous attitude. So to those opposite: do tell us what you stand for and how you will fix the mess you made. I am sure every Australian taxpayer wants to know. From where I am standing, the only answer you have is more taxes—reintroducing the carbon tax, reintroducing the mining tax and now slugging taxpayers with a superannuation tax that could affect 125,000 Australians within the next decade.

Now is the time for those opposite to regain their integrity, even if it is just on this bill, and to vote for their own policy commitments. It is time they put aside their mindless negativity and voted for the budget savings, which are based on sound policies that will put our great nation's economy back on a sustainable path and will repair the damage that was caused by six long Labor years. I commend this bill to the House with the hope that those opposite finally see the light and do the same.

Mr SUKKAR (Deakin) (20:22): I obviously rise in support of the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. It is quite an extraordinary set of circumstances for leaders here today, to put this bill in front of the House to remind the Labor Party that they are now blocking savings, worth $2.8 billion over the forward estimates, that they took to the last election. Speakers on this side of the House have gone through ad nauseam the irony of that approach and how irresponsibly reckless and, quite frankly, embarrassing it is for the Labor Party.

For a Labor Party person to walk into this House and say, 'I campaigned with this legislation as part of our policy manifesto before the last election and now we're voting against it, even though we left the budget in a parlous condition,' I find extraordinary. I think they should really hang their heads in shame. It is absolutely unbelievable that they would block these savings measures.

The coalition have repealed the carbon tax, we have delivered household savings of $550 per year for the average household, so we no longer have to continue with the second round of compensation in tax cuts that was associated with the original carbon tax proposal from the Labor Party. So on what basis could you argue that that $2.8 billion that Labor itself took to the last election, which we agreed to before the last election, should not pass this House? It is quite extraordinary.

The Labor Party, unfortunately, view government in a very unusual way. In my view, the problem with the Labor government—and, quite frankly, they are unreconstructed over there in opposition—is that they view government as a big spending competition. They think that you go to an election and if you promise to spend more than the other mob then you will get elected. They run around the country and treat it like a spending competition. Let me say to the Labor Party: if that is what government in this country is, we will not participate. We can
never win that fight, because we know Labor will always spend more. If it is a pure spending competition, Labor will govern forever. But the problem is: if Labor governs forever, we will end up with budgets like the worst European budgets, in the most parlous fiscal circumstances. I must say to the opposition: the Australian people know that. For somebody to walk out into the street and tell their constituency that they are voting against saving measures in the fiscal environment that we now face, that the Labor Party took to the last election, I think is absolutely embarrassing.

No-one should forget that, when we came to government, debt was projected to rise to $667 billion. We had $123 billion of cumulative deficits over the forward estimates. When debt peaked, as it was projected to at $667 billion, it was going to cost $3 billion a month in interest payments, that is, $133 million a day in borrowings that the government would have to enter into, just to keep the lights on—not to actually do anything, not to build infrastructure, not to build the productive capacity of our nation but just to keep the lights on. Thankfully, with the election of the Abbott coalition government, we understand that that is not sustainable. The Australian people understand that is not sustainable. The only way that I can explain why Labor would continue down this reckless path of blocking savings such as these is that the opposition are in so much denial over the debt and deficit disaster that they left this country. These measures should be a no-brainer. This should be $2.8 billion that we can bank to the bottom line. Given that we are still looking at debt and deficits for a number of years, the Labor Party need to assist, need to repent for their sins in government and need to go a small way in helping us get to that point.

But the Labor Party have got form here. This $2.8 billion of their own savings, which they are now forgetting about, is in addition to other savings of their own that they are blocking, including the change to Labor's Student Start-up Scholarship, which was a $2.1 billion savings measure; a change whereby an efficiency dividend would be applied to university funding; and the abolition of a discount for paying HECS fees up-front—a $336 million saving. The Labor Party believe that all of these savings measures that they took to the last election no longer need to be made.

We on this side of the House are absolutely determined to fix the budget. We do not believe that engaging in intergenerational theft should be on the conscience of any government. So I appeal to the Labor Party: if you are not too ashamed, if you are not too embarrassed to be blocking these savings measures, look into your own conscience and look at the fact that the next generation of Australian taxpayers will ultimately be the people who pay the price for Labor's profligacy.

As I said at the beginning, the fact that we are even having this debate and that we have got to this point is the culmination of a fairly extraordinary set of circumstances. We have the opposition leader and the shadow Treasurer in absolute denial about the former Rudd-Gillard-Rudd governments' fiscal inheritance by this country. But I would appeal to the backbenchers in the opposition. These are the kinds of measures that we should be able to get together on in this House and make happen, because future governments on both sides of the House in this country, one way or another, are going to have to tackle these issues. If the Labor Party are going to take measures to an election that they then repudiate afterwards, presumably just to make life a bit more difficult, I find it quite extraordinary. As a relatively new member to this
House, I never, ever thought it would be an argument or discussion that we would have to have.

Obviously, these budget saving measures are being discussed in the context of a very well-received budget. Particularly in my electorate of Deakin, I can say that the small-business tax measures have gone down very well. The Jobs for Families package has been absolutely welcomed by my electorate. But I want to highlight the juxtaposition of those measures and the measure that the Labor Party is blocking today. There are ways that governments can improve confidence and the productive output of our economy with quite modest expenditure. In my view, the small-business tax cuts, and most particularly the accelerated depreciation—being able to write-off capital equipment up to the value of $20,000 in the year in which you purchased—is going to have such an impact on confidence that ultimately, I think, the tax receipts that that confidence will engender will outweigh any cost to the budget of the accelerated depreciation. That is where governments need to be now. That is the space we need to be in. How can tax measures and tax policy encourage economic growth and activity and encourage the entrepreneurial spirit of this country, because that is going to be one of the important ways that we ultimately get out of the debt mess that Labor left us. Sure, we need expenditure restraint—we inherited expenditure running away at over 3.5 per cent growth per year. Sure, we need to ensure that our tax system is more efficient, as well. But ultimately, if we are going to get Labor's debt under control, there will also need to be an element of increased confidence and increased economic activity to grow the pie and grow tax receipts. That is where we need to be making those investments when we are tweaking tax policy. So accelerated depreciation, in my view, is going to have a negligible impact on the bottom line because, I think, the economic activity that flows from it is going to ultimately outweigh any short-term cost to the budget.

Here you have Labor blocking $2.8 billion of savings that they took to an election that are just going to be a drag on the bottom line. They are not going to increase participation, increase the productive capacity of this country or increase confidence. They are just going to be a hit on the bottom line.

The other example I would use is our Jobs for Families package. Sure, we are making a huge additional investment, particularly in child care. But again, I think that investment will ultimately be outweighed by the increased productivity that will flow from parents either re-entering the workforce sooner than they otherwise would, or being employed for longer every week than they otherwise would—working that extra half a day, doing that extra couple of hours each day, or going back to work a bit earlier because it makes sense because the costs of child care are no longer a disincentive to going back to work. So again, that $3.5 billion additional investment in child care, which already has many billions of dollars in the budget, in my view, will unlock economic potential, economic activity and, most importantly, the participation of parents in the workforce. Again, in the long term this will have a positive impact on the bottom line.

So I say to Labor, this is the space that governments have to be in. How do we tweak tax policy, how do we reform tax policy, to grow the pie? That will have spin-off benefits for the government, hopefully, in increased tax receipts, not because we are increasing each dollar more, but because the pie is bigger. That is ultimately how we are going to get to where we need to be, which is running budget surpluses.
Unfortunately, a big misconception in the community is that once you run a budget surplus you can celebrate. Unfortunately, with the debt that we have inherited from Labor, we are going to have to run surpluses for many years to pay the annual interest bill and to pay the capital amount of the debt. I was a relatively young kid when the Howard government was first elected, but it took them 10 years to pay off $96 billion of debt. We have gone a long way in reducing the $667 billion debt trajectory that we inherited, but there is well over $300 billion that we will have to repay, and it will take a lot longer than 10 years to repay that debt. So, even though I am very confident that we will get to a believable, credible, fair surplus under Treasurer Hockey, the job will then have only begun.

And we will never get the job done as a country if this absolutely mindless opposition continues to savings measures you took to an election. I say to the Labor Party: if you think Australians are that silly I think you are going to be sorely mistaken. In this country, if you vacate the space on fiscal reform and improving the budget bottom line then you are so out of touch with where the Australian public is that you are in real trouble. So I say to the Labor Party: you should be reflecting on this and I would encourage you to support this bill, because these are sensible budget savings. They are savings to remove compensation and tax cuts associated with a carbon tax that no longer exists, so it makes absolute sense for this House to pass them. Let us do it quickly, and let us deliver these benefits for the budget and, most importantly, for the Australian people. *(Time expired)*

**Mr ALEXANDER** (Bennelong) (20:37): I rise to speak on the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. This bill repeals the second round of carbon tax related personal income-tax cuts that are due to start on 1 July this year. Prior to forming government, the coalition made a commitment to the people to keep the first round of personal income-tax cuts and associated pension and benefit increases, and we have kept that promise. We have also delivered major savings to every Australian household by removing the carbon tax, which will save the typical Australian family $550 this year.

The second-round cuts were first announced by the member for Lilley, in his previous capacity as Treasurer, when handing down the 2013-14 federal budget. The former government never bothered to legislate this budget measure, which has added to nearly 100 announced but unimplemented taxation measures left to us by Labor. On coming to government we attempted to legislate this Labor measure as a matter of urgency. You would think that implementing Labor’s own policy would be one of the easier things to get through parliament, yet despite twice being introduced to parliament—as part of the package of carbon tax repeal bills—Labor, each time, voted against its own measure. It would be too much to ask those opposite to outline an alternative plan to pay this, despite the measures now being worth $2.8 billion over the next four years.

Unfortunately, this is not the first time Labor has stood in the way of budget measures that they themselves announced. In fact, Labor measures that Labor now oppose total $6.5 billion. These include the change of Labor’s student start-up scholarships to a loan repayable through HECS, a $2.1 billion savings measure; the change to apply an efficiency dividend to university funding, a $1.2 billion savings measure; the abolition of the discount for paying HECS fees up-front, a $336 million savings measure; and this $2.8 billion budget repair measure. These savings now form part of the $58.6 billion black hole for the Labor Party.
Last week the Parliamentary Budget Office announced that the previous government left $101 billion in measures yet to be legislated. This would have to be extended even further if the myriad announcements made by the opposition leader, during his budget-in-reply speech, were implemented, despite no mention of where the money is coming from. The Treasurer has calculated that the opposition leader spent $220 million a minute in his budget-in-reply speech. I cannot remember $220 million in savings in the entire speech, yet he had expenditure of $220 million per minute. It is good he did not speak any slower.

It is simply beyond any reasonable person's comprehension that Labor can announce savings measures and then block them. They can complain about government expenditure programs and then block measures that would reduce government expenditure. I know that very few on the opposite benches have any practical experience in business, but I can assure them that behaviour like this would simply not be tolerated in the business world. Their shareholders would have them sacked and on the street in no time—much as our wise voters did 18 months ago.

Earlier today, in question time, the Treasurer spoke of how he wishes he had inherited a budgetary position as strong as that left to Labor by the Howard government in 2007. With a healthy surplus of $40 billion in the bank, the previous Rudd-Gillard-Rudd Labor governments were the worst economic vandals this nation has ever seen. After six years of Labor mess, the coalition was elected to fix the problem and, through a range of legislative measures—like this bill—we are doing exactly that.

The $123 billion in deficits we inherited has now been brought down to $82 billion over the next four years. Government debt, if left unchecked and allowed to continue on the inherited trajectories, would have grown to $667 billion within a decade. The $133 million in interest repayments we needed to make every day of the year, just to maintain that debt, has now been reduced to $96 million. That number is still way too high but we can already see that the budget is being repaired, that we are on a credible path to surplus—something a Labor government has not achieved during the entire lifetime of the member for Longman.

It is clear that under the budget settings left by Labor the budget would never have reached a surplus and the debt would never have been paid off. These achievements by this government are despite the iron-ore price falling from $120 to around $54 a tonne and the headwinds out of the global economy, and both the Treasurer and Minister for Finance deserve our compliments for steering the ship back in the right direction, tacking magnificently.

At the last election the Australian voters gave the coalition a strong mandate to change course and put the budget back onto a secure and sustainable footing. The repair of the budget, as achieved, in part, through bills like this one, must happen responsibly and at pace. Do not just take my word for that—indeed, you can go back to the former Treasurer and Deputy Prime Minister the Member for Lilley, in his budget speech, in 2011. He said: … meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people. So the coalition government is getting on with the job of building a strong and prosperous economy.
We have designed a raft of responsible and fair budget measures for this parliament to enact. Since the last election our economy has created a quarter of a million new jobs and the centrepiece of this budget is a plan to create even more jobs are now growing at well over three times the pace under Labor. We are cutting the small business company tax rate to the lowest in almost 50 years, and for two years we will be giving all small businesses an immediate tax deduction on any asset they buy costing up to $20,000. This will benefit more than 95 per cent of all Australian businesses.

The budget also delivers for families. Our Jobs for Families reform will deliver a simpler, more affordable and more accessible childcare system, giving parents more choice when it comes to balancing work and family. Low- and middle-income families will be $1,500 a year better off if they are using the childcare system. Families using the childcare system in 2017 on family incomes of between $65,000 and $170,000 will be around $30 a week better off.

The Abbott coalition government budget in 2015 delivers for families, for small business and for our economy. It is responsible, measured and fair. It cuts taxes, it will create jobs and it delivers a responsible path back to surplus. This pathway to prosperity all starts with bills like this. I urge those opposite to stop obstructing, go back to their own measures and support this bill in order to help us get our nation back on track and renew the meaning in our name of 'Commonwealth of Australia' so it is not 'Australia: a nation of common debt'.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (20:46): I am very pleased to speak on the Labor 2013-14 Budget Savings (Measures No.1) Bill 2014, which is an important bill that repeals the second round of the carbon tax related personal income tax cuts that, in the absence of this bill passing into law, would take effect from 1 July this year. In the time available to me, I would like to make three points. Firstly, I would like to highlight the hypocrisy and the irresponsibility that, sadly, we have seen from the opposition when it comes to the matter of the budget. Secondly, I would like to focus on the measures contained in this bill that are designed to hold the Labor Party to its promise, made before the last election, that it would repeal the second round of carbon tax related personal income tax cuts. Thirdly, I would like to highlight more broadly why it is vitally important that we have, from both major political parties, a responsible approach to budgetary management.

Therefore, firstly, let me turn to the proposition that what we have seen, sadly, from the opposition Labor Party is a staggering display of hypocrisy and irresponsibility when it comes to the matter of the management of the Commonwealth budget. It is very hard to take senior figures from the opposition seriously on the question of the management of the budget. Over eighteen months we have heard a range of airy generalities about fairness and the future. In the lead-up to the budget this year, the Shadow Treasurer gave the impression that he was concerned about the budget deficit. For example, he was quoted in the Australian Financial Review in April this year, saying:

… the deficit is blowing out again under Joe Hockey's watch in the upcoming budget …

In fact, despite what the Shadow Treasurer was warning in that article, in the budget delivered in May this year the Treasurer laid out a credible path back to surplus. In response to that, what we heard from the opposition Labor Party was a series of airy generalities about fairness and the future, such as claims that the budget:
... wasn't a plan for the future ...

and that:

... it still retains some of the unfairness of last year.

I fear that we cannot treat seriously comments from any Labor figures on the question of budget repair, and for three reasons we ought to treat such comments with withering scepticism. The first is the record of inept budget mismanagement that we saw in the Rudd-Gillard-Rudd government. It is worth reminding ourselves that the present Leader of the Opposition and the present Shadow Treasurer were senior figures in the Rudd-Gillard-Rudd government. That government inherited a strong and healthy budget, with surpluses in 2006-07 and 2007-08 of $17 billion and $20 billion respectively. But once Wayne Swan and, subsequently, Chris Bowen got their hands on the policy levers, surpluses quickly disappeared. In the next six years we saw a grim and growing run of deficits, reaching almost a quarter of a trillion dollars in total. Under the previous Labor government, we saw a series of deficits of negative $27 billion, negative $54 billion, negative $48 billion, negative $43 billion, negative $18 billion and negative $50 billion.

The second reason that the Labor Party simply cannot be taken seriously on this issue is its grossly irresponsible behaviour concerning the measures that it had planned to implement when in government. These measures, delivering combined savings of $5 billion over the forward estimates, were included in the costings that Labor took to the 2013 election. For example, Labor included in its 2013-14 budget, delivered in May 2013, a series of savings measures for higher education delivering total savings exceeding $2 billion, such as converting the Student Start-up scholarships to income contingent loans. Naturally enough, therefore, the Treasurer, the member for North Sydney, included these measures in his budget brought down in May 2014. After all, if Labor had already promised to introduce these measures, surely it could naturally be relied upon to support them if the coalition legislated to implement them, could it not? Would that not be the most reasonable proposition in the world?

Sadly, it turned out that, no, Labor could not be relied upon to achieve even this minimal degree of consistency. It has reversed its position on these measures. Despite the fact that it announced them in 2013-14 and despite the fact that it included the savings from these measures in the 2013-14 budget, it has subsequently refused to support legislation to give effect to these measures, notwithstanding the fact that if Labor has continued in government after the 2013 election it would have needed to introduce legislation in exactly the same terms. If Labor cannot even bring itself to offer a minimal degree of assistance in the budget repair task by being prepared to support measures which, in government, it said it would introduce, then it simply has no credibility in even talking about the budget repair task. Perhaps the third and most fundamental reason why Labor has no credibility on budget repair is that, if the Labor Party seriously considers that budget repair were a worthwhile policy objective, it has the power in its hands to achieve that objective.

Let me remind the House of the basic arithmetic that operates in the other place. There are 76 senators. Of those, 25 of them are Labor senators. The coalition has 33 senators. Together, that makes a comfortable majority in the Senate. To achieve budget repair, all Labor needs to do is support the coalition's budget repair measures. If it does not want to do that, it could come forward with its own measures and there could be a serious dialogue—as befits serious
national political parties—about how to achieve the budget repair task. Instead, we have Labor on the one hand claiming to be concerned about the budget deficit but on the other hand failing to engage on measures that would do something about it.

Let me turn now to what this bill before the House this evening does. The purpose of this bill is to hold Labor to its word. This bill is designed to facilitate the Labor Party keeping its election policies. The effect of this bill is to implement the policy committed to by Labor in the 2013-14 budget of repealing the second round of carbon tax related personal income tax cuts that are due to take effect—in the absence of this legislation—on 1 July this year. If that repeal were to proceed, then the tax-free threshold will remain at $18,200, rather than increasing to $19,400; the second personal marginal tax rate will remain at 32.5 per cent, rather than increasing to 33 per cent; the maximum value of the low-income tax offset will remain at $445, rather than falling to $300; and the withdrawal rate of the low-income tax offset will remain at 1.5 per cent, rather than falling to one per cent.

In opposition, the coalition committed to keeping the first round of personal income tax cuts and associated pension and benefit increases, and they have been retained. We went on to promise and give effect to our promise of removing the carbon tax, which is saving the typical Australian family $550 this year alone. What this bill before the House this evening does is implement a measure which was announced and committed to by the Labor Party when in government. In the final budget handed down by Wayne Swan on 14 May 2013, the former government deferred a second round of personal income tax cuts, resulting in a $1.5 billion saving over the then forward estimates. Due to the addition of two further years to the forward estimates since then, the measure is now worth $2.8 billion to the budget over the next four years.

The previous government never got around to legislating this measure, the financial benefits of which it included in its 2013-14 budget. This was one of nearly 100 announced but unimplemented taxation measures left to the Abbott government by the previous Labor government. This bill is intended to give effect to the measures that Labor announced but never implemented. I am sorry to have to inform the House that this is not the first time we have sought to legislate this measure, which Labor committed to when it was in government. On more than one occasion, Labor has voted against legislation containing this particular measure, notwithstanding the fact that it committed to this measure when it was in government. The hypocrisy and the irresponsibility of this is frankly staggering and remarkably disappointing.

There are a range of measures that Labor announced and committed to when in government that it now opposes. These total $6.5 billion, in addition to the $2.8 billion measure that is the subject of the bill before the House this evening. There is the change to the treatment of student start-up scholarships, where there was a $2.1 billion savings measure committed to by Labor when in government; a decision by Labor in government to apply an efficiency dividend to university funding, worth $1.2 billion in savings; and the abolition of the discount for paying HECS fees upfront, which was a $336 million savings measure. All of these measures, with a total value of $6.5 billion, were committed to by Labor in government. It now refuses to support legislation to give effect to these measures that it announced that it was committed to when in government.
Let me make the point in the brief time remaining to me that budget responsibility is a matter of the highest importance. This government has inherited an extraordinary budgetary mess thanks to the rank and serial incompetence of the Rudd-Gillard-Rudd governments. The consequence of the huge blow-out in debt and deficit under those governments is that this year we are paying around $14.2 billion in gross interest costs, which works out to be about $40 million every single day. There is a very important task ahead of this government and ahead of the nation, which is to restore the Commonwealth budget to a sustainable state. That is why it is so important that we have a credible path back to surplus. That is the credible path back to surplus that is committed to by the Treasurer in the recent budget.

For the sake of our nation and for the sake of our people, there is a serious job to do on budget repair. The Abbott government is methodically getting on with the task. It would be hoped that the other major political party in this place would demonstrate responsibility of a nature that goes with the stature that it holds of as a party and responsibility of the kind that significant and substantial Labor governments have demonstrated in the past. I am sorry to say this, but the current parliamentary Labor Party is simply not up to the standard of previous Labor parliamentary parties. It has refused to engage seriously on the budget repair task that faces this nation. It is about time the Labor Party addressed this matter with some seriousness. The bill before the House is designed to hold Labor to account to do what it promised it would do prior to the last election. I commend the bill to the House.

**ADJOURNMENT**

**The DEPUTY SPEAKER** (Ms AE Burke) (21:00): It being 9 pm, I propose the question.

That the House do now adjourn.

**Powerhouse Museum**

**Ms PLIBERSEK** (Sydney—Deputy Leader of the Opposition) (21:00): It is urban legend that Neville Wran said to his wife, Jill, after a visit to the Pompidou centre in Paris, 'I want one of those'. He got one—it is called the Powerhouse Museum. The Museum of Applied Arts and Sciences, originally the Technological Museum, was created after Sydney's first International Exhibition, in 1879. It was housed in Harris Street, Ultimo, from 1893.

In 1979, Neville Wran's Labor Government announced that the museum would move to the iconic old Ultimo power station site. The design of the new Powerhouse Museum preserved and complimented the urban heritage of the site, and the museum opened to the public in March 1988.

In 2013-14 there were nearly 400,000 visitors to the Powerhouse Museum. More than half of them were from Sydney, about 55 per cent; 14 percent came from the rest of NSW; 20 per cent came from interstate; and 11 per cent came from overseas. In that same year, eight offsite exhibitions were held at 15 locations, and those exhibitions attracted almost half a million visitors. The locations included Wagga Wagga, Parkes, Albury, Wollongong and Liverpool.

There has been some debate at the state level recently about the closure of the Powerhouse Museum, near central Sydney—a cultural icon, a tourist attraction, a great resource for the community of Sydney and, indeed, for visitors who come by train from all over Sydney, the greater Sydney metropolitan area, and from around the state. They come to Central Station, which is only a few minutes walk away from the Powerhouse Museum.
The proposal has been made by the state government that the Powerhouse might be moved to Western Sydney. I support very strongly a new cultural institution for Western Sydney. I think that it is absolutely vital that the fastest growing part of Sydney has better access to a cultural institution like the Powerhouse Museum, but the simple truth is that many of our existing institutions—the Powerhouse Museum among them—have very large collections, only a fraction of which are displayed at any one time. The museum in College Street has a large collection, the Art Gallery of New South Wales, and the Museum of Contemporary Art, at Circular Quay—all of these terrific institutions, and many smaller ones, including the Museum of Sydney, and the Justice and Police Museum, have excess collections, and are able to periodically pull together fantastic temporary collections that could be displayed in a new cultural institution if one were built, for example, in Parramatta. We have the member for Parramatta here, who I know would welcome greater investment in cultural institutions in her electorate, a beautiful part of Sydney with so many fine historic buildings.

I would prefer the collections that I am talking about to be available to the people of New South Wales and to the people of Australia, and on display in Western Sydney, but that should not be at the expense of the existing Powerhouse Museum—a museum that has contributed a great deal to the cultural life of Sydney, and to many, many kids who really love going there and seeing the planes, spaceships and trains and so on. It is in a great central location, which means that people from all other parts of Sydney and New South Wales can get there very easily.

I have to say that I am very disappointed to see the Baird government playing off one part of Sydney against another in this way. I am very supportive of the notion that permanent and temporary collections could be displayed in another cultural institution in Western Sydney, but it should not be at the expense of a fantastic existing museum with strong community support and enthusiasm. This site would be sold. It would be sold by developers to the highest bidder. I spoke about the Pompidou centre a little earlier—I cannot imagine anyone in Paris proposing that they would close the Louvre to build the Pompidou.

Mining

Mr HOWARTH (Petrie) (21:04): It brings in billions of dollars of export income, provides work for more than 750,000 Australians and supports communities right across Australia. I am talking about our mining industry, which accounts for more than six per cent of Australia's economy and has invested more than $125 billion in Australia in the last 10 years. Australia's mineral resources are vast, diverse, and of high quality. It is vital that mining companies stay innovative and keep developing new extraction and processing technologies to make sure Australians gain the most from this natural wealth.

My electorate is not home to any mining activities, but it is home to many fly-in and fly-out workers who have contacted me about their industry. I wanted to learn more about the industry to better appreciate the work that these people do in my electorate, so when Senator Dean Smith invited me to his home state of Western Australia for a tour of some of the mines, I jumped at this opportunity. I would like to acknowledge, in particular, Senator Dean Smith, and also the member for Durack, Melissa Price, who came along on the tour with me. I would also like to acknowledge the Chamber of Minerals and Energy of WA, or CME, for taking us on the tour. It was a great tour and very informative. On our first stop we visited the Woodside Energy visitor centre. Operating for more than 60 years, Woodside is Australia's
largest independent oil and gas company. It is also Australia's largest producer of LNG, which it sources from its Pluto and Xena gas fields, about 190 kilometres off Karratha, in Western Australia's north-west. LNG is natural gas—methane—chilled to minus 161 degrees Celsius so that it becomes liquid. Once liquefied, the methane takes up much less space. It would take 600 ships to export in its raw form what one ship could carry in its liquefied form. LNG is driving a huge level of investment, export income and tax revenue for Australia, as well as cleaner energy for Asia. We are providing people in countries like India an energy source that is energy-efficient, clean and easy to transport.

Our mining industry is one of the few that provides employment and business opportunities in Australia's remote regions. More than 60 per cent of Australian mining neighbours Indigenous communities. We toured a number of iron ore companies, and I was pleased to hear that, among all of them, between 10 and 13 per cent of their workforce is made up of Indigenous Australians. In particular, Fortescue's Vocational Training and Employment Centre has helped more than 1,000 Aboriginal people through training, support and employment, and they have a goal to reach 20 per cent Indigenous employment.

In conclusion, if the Greens and other environmental groups had their way, we would see one of Australia's largest industries shut down, jobs lost and our standard of living diminished. Just look at the dishonesty of Greenpeace when they forged a photo of the Great Barrier Reef recently to shut down industry that operates within Queensland waters. They were trying to get the Great Barrier Reef listed as endangered and what did they do? They put up a photo of an Asian reef that was destroyed by a cyclone and tried to pass it off as the Great Barrier Reef. Thankfully, the federal government and the minister, Greg Hunt, were across this, as was the state Labor government in Queensland. They came together and said, 'This isn't good enough,' and we have managed to ensure that this lie was exposed. It is an absolute disgrace.

Some of the Greens' policies are dangerous. I have been reading a book recently: The Greens: Policies, Reality and Consequences, published by Connor Court Publishing. I want to stress that, if Labor and the Greens get back into power, we know that they will want to bring back their job-destroying mining tax. Miners pay a lot of tax already. They pay 30c in the dollar on every dollar they make, they pay mining royalties to state government and they pay GST. It is important that as a parliament we continue to look for opportunities in this sector and it is important that we continue to protect the local environment so there are places that we can go where there is just no mining at all. (Time expired)

Social Cohesion

Mr GILES (Scullin) (21:10): The vibrant multiculturalism of Melbourne's north is something of which I am very proud, but I do not take it for granted either in the electorate that I am privileged to represent in this place or more generally around our country. We cannot take this for granted, and I will not. Despite the challenging times in which we live, there are those who seek to divide Australians and so put our social cohesion under threat. Last week in this place, the member for Dawson said that 'multiculturalism has failed us a nation'. He went on to say:

Today's multiculturalism means that the world view and the beliefs that spawn practices like honour killings, child brides or sharia law must be accepted, because they are seen as legitimate values within a particular culture.
The member for Dawson's remarks cannot stand unchallenged, and so I will challenge them: I could not disagree more. Those of us here cannot license these views or their consequences to multicultural communities and our social cohesion. They do not take place in a vacuum, of course. Forty years after the enactment of the Racial Discrimination Act, we are a different and better nation for it, but key provisions in that act have been challenged, with proposals last year to remove vital protections defeated following a community campaign I was proud to be a part of along with my Labor colleagues. This law remains, but the challenges to its key principles remain, including within this parliament, which should be a pillar of support for multiculturalism.

I believe the diversity of modern Australia is our country's greatest asset. I see this every week in the suburbs that make up the Scullin electorate. Sharing in this with community is a highlight of my role. It is something that my young children greatly appreciate, too—attending festivals and events that are demonstrations of the great social dividends of multiculturalism, which brings communities together and in so doing builds a more resilient and more confident community, builds understanding and promotes social inclusion. I see and I feel this, and I am pleased to see there is plenty of evidence in support. Today I looked at the April 2015 ANU poll, which shows that public opinion continues to be favourable to immigrants' contribution to society and that 86 per cent believe that immigrants improve Australian society by bringing new ideas and culture with them. But there are also worrying signs. Some young people clearly feel alienated and marginalised. Let us think about how we might persuade them not to feel this way—people like the young woman assaulted in my electorate last year, apparently by reason of the way she dressed.

Last week the Prime Minister appointed the member for Berowra to take on the role of the Prime Minister's Special Envoy for Citizenship and Community Engagement as well as appointing Senator Fierravanti-Wells to address community engagement and social inclusion. This sounds like a good thing and I hope it will be, but it comes during a week when the government is debating, vigorously it would seem, giving the Minister for Immigration and Border Protection unfettered powers to strip some Australians of their citizenship, while having little to say by way of rebuke to the member for Dawson. What signals does this send?

In this place, we should be advancing the cause of inclusiveness. This is the most effective way to tackle the forces of fear and of division, giving everyone a real stakeholding in our society. Today in this place we have been talking about equality, I hope making some progress towards removing an ugly discriminatory aspect of our laws and making a statement about our commitment to value each of us equally. I am proud to be supporting equality in marriage and I am proud that Labor is leading this debate. Removing discrimination based on innate qualities such as race, gender or sexuality is something I will always be proud to fight for. But these fights are not simply about changing the law. They are about leadership and about setting standards. As the member for Greenway put it:

It would be nice if all members of the Abbott Government said more about social inclusion more often, and meant it.

In recent days, it has been said that all views deserve respect. I disagree. Not all views deserve respect, but all people most certainly do. People all have a right to be respected and to not be racially abused. This is why we fought to stop backsliding on the Racial Discrimination Act. I respect people's right to express their views, of course, but, particularly for those in
positions of leadership, there is a heavy duty to look at the consequences of our words and their influence. We all have a shared interest in making Australia a better place to live. That means a more harmonious place and it means always standing up for multiculturalism, the signal social achievement of modern Australia.

Australian Defence Force

Mr GOODENOUGH (Moore) (21:14): Recently I had the privilege of participating in the Australian Defence Force Parliamentary Program. Spending a week based in Darwin on Operation Resolute, I lived at Larrakeyah Barracks and experienced border protection operations with Defence Force personnel from the Army, Navy and Air Force. I shared living quarters and meals with our troops and participated in operational activities under supervision. It was an invaluable experience to witness the work of our Defence Force personnel over the course of a whole week. It provided me with a new perspective on the duties, challenges, resourcing constraints and issues faced by our serving personnel. As a decision-maker, the experience will better equip me to advocate on behalf of the Australian Defence Force when relevant issues arise in parliament. I am pleased to say that the $31 billion allocated in the current federal budget for Defence spending puts it on a growth path to two per cent of GDP by 2023-24, which is consistent with the coalition's election commitment.

I gained a better appreciation of the magnitude of the task of patrolling and securing Australia's borders on a vast geographical scale that defies comprehension. Australia's extensive exclusive economic zone covers 8.1 million square kilometres. The challenges faced by our Defence Force, customs and border protection agencies is compounded by the vastness of the Australian continent, covering an area of more than 7.6 million square kilometres, with a total coastline length of 35,876 kilometres. I would like to thank my hosting officer, Major Glyn Richardson, who did a remarkable job in organising the logistics of my visit and making sure that the events occurred with military precision. I am grateful to Major Paul Richards for arranging my participation from headquarters in Canberra. My thanks also go to the following personnel for welcoming me and allowing me to actively participate in operational activities: Commodore Brenton Smyth, commander of Northern Command; Colonel Brian Bailey, chief of staff of Northern Command; Lieutenant Hugh Johnston, officer commanding the 36th Water Transport Troop; Major David Schembri, officer commanding the transport security element; Lieutenant Commander Roger Knight, commanding officer of the HMAS Wollongong; Mr James Reid of Border Protection and Customs; Sergeant Ben Wolinski, supervisor of the weapons training and simulation system; Ms Anthea Perry, Department of Agriculture Compliance Division; and Squadron Leader Troy Holmes, commander of the Air Component Command Element, RAAF Darwin.

The highlights of my visit included a patrol on board the HMAS Wollongong, in particular the live firing exercises with the .50 calibre machine gun and the 5.56mm FN minimi machine gun. I was taken on a comprehensive tour of the Australian customs vessel, the Cape Sorrell. I also experienced a journey in a landing craft, fast transfer in a rigid-hulled inflatable boat and a boarding party exercise. However, the best part was a visit to the armoury where I reacquainted myself with the standard-issue 5.56mm AusSteyr F88 rifle and Browning Hi-Power 9mm pistol. This was followed by a visit to the weapons training and simulation system at Robertson Barracks, where I was in my element and easily met the ADF
qualification standards for marksmanship. I also experienced a surveillance flight aboard a P3 Orion aircraft, during which we encountered two unidentified vessels that did not respond. The program also included a visit to the Department of Agriculture for a tour of the quarantine operations, which included laboratory facilities to screen and identify foreign organisms.

The Australian Defence Force Parliamentary Program is a most worthy experience for members of parliament. Having participated twice, I can thoroughly recommend it. It has strengthened my regard for the members of the Australian Defence Force and impressed upon me the need to adequately resource our troops.

South China Sea

Mr DANBY (Melbourne Ports) (21:19): Tonight I would like to address the worsening situation in the South China Sea, an issue that I have been interested in for many months, if not a couple of years. I particularly want to look at China's efforts to construct artificial islands in an area that seemed to be being used to better project its military capabilities. At the recent Shangri-La conference, US Secretary of Defense, Ash Carter, concretised these activities by saying that China had filled in 2,000 acres, or 810 hectares, in the South China Sea in the last 18 months, I must say that I agreed with defence minister Andrews on the other side of the House when he pointed out at that dialogue:

Australia urges all parties to exercise restraint, to halt all land reclamation, refrain from provocative actions and take steps to ease these tensions …

He did not mention any country by name, but everyone in the room knew whom he was referring to. Minister Andrews spoke just a few days after defence secretary, Dennis Richardson, who made similar comments here in Australia, in Sydney. He said:

It is not constructive to give the appearance of seeking to change facts on the ground without any clarification of actual claims …

The speed and scale of China's land reclamation on disputed reefs does raise the question of intent and purpose. He went on to say:

It is legitimate to ask the purpose of the land reclamation—

and, somewhat ironically, he said—in case some of our friends in the People's Republic do not understand it, this is irony—

tourism appears unlikely.

It is important for Australia, for the world, and indeed for China, that our economic interests be considered in this area of the world. Fully half of the world's oil tanker shipments pass through the South China Sea and about 60 per cent of Australia's trade. No-one wants conflict in these waters, but we cannot turn a blind eye to any country that unilaterally claims areas for military, nationalist or other reasons.

Other figures are that 50 per cent of international maritime trade takes place through the South China Sea, freely going backwards and forwards between Korea, Japan, India, Australia, Europe, and the United States. That amounts in dollar terms last year to US$5.3 trillion. The Economist argues that under the international Law of the Sea countries can claim the sea out to 12 nautical miles and a further 200 miles of exclusive economic zone off the coast of their mainland or inhabited islands. Uninhabitable rocks get territorial waters but not EEZs. America has sailed clear of those 12-mile economic zones, and I think it is wise at the
moment to do that. But it does not mean any recognition of this so-called nine-dashed line that China has established in the South China Sea. Just to show you the cheek of it, this nine-dashed line goes like a cow’s tongue—an agricultural term I am sure you are familiar with, Mr Deputy Speaker Scott—from Taiwan down the edge of the coast of the Philippines, down the coast of Brunei, right down the coast of Malaysia and back along the coast of Vietnam—right to their territorial waters. There is no international zone or EEZ for those countries, according to China. Some of the waters and inhabited islands that China is claiming lie 1,400 kilometres south of mainland China and well within 200 nautical miles of many countries.

Australia has for many years maintained a careful middle line. We do not take a position on territorial disputes; we prefer them to be solved by international negotiations. But in recent weeks these kinds of issues are forcing our hand. I do not appreciate—and I am sure you do not, Mr Deputy Speaker—threats by China to take their trade to Brazil. It is a lot further for them, a lot more expensive. So far China has been very wise. It is a rising country. All of us can appreciate that. But it needs to keep to its peaceful intent. The economic prosperity of China has been manifest over the years. I urge the people in the leadership of the Chinese regime to focus on that. There is an English expression which they should understand: the goose that lays the golden egg. And the goose that lays the golden egg is free international trade, free transit through international waters like the South China Sea. China is prospering economically. Why would you jeopardise that?

Lyne Electorate: Surf Lifesaving

Dr GILLESPIE (Lyne) (21:24): I had the pleasure of attending the Port Macquarie surf club last Friday to join with Bill Amy and Rick Rolf, the president, to deliver a $110,000 cheque for the surf club as part of our Community Grants Program, which comprises $350.9 million worth of funds spread around many community organisations around the country. And I had the occasion to do some research into the history of the Port Macquarie surf club, which is going to build an extended veranda and do repairs on the roof so that they can continue looking after the members of Port Macquarie and the greater area as well as the many tourists who visit Port Macquarie. The club has a very august history, having formed as a surf bathers club in 1910. That is 105 years ago. It formally came into being in 1920, starting off first at the Town Beach and then moving around to its current position at Flynn’s Beach, and all the lifesavers over the generations have kept many attendees safe and sound. They have rescued many who would have otherwise perished and have been a great asset to the community.

This gave cause to reflect on the history of the surf lifesaving movement in the Lyne electorate. The Lyne electorate spans two areas or branches that Surf Life Saving Australia defines. In my electorate we have the Camden Haven club as well as the Crescent Head surf club; Port Macquarie, which I have mentioned; Tacking Point; Wauchope-Bonny Hills; Blackhead; Crowdy Head; and Taree-Old Bar. Some of the histories of these clubs are really quite amazing. After the Port Macquarie bathers club came into being, the Wauchope-Bonny Hills surf club came into being, operating out of Nobby’s Beach, but it then split in 1937-38 from the Port Macquarie club and moved around to a beach closer to its current location at Rainbow Beach. It looked after Little Beach up until 1960, and then moved on to the beautiful location it has at Rainbow Beach. If you were to look down from Bonny Hills over this area you would have one of the greatest vistas on the North Coast. In fact, of the many headlands
that were first identified by Matthew Flinders as he travelled around the coast, he noted Lighthouse Beach and named the Three Brothers mountains that look over the Lyne electorate from the coastline.

Around the same time, Blackhead surf club formed, in 1925. There was a lot of community activity, and Taree-Old Bar formed in 1927-28. Looking through the history, it is not only that they have saved surfers and people swimming at the beach, but, shortly after they were formed, they were called on as a surf club to go out in their surf boat and save a sinking ship. That is an amazing effort, particularly as it appears to have been done mostly in darkness. That just epitomises the valour and the community-minded selflessness of members of surf clubs up and down the coastlines of Australia, from east to west, north to south; there are surf clubs everywhere.

And what a great institution the surf club movement is for Australia, its citizens and its visitors. Can you imagine where we would be without surf clubs? I would hate to think what would happen if we had not had these wonderful men and women who have dedicated weekends, weeknights, weekdays to the club and to the citizens of our nation who swim on our marvellous beaches. I commend them all for the brilliant work they have done across the generations.

The DEPUTY SPEAKER (Hon. BC Scott): It being almost 9.30 pm, the debate is interrupted. The House stands adjourned until 12 noon tomorrow.

House adjourned at 21:29

NOTICES

The following notice was given:

Mr Nikolic: to move:

That this House:

1. recognises:
   (a) the importance of Australia's Free Trade Agreements (FTAs), which now include nations in three continents—North America, South America and Asia;
   (b) Australia's three most recent FTAs negotiated and signed in 2014 with Japan, South Korea and China and the positive security, stability and economic prosperity which will result from each of these mutually constructive agreements;
   (c) the Government's intention to continue to enhance current and future trade and investment opportunities for the long term advantage of all Australian citizens; and
   (d) the significant personal contribution made by the Minister for Trade and Investment in securing FTAs with Japan, South Korea and China in 2014;

2. acknowledges the following advantages of FTAs to Australia as being:
   (a) removing potentially billions of dollars of tariff imposts for foreign produced consumer goods (including, clothes, shoes, car components, cars and electronics);
   (b) enhancing capital flows into Australian agriculture, finance, tourism, infrastructure and mining as a result of streamlined approval procedures for foreign state owned investors;
   (c) improving primary agriculture, particularly dairy, beef, lamb, wine and horticulture as a result of overseas tariffs being phased out over time;
   (d) streamlining licensing and reducing restrictions on Australian services firms, including banks, insurance companies, financial fund managers, as well as law, architecture and engineering firms; and
(e) providing cheaper and more streamlined visa approval procedures, making it easier to undertake reciprocal travel, work and study in Australia and relevant trade partner nations; and

(3) notes the continuing importance of trade between nations and of Australian formal FTAs in supporting both global and regional stability, as well as Australian long term economic prosperity, all of which are emphasised by Australia's unique geopolitics.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 10:30.

CONSTITUENCY STATEMENTS

Charlton Electorate: Centenary of Anzac

Mr CONROY (Charlton) (10:30): I am pleased to update the House on Centenary of Anzac commemorations in Charlton. Before speaking on the various ways this special centenary was commemorated, I would like to acknowledge those who served on the Charlton Centenary of Anzac Committee: Chair Peter Stephenson, Deputy Chair Darren McManus Smith, Lake Macquarie Mayor Jodie Harrison, Des Greene, Lyn Goodworth, Sid Lynch, Ron Mitcherson, Sharon Pascoe and Col Firth from Cardiff North Public School. The committee has worked on centenary commemorations for over two years, and I thank them for their hard work and dedication. In the six months leading up to Anzac Day, Peter Stephenson was the Acting President of the New South Wales RSL. I thank Deputy Chair Darren McManus Smith for overseeing the final stages of preparations.

The main commemoration was organised by the Toronto RSL sub-branch and Lake Macquarie City Council and was held at Speers Point Park. As well as a very moving service, there were a range of activities for families and many different stalls with memorabilia and historical artefacts. I particularly want to acknowledge Ron Mitcherson from Toronto RSL sub-branch, and Mayor Jodie Harrison and Kate Dunn and Kate Davies from the council for their hard work and commitment in organising this very special commemoration.

The South Lake Macquarie sub-branch of the RSL have organised for all students in Charlton to be presented with a special Centenary of Anzac medallion. These will be presented throughout the centenary year. I would like to thank Darren McManus Smith and Des Greene for their hard work in coordinating this special tribute for students.

Cardiff RSL sub-branch has organised for the pictorial book The Digger's View, by local author Juan Mahoney, to be distributed to all primary and secondary high schools for their libraries. This book contains not only amazing colour photographs from the First World War but also some very special diary entries and handwritten letters from soldiers serving overseas. I thank Sid Lynch and the Cardiff RSL sub-branch for coordinating this project. I had the great honour in presenting these books to local school students in April.

Finally, the Wallsend Heritage Group was provided with a grant through the Commonwealth's Centenary of Anzac grants program to restore Wallsend's World War I memorial. I particularly thank Geoff Hassall from the Wallsend Heritage Group for his hard work on this project. This is part of an important process of restoring that memorial and perhaps moving it from its current location in a car park to somewhere more fitting for such an important memorial.

As well as these four projects, all sub-branches in Charlton—Wallsend, Cardiff, Boolaroo-Speers Point, Toronto, Wangi Wangi and South Lake Macquarie—held very moving services leading up to and on Anzac Day. The feedback I received was that attendances at this year's services were far and away the largest ever, particularly the ones I attended, which were very well visited by local residents. Again, I place on the record my sincere thanks to the Charlton Centenary of Anzac Committee members, who worked so hard on these special
commemorations, and all those in Charlton who were involved in commemorating this event of great national significance.

**Hasluck Electorate: Women's Powder Room**

Mr WYATT (Hasluck) (10:33): I have the incredible privilege of being actively involved with men's sheds, firstly in NSW, and in my role with men's sheds in my electorate of Hasluck. Men's sheds are accessible to all men and provide a safe and welcoming environment in the company of other men. Colleen Bitmead attended the Men in Black Ball in 2012 which supports men's health. Those attending talked about the importance of men's sheds and how successful they were in assisting men with depression, loneliness, companionship and the need for social inclusion to prevent increasing suicide rates. Colleen thought about what she had heard and reached the conclusion that women faced similar issues and nothing was in place for them. The women of our community need somewhere to feel connected. Colleen said:

As a mother working from home while the kids were at school, I found socialising with others at events was difficult; I had nothing to talk about except my kids. I had lost my identity and was invisible. People would often talk over the top of me. Was I that boring? That was how I felt.

For her the issues facing women were similar. Women in her community face social and community isolation, lifestyle changes with partners who are fly-in fly-out workers so many are without adult conversation at night, the loss of a loved one, health problems, children or a partner with a disability, young single mums, and other ethnic and culturally diverse backgrounds. Whilst change has improved women's status the challenge facing women today is striking the right balance between work, self and family. We collectively expect women to take care of their children and the house and work hard at their job. Despite living in modern times, equality in all fields of life is still beyond reach and takes its toll on female achievement. Colleen said that while she was listening she wondered if there was anywhere similar for women to attend, and the name 'Women's Powder Room' popped into her head—so now she had a name and a plan but she needed a building. That is when she came to see me, and working with shire president Sue Bilich, the Bendigo Bank and Fiona Lander from Perth Airport, her dream has become a reality.

To women the powder room can be a means for them to come together to provide support to enhance personal empowerment and the ability to build strong personal and professional relationships. Recently the powder room has commenced a series of programs. Importantly, they asked the Prime Minister's wife to open the building for them. Margie made the comment that it enabled women to spend time together, and she told the Women's Powder Room members and guests that there was a time when she was a young mother in New Zealand and she missed the conversations, cuppas and cuddles with close friends and family. She added that the Women's Powder Room is filling that role and is providing an opportunity for women to catch their breath and keep going. She commented that it is a place for hugs instead of handshakes. Congratulations to Colleen and all those involved in the establishment of the powder room.

**Chisholm Electorate: Budget**

Ms BURKE (Chisholm) (10:36): Before the last election the Prime Minister announced no cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS. For every clause in that statement the Prime Minister has delivered a
broken promise. It is a remarkable achievement for a Prime Minister who made trust his number one election pitch, and what I can tell the Prime Minister today on behalf of the people of Chisholm is that he has failed on trust and he has failed on fairness.

Of the many complaints I regularly receive from across my electorate, one of the most common is people's fear about whether or not they or their families will continue to be able to get affordable and timely access to quality medical care when they need it. They are right to be concerned. They are living with a government that simply cannot be trusted to provide fair access to health care and absolutely cannot be trusted with protecting Medicare. In last year's budget, the Liberal government cut $60 billion to health funding. In Chisholm, that means that Eastern Health, which runs Box Hill Hospital and the Peter James Centre, has lost $1 billion from its budget over the next decade. Box Hill hospital has been recently refurbished by the state government and it is a marvellous facility, but how can it survive with $1 billion worth of cuts? Monash Health, which operates the Monash Medical Centre—a huge facility catering not only for people in my electorate but the whole of Victoria and indeed the country—has lost $1.7 billion from its budget. These are figures produced by the Victorian health department and they show just how devastating these cuts are to my community.

The budget has cut a further $2 billion, which includes a cut of $69.6 million to the dental and allied health budget for veterans. This is a devastating blow to veterans in my electorate, and I can promise the government it has not been welcome news in the RSLs across Chisholm. Having recently commemorated the Centenary of ANZAC, this cut sends a particularly galling message about the value this government places on the health requirements of our current veterans. As reports have said today, this is not just about veterans from World War II—these are veterans who are returning from conflicts and now need ongoing health support.

The budget has also cut $20.1 million from dementia and aged care service funding and $40.2 million from the Aged Care Workforce Fund as part of a $100 million cut to the aged care budget. This is more funding loss to an already underfunded area and an area in crisis, and it is the completely wrong direction for our country where adequately caring for our ageing population is one of our most significant challenges. My electorate is home to a large retiree population—indeed, we have one of the oldest populations in the country. There are more 100-year-olds in my neck of the woods that in most places. I met a phenomenal one last night who probably is not going to need health services any time soon, but they are out there and they do need our support in the aged care sector. Indeed, my electorate is dealing with a woman who has multiple needs at the moment. She has been advised that she is on a waiting list for 12 months to get in-home care. If she waits that long, what is inevitably going to happen? She will end up in hospital and need more services. These are just ridiculous cuts that do not need to be made, and they are putting a greater burden on my community.

Economy

Mr CRAIG KELLY (Hughes) (10:39): During the past century, history has thrown up three great unplanned economic experiments where a group of people of similar cultural backgrounds, similar education, similar resources, similar history and similar environments have been separated and their economies subject to fundamentally different economic policies. History records the results: East Germany versus West Germany, Taiwan and Hong Kong compared to China, and North Korea compared to South Korea. In each experiment, the
results where the same: the larger the government, the larger the bureaucracy, the more centrally planned the economy, the more socialist the policies—despite the best of intentions—the more dramatic the falls in living standards and the greater the differentials.

We now have a fourth unplanned economic experiment, this time with the election of a Labor state government in Victoria and a coalition government in New South Wales. We have started the fourth great unplanned economic experiment. In Victoria, we have a Labor government that believe in big government. They believe in giving more power to the bureaucracy. They believe in giving the unions more control. They believe in a more centrally planned economy. Compare that to the New South Wales government, who work on more market based principles.

While we talk about the State of Origin in Rugby League, which is New South Wales versus Queensland, the one that we should be looking is the economic state of origin of New South Wales versus Victoria. Will the results be any different this time? We just have to look at the first ABS figures released for April 2015, and we can see what the results are. For April 2015, the state of New South Wales put on 9,800 jobs—not a bad effort. I go to Victoria and the same ABS figures, and what do I see for the same period? They show a loss of 4,900 jobs. So in New South Wales 9,800 jobs were created; in Victoria 4,900 jobs were lost. I notice those on the other side of the chamber have gone very silent. I look forward to continuing to update the House during the next four years on this fourth great unplanned economic experiment. We have seen the results so far; sadly for our Victorian friends, I think that we are only going to see more and more of the same.

Lilley Electorate: Centenary of Anzac

Mr SWAN (Lilley) (10:42): This year we commemorate the centenary of the Anzac landings and honour the service of those who fought in the Great War and subsequent wars. After that war and many others, our troops returned to face a very different kind of adversity. The mental and physical trauma which returned with our troops from the battlefield was not well understood and tormented many of them for the rest of their lives—men like my grandfather, who was gassed and wounded on the Somme, and my father, a World War II veteran who was TPI when he died.

As our knowledge and understanding of the mental and physical trauma suffered by current ex-service personnel has grown, we have set up institutions and organisations which provide support and care to help our service personnel. One such organisation is Mates4Mates, who support current and ex-serving Australian Defence Force members—and their families—who have suffered physical or psychological wounds, injuries or illnesses as a result of their service. The services provided by Mates4Mates include physical rehabilitation, psychological counselling, career coaching, adventure challenges and equine therapy. Above all, what organisations like Mates4Mates do is something simpler but very much deeper: they provide loyal friendship. That is really what we have to do for our veterans, and their widows and descendants, today—be brave and loyal friends, including to the very young just returned from Iraq and Afghanistan. We have to be good mates, looking out for them and the loved ones they have left behind for us to care for.

That is why on 23 May I was so honoured to participate in the WW1 Queenslander Challenge, which aims to raise money in support of Mates4Mates. The WW1 Queenslander Challenge is a trek which begins at the Enoggera Reservoir in The Gap, Brisbane. Held every
March, May, August and October until 2018, participants carry a brick with the name of a fallen World War I digger from Queensland engraved on it. It goes through the D’Aguilar National Park and finishes at the Woodford RSL. When the challenge concludes in 2018, the bricks carried across the course will be returned to the Gap to construct a monument in tribute to those Queenslanders who never returned home. So far nearly 80 people have completed the challenge, raising almost $10,000 in support of Mates4Mates.

But over the next three years we have the opportunity to do so much more and to support an organisation which provides essential support to our service men and women. So I would certainly call on all other Queensland MPs and businesses to get involved with Mates4Mates. You can go on to their website at www1queenslanderchallenge.com.au, and you can go along for a pretty sturdy walk through that national park out to Woodford on one of the occasions on which the march is going. This is a great way to build a bridge not just between the community and our war service men and women but also for our younger people who can walk to support our war veterans.

Crime

Mr EWEN JONES (Herbert) (10:45): When it comes to matters of law and order, I know there are different areas of responsibility between state and federal governments. However, every now and then someone will bring something to your attention which beggars belief. News that a 27-year-old Townsville man has been convicted of raping a four-year-old girl brought outrage to many in my city. That he also took and distributed graphic photos of the child to others should make everyone’s stomach turn. News that he was sentenced in May this year and will be eligible for parole in December this year should make this country sick. The reported excuse was that he was a heavy drug user at the time.

I cannot be alone when I say that the oft-trotted-out line that drugs were involved and that the person is not normally like that is wearing so thin. Isn’t it time we said to the people of this country, ‘You are responsible for your actions?’ This man, just like those who go out and bash others senselessly, was not held at gunpoint when he took those drugs. He is responsible for his behaviour. I know I am treading across boundaries here, but I am just sick to the back teeth of getting calls from people who have been the victim of abuse or worse and have been left as the victim after the courts have dealt with them.

I do not blame the judiciary here. We in the public domain rarely get to see or hear all the evidence. But, in the case of this rapist, you have a 27-year-old man befriending a family and then raping a four-year-old girl. He has taken disgusting photographs and shared them with his friends. He got caught. Then he stated that he was a heavy drug user, and now he is up for parole in December this year. How can that be so? It is not the drugs, mate. It is the individual who thinks it is somehow okay to load themselves up on steroids or ice or whatever it is they take and then go out and ruin lives. If they get caught, they are able to completely squib it like the cowards they are and say tearfully that they are not normally like that and that it was the drugs. It is not the drugs. Surely it is time for us as a society to say to people, ‘You are responsible for your actions and you should take responsibility for them. You should face up to what you have done.’ No amount of extenuating circumstances could ever excuse what this person has done to a four-year-old child. He should not see the light of day again because he has breached faith and trust with all of our society. We have to stand up and take these things seriously.
It is important that we understand the difference between the state and federal governments when it comes to law enforcement and cause and effect, but no-one in this place can turn away their eyes when these sorts of things happen. It is a disgusting part of this world. To be able to stand up and say that because you were on drugs it excuses everything somehow just beggars belief. We have to be better than that. I thank the House.

**Griffith Electorate: Bulimba Barracks**

**Ms BUTLER** (Griffith) (10:49): Councillor Shayne Sutton, Di Farmer MP and I have recently called on the federal government to contribute 10 percent of the proceeds of the sale of Defence land in my electorate to funding local infrastructure. Recently the Army's Joint Logistics Unit left the Bulimba Barracks. Though the Navy is staying, under Commander Peter Tedman, the Department of Defence no longer needs the majority of the site, which is about 21 hectares.

Locals have known that a relocation was on the cards for years. In 2010 Councillor Sutton finalised a community planning process. The Bulimba neighbourhood plan calls for heritage to be conserved. It calls for the land to have a mix of uses and a mix of housing types and densities, including affordable housing. It would be possible to fit a lot of new residences on a 21-hectare site—but any development must be sustainable. There is already a lot of pressure on local schools, roads and public transport facilities so the plan recognises that local infrastructure needs improving—like the facilities at the Apollo Road ferry terminal.

The road needs upgrading too—for example, we need traffic lights at the Apollo and Lytton Road intersection, which is right next to the pedestrian crossing that the local school kids use. A cyclist was killed there some years ago. Through Councillor Sutton's work, the design has been done and the plans and costings exist for those traffic lights so the project could readily commence. I am informed it would cost about $2½ million for the upgrade because of all the services that would need relocating, and the relocation of the services would cost more than the construction of the lights themselves.

My fellow local representatives and I are asking for a contribution to defray the local infrastructure costs—that is why we have called on the federal government to contribute 10 per cent of the proceeds of any sale. The defence department has enjoyed the support of the local community for many years—the facility has been there since the Second World War. I am informed that some long-term locals' families contributed land to the department at the time of the Second World War, apparently for no compensation at all. From the US army presence that we had in the 1940s, from the shipyards, from the foreign labour at the time, through the years of logistics work at the barracks, through the rest of the 20th century and the first decade of the 21st, this site has been a big part of Bulimba life.

Now that the Joint Logistics Unit is moving on, it would be fitting for the department to recognise its role within the community and the effect of the change on our local community as well. It would be great if the department would make a modest but significant contribution to the cost of making the necessary infrastructure improvements so if there are a lot of new residences on the site—which is a possibility although obviously that is yet to be determined—then the roads, the schools, the parks, the public transport, the footpaths and the bikeways can keep up with the increasing demands of the local community and in the interests of the community and with respect for the community's wishes.
Barker Electorate: River Communities

Mr PASIN (Barker) (10:51): I rise to bring the attention of members to the scandalous series of events surrounding the non-dispersal of $25 million of federal government money. For the benefit of members I will go through some of the background to this matter. In August 2013 an agreement was struck between the then federal Labor government and each of the Murray-Darling Basin states to grant those basin states $100 million, and of course that included South Australia. Twenty-one South Australian recipients were advised that they would share in $25 million to help create industries and economic activity that was not reliant on irrigation water. This agreement was trumpeted by the state Labor government and the then Labor federal minister at the time. All that remained was for the South Australian government to confirm the publicly-declared projects so that the federal government could begin to ensure those recipients received their funding.

However, there was one enormous problem—there was a change of government federally. From that moment to this, the South Australian state Labor government has done everything within its power to derail, disrupt and destroy the agreement that they signed off on. Assistant Minister Briggs wrote to the South Australian government numerous times to request, indeed to plead, that they confirm these projects—and yet those pleas were met with silence. Quite simply Premier Weatherill, Treasurer Koutsantonis and Regional Development Minister Brock have betrayed communities in my electorate. They have thrown up all sorts of fallacies to justify their betrayal, such as the supposed $21 million impact of the GST as a result of this transfer.

As the letter from Catherine King, the member for Ballarat and the minister at the time, to Premier Weatherill makes perfectly clear, these were all matters that the Commonwealth Grants Commission were to decide upon. That has been our position since coming to office; it was the position of the previous federal Labor government and it is the position now. Does the state Labor government want to spend $21 million propping up marginal seats in its constituency or does it want to commit $25 million to river communities? The choice is clear—they would much prefer to spend $21 million in marginal seats in Adelaide than support river communities in my electorate. Other states have received their dough and they are spending it, and they are ensuring that they are boosting economies along the river. Regional Development Minister Brock has manifestly failed in his primary task by refusing to enter into any kind of meaningful discussion to assist river communities. To Premier Weatherill and Treasurer Koutsantonis I say: ‘Stop punishing river communities.’ To Minister Brock I say: ‘Regional South Australia now has $25 million reasons to ensure you do not have a job at the next state election.’

Live Animal Exports

Mr ZAPPIA (Makin) (10:54): The recent photo depicting the sledgehammer killing of cattle in Vietnam has precipitated another wave of community outrage about the merits of live exports. The incident has been attributed to Vietnam being a rapidly-growing new market for live cattle exports, and enforcement of Australia’s export supply-chain assurance system there being still a work in progress. It would be overly optimistic to expect that, in a new market, breaches would not occur. However, it is very likely that the breaches identified do not reflect the full extent of the problem.
I am aware that several other alleged breaches relating to the Vietnam trade are currently under investigation. I also note with some concern that the independent auditors engaged to ensure compliance with Australian ESCAS conditions are selected by the exporters, and that overseas meatworks are forewarned of an impending inspection. I acknowledge that the ESCAS conditions, introduced by Labor, have much improved animal-handling conditions within the live export trade and in time even the critics of Labor's response to 2011 Four Corners program will acknowledge the good that came out of that situation.

However, the system would work even better if the government followed Labor's lead and appointed an Independent Inspector-General of Animal Welfare or an Independent Office of Animal Welfare. Instead, immediately upon coming to office, the Abbott government dismantled the Australian Animal Welfare Strategy and cut $2.3 million of funding for the live animal export business assistance program.

What I do not accept is that the live export trade is vital to Australia's cattle industry, nor do the industry figures support that assertion. Live exports represent just seven per cent of Australia's export market and about 93 per cent of Australian cattle are slaughtered in Australia. Furthermore, meat exports are growing whilst live exports are declining.

I also note the Abbott government's flippaness dismissal of any criticism directed at the industry or the government. There is a widespread public perception that the Abbott government does not take animal welfare seriously. That perception is further fuelled by the Abbott government's narrative that we have to choose between the humane treatment of sheep and cattle and the livelihood of farmers. The dishonesty in that representation is that it does not have to be a choice, as both objectives are possible.

What is clear, however, is that Australians have demonstrated time and again that they will not condone animal cruelty. We have seen that not only with live exports but also with race jumping, greyhound racing, whaling, animal experiments and the intensive farming of pigs and poultry. When cruelty is exposed, it evokes widespread public backlash. Nor will governments silence concerns by introducing ag-gag laws.

The enforcement of Australian animal welfare standards can never be guaranteed once animals leave Australia. Furthermore, animals are not subjected to long, torturous journeys if they are processed in Australia. The best protection for animals is to process them in Australia, where Australian conditions apply and where those conditions can be enforced. That is what the Australian government and industry should be working towards. (Time expired)

Gilmore Electorate

Mrs Sudmalis (Gilmore) (10:58): The days between sitting weeks are extraordinary. There is a complete whirlwind of events to attend, to catch up on community connections, and last weekend the youth of Gilmore showed their true colours. On Friday morning, I met about 90 young ladies in the hall of the St John the Evangelist Catholic High School. Some had to be encouraged to find a place in the front seats. Most had come completely unaware of the theme of the presentation. I introduced the idea of leadership using a 'guess the leader' form and trigger words about leadership styles. At the end, I asked each one to look at the reflective square they had been given. What did they see? They saw themselves, but more than that: I suggested to them that they were looking at potential leaders, whatever life choice they were
about to take. After this, I had a quick coffee and meeting with one of the Work for the Dole coordinators, Trudy Commins, an enthusiastic and dedicated young worker, discussing their effective program transitioning young people into work. Following that, I attended the Milton-Ulladulla women’s conference where Petrea King outlined the need for balance, wellness, openness and happiness, and the need to not wait for any of these but to jump in right now, boots and all.

Saturday morning I returned to Ulladulla to speak at the Celebrating Cultural Diversity Festival. Noel Butler and his group did a fabulous welcome to country; then the young and the young at heart trailed two sets of international flags I had brought. It was great to see children from Ethiopia and the Philippines and our local children all carrying the flags together.

Later was the Kidzfix pasta, plonk and poetry fundraiser—although not necessarily in that order! Congratulations to the committee, particularly Penny and Cam Stevens, Leanne and Kevin Stuart, and Tony and Ria Emery. They work tirelessly, with absolutely nothing but great intentions, to help sick children get better. After that was the Nowra-Culburra Surf Lifesaving Club presentation night, which was, as always, great fun. Mitch Paykes and Col Lawrence are great, encouraging a terrific group of young surf-lifesavers.

Sunday found me collecting for the Salvos outside one of our local McDonald’s. I met Mick, sitting in a wheelchair, a beautiful soul: intelligent, compassionate and very special. There were many generous people that day, some who clearly did not have a great deal of money but gave whatever they could. It was very heart warming.

After that there was a great, positive meeting with some inspiring young members of the Culburra community. I initially spoke with Tom, Tyson and Josh about their ideas; and then I met the dynamic group of skaters Daniel, Leon, Matt, Ryan, Luke, Max, Hamish and Tenaya, along with parents Lisa and John, who discussed how we could galvanise other young people and the community at large to support them in their quest to build a skate park. They are ready for petitioning, presenting to the community progress association and getting a fundraiser happening. Their energy is great to see, and we will all work together to achieve the skate park.

Well done to all these wonderful young people I met over the weekend, showing Gilmore has gutsy, gold-quality youth working and volunteering to make our region better. (Time expired)

The DEPUTY SPEAKER (Mr Hawke): In accordance with standing order 193, the time for constituency statements has concluded.

PRIVATE MEMBERS’ BUSINESS

National Security

Mr NIKOLIC (Bass—Government Whip) (11:01): I move:
That this House:
(1) recognises the:
(a) need to destroy, degrade or contain terrorism in all its forms in source or origin countries;
(b) clear and present threat posed by transnational terrorism in our region;
(c) sustained efforts of both the Australian Defence Force (ADF) and our civilian national security agencies to identify, attack and degrade foreign or 'source nation' terrorist threats at the very earliest opportunity, most notably since the 2002 Bali bombings (which claimed the lives of 202 people, including 88 innocent Australians, and injured a further 209);

(d) unique geo-political circumstances of Australia which will continue to emphasise the need for cooperative and heightened security vigilance and activity with, by and from our key regional partners and allies, over the long term;

(e) potential for Australian security forces, both civil and military, to continue to act as effective, practical agents to reinforce, bolster and continually invigorate critical regional partnerships and engagements, toward a stable and prosperous long term regional future, and one which is mutually beneficial to all national participants;

(f) potential offered by the Government's holistic approach to home-grown terrorism, to constitute a working model for consideration, adaptation as appropriate, and possible implementation, by equally determined Governments and nations, throughout our region;

(g) need for sustained vigilance and regional engagement by all like-minded nations in our region;

(h) need to maintain and support both ADF and civilian security agency capabilities, at the very forefront of counter-terrorist operational capacity and capability;

(i) need for sustained border protection regimes and procedures; and

(j) importance of maintaining and sustaining Australia's traditional defence alliance and treaty arrangements;

(2) acknowledges:

(a) the Government's active and constructive efforts to do all within its powers to halt terrorism at its source, or points of origin;

(b) that the Attorney-General's Department has led and implemented a diverse array of constructive initiatives and measures in support of community safety and resilience, which will further complement 'offshore' counter-terrorist initiatives and endeavours;

(c) that Australian Government actions are in lockstep with sensible international responses to this global trend and challenges; and

(d) the importance of secure information-sharing with traditional allies and regional partners, to achieve the negation of potentially diverse terrorist threats; and

(3) endorses and lends ongoing support to the Government's longstanding efforts to diminish the current and future terrorist threat to all Australians, including the removal of Australian citizenship status from dual citizens who are involved in terrorism in Australia or abroad.

As we have seen in the last few years, Australia faces a resurgent and increasing threat from terrorism, including home-grown terrorists who reject the values of our country and are prepared to resort to violence. The need to reinvigorate a sense of citizenship is something very important to me as the beneficiary of Australian citizenship, and I spoke about it in my first speech in this parliament and I have spoken about it in a range of published opinion pieces and speeches ever since. For those born overseas, like me, who want to live here, you must accept that Australian citizenship is a privilege. It imposes an obligation on you to put this country first, to live in peace, to respect our values and to obey our laws. It is simply unacceptable that some Australians are choosing to betray this country by throwing in their lot with barbaric terrorist murderers.

Recent events have only strengthened the case for urgent action. Our security agencies foiled two more terrorist plots in the lead-up to Anzac Day and again in early May, and to our
police and security agencies I say: thank you for ensuring that the mayhem in the Middle East is not replayed daily in our towns and cities. But their job is getting harder each day.

Increasingly, younger Australians are being radicalised, some becoming suicide bombers in the Middle East while others plot to kill and maim here at home. Around 100 Australians fighting in Iraq and Syria; another 150 people here at home are actively supporting them through activities like recruiting and funding. In just the last nine months, 23 Australians have been charged following counter-terrorism arrests. That represents a third of all terrorist charges in the past 15 years. Many of those who have been convicted or who are fighting in Iraq and Syria or who are supporting the conflict from home are dual citizens. ASIO is currently investigating several thousand leads and people of concern. There are more than 400 priority cases that ASIO is pursuing—more than double the number a year ago.

Law-abiding Australians demand that this parliament act with greater urgency against those who betray us in this way. They expect us to catch up with friends and allies, like the United States, Britain, France and Canada, and doing so requires urgent legislative change. The Australian Citizenship Act 2007 must be amended to send a crystal-clear message: if you join or support groups like Daesh or involve yourself in terrorism here, there is no place for you in Australia. We must err on the side of the victims and the innocents in our society, not those who betray our values yet demand the privileges of citizenship.

Bipartisanship on these changes is preferable. I know that the opposition leader has some internal tensions to deal with, but he must avoid the sorts of premature assessments made by the former Prime Minister, Julia Gillard, who falsely claimed two years ago that 'the 9/11 decade' was ending. History has, of course, mocked Ms Gillard's prophecy. Peter Jennings, the head of the Australian Strategic Policy Institute, has described her assessment as ‘wishful thinking’. It is a travesty that dedicated counter-terrorism funding declined during the Rudd-Gillard years by over a third. A single counter-terrorism law was passed in six years of Labor and Labor-Green government compared to four pieces of legislation passed in just 18 months under coalition leadership. I congratulate the member for Wannon, Dan Tehan, for his chairmanship of the Joint Committee on Intelligence and Security.

These laws have strengthened the ability of our police and security agencies to keep us safe. Lower arrest thresholds, around 140 passport refusals, cancellations or suspensions and metadata retention have all contributed to a safer Australia. It is now illegal to fight for terrorist organisations anywhere, including in Iraq and Syria. If you do, you face up to life in prison on return to Australia. Our committee has declared Mosul district in Iraq and Al-Raqqa province in Syria, making it an offence to enter or remain there. The maximum penalty is 10 years imprisonment. It is also now a criminal offence to direct the activities of, be a member of, recruit for or train for a terrorist organisation, and we have also significantly increased national security funding, including a tripling of investment in countering violent extremist programs.

The effects of these measures are to make our country safer and to reject terrorism and violent ideologies of any kind. To those foreign-born citizens who so appallingly betray their obligation to Australia and its people, we must say unequivocally: you are not one of us and are not welcome amongst us.

The DEPUTY SPEAKER (Mr Irons): Is there a seconder for the motion?
Mr Ruddock: I second the motion and reserve my right to speak.

Mr Watts (Gellibrand) (11:06): I thank the member for Bass for moving this important motion, and the seconder of the motion, regarding the Australian government's response to the threat of terrorism, both beyond our borders and at home. We should begin by acknowledging the extraordinary work of the Australian Defence Force and our civilian national security agencies in identifying, attacking and degrading terrorist threats beyond our shores. I recently visited ADF members on deployment in the Middle East region as part of the Australian Defence Force Parliamentary Program, and I saw firsthand the important role that the ADF is playing in the fight against Daesh in Iraq and the ongoing Taliban insurgency in Afghanistan.

As part of Operation OKRA, the Royal Australian Air Force's Air Task Group is conducting combat and support operations in Iraq within an international coalition working to disrupt and degrade Daesh in Iraq. Around 300 ADF personnel have also been deployed under Operation OKRA as part of Task Group Taji to support the increasingly important international Building Partner Capacity training mission in Iraq. As part of Operation HIGHROAD, ADF members are supporting the NATO led mission, RESOLUTE SUPPORT, to support the Afghan government. Around 400 ADF personnel remain in Afghanistan undertaking this important work. The ADF personnel on these deployments that I met on my recent visit were a credit to themselves and their nation: young, professional men and women focused on performing the tasks that they have been trained for, and keeping a good sense of humour in trying and often dangerous conditions.

As important as these international operations are, however, given the nature of the threat of transnational terrorism, equally important work must be done at home. Regrettably, we have seen firsthand the danger that extremist, radicalised individuals can pose to our community. The opposition has sought to support government initiatives to equip our law enforcement agencies with the tools they need to keep us safe from these threats while also working with communities of people who may be vulnerable to radicalisation. Section 2(b) of this motion notes the Attorney-General's Department has led and implemented constructive initiatives and measures in support of community safety. This is very important and delicate work. As recognised by the Attorney-General's Department, building resilience to violent extremism within vulnerable communities is an ideological battle that requires us to counter the ideological appeals of perverted religious extremists with an alternative ideological proposition.

As the government's Living Safe Together program advocates, we need to convince individuals who are vulnerable to radicalisation that our shared Australian values protect us all. In the words of the Living Safe Together program, 'We can challenge the threat of violent extremism by all working together to ensure that we have a strong and cohesive society where individuals are less vulnerable to ideologies that promote hate and silence.' As Professor Rory Medcalf, head of the National Security College at the Australian National University, has recently said, 'Inclusiveness is the essential quality of the new Australian security.'

Last week the Prime Minister indicated that he wanted to start a debate about the nature of Australian citizenship. Like the member for Bass, I too spoke about the importance of Australian citizenship in my first speech. I strongly agree that a debate about the meaning of Australian citizenship and its rights and obligations is crucial to our ability to respond to the
threat of violent extremism. However, in the same week as the Prime Minister's comments, the member for Dawson told this chamber:

Today's multiculturalism means that the world view and the beliefs that spawn practices like honour killings, child brides and sharia law must be accepted, because they are seen as legitimate values within a particular culture.

These practices are not accepted in Australia and that is why, in the vanishingly small number of cases where they occur, our legal system does and should respond firmly. However, stating that extreme and unlawful practices of this kind are representative of the broader experience of Australian multiculturalism hinders our ability to respond to the threat of violent extremism in our society.

As Victorian Assistant Police Commissioner, Steve Fontana, the police officer in charge of Victoria's counter-terrorism operations said last week, anti-Islamic sentiment in the community makes their job of talking to communities and countering radicalisation harder. He indicated that anti-Islamic groups like the 'Reclaim Australia' group or anti-halal organisations 'can create tension and intolerance, and that intolerance can lead to racism, and it can further marginalise young people … and it's inappropriate … People really need to think about what cause they're going in for.'

If people are serious about reducing the radicalisation of young people in communities like the ones that I represent then we must do whatever we can to undermine these Islamophobic groups, along with the hateful messages that they espouse. As the member for Greenway recently noted, it would be nice if all members of the Abbott Government said more about social inclusion more often, and meant it.

Every young Australian must feel like they share a stake in the Australian identity, in the collective future of our nation. No-one must be made to feel excluded or somehow less Australian because of their cultural heritage. We need a debate about citizenship in this country, one that stipulates that the rule of law is absolute and crimes like child marriage, FGM and honour killings will be prosecuted aggressively, regardless of their cultural context of course, and, importantly, one that also recognises that these are rare cases and Australia is a diverse, multicultural nation. (Time expired)

Mr TEHAN (Wannon) (11:11): I speak in favour of the motion and put on the record what a pleasure it is to support the member for Bass in his motion. He has played a crucial role in the deliberations of the Parliamentary Joint Committee on Intelligence and Security on three major pieces of national security legislation that the parliament has passed. He is a keen advocate for making sure we do everything we can to defeat the scourge of terrorism. I place on the record my respect not only for his record with the Australian Defence Force as a civilian in the Australian defence department but also for the wonderful contribution he has already made in this parliament.

It is a great pleasure and honour to support him on this private member's motion, which recognises the need to destroy, degrade or contain terrorism in all its forms in source or original countries and recognises the clear and present threat posed by transnational terrorism in our region. It goes on to mention the sustained efforts of both the ADF and our civilian national security agencies to identify, attack and degrade foreign or source nation terrorist threats. I will not read the whole motion. I urge those who have a keen interest in this area to look at what the motion is about. It acknowledges the government's active and constructive
efforts to do all within its powers to halt terrorism at its source or points of origin. The Attorney-General's Department has led and implemented a diverse array of constructive initiatives and measures in support of community safety and resilience which will further complement offshore counter-terrorist initiatives and endeavours.

Today I would like to address the fact that one of the things the government is now looking at is what should we do with regard to citizenship, that great privilege that is bestowed upon people when they are granted Australian citizenship? Obviously we are going to move when it comes to dual citizenship. The government wants to be able to act against those individuals who act against us by either conducting terrorist activities or advocating terrorist activities against our nation, those who, let us be frank about it, want to commit treason against our nation. We are going to do that when it comes to dual citizenship. My hope is that we will get in-principle agreement from those opposite to do so.

One of the other things that there is a lot of support for within the government is for us to move to be able to implement the United Kingdom laws which mean that the government can also act against those who could avail themselves of another citizenship. It is my view and the view of others that we should look seriously at the UK laws and seek to implement the model that they have brought forward there, because it would enable us once again to act against those who have committed treason. I know the chief sponsor of this motion is someone who actively supports this, and there are another 38 members of the backbench who have put their names to this resolution. I would ask those opposite to consider the UK model as well. It does have judicial safeguards which are put in place as part of it, but it is something that they felt it was necessary to put in place over there, and I think it is another tool that we need available to us to fight treason in this country. It is very much a way for us to modernise our treason laws.

The scourge of home-grown terrorism and of the terrorist activities which are taking place, especially when it comes to the Daesh death cult, is something that we have not seen the like of in this nation. It presents serious challenges to our national security. It is an issue which the government takes extraordinarily seriously. That is why we put through the parliament three major pieces of national security legislation. It is why the government is looking at further measures to keep our nation safe. We will not keep our nation safe if we do not tackle terrorism head on. That is the approach that this government is determined to take, and we will continue to advocate to destroy the Daesh death cult. (Time expired)

Mr Byrne (Holt) (11:17): I welcome the contribution just made by the chair of the Parliamentary Joint Committee on Intelligence and Security and I also strongly support the private member’s motion by the member for Bass. I would also pay tribute, as the chair has done, to his service to the committee but also to his service to his country in a previous life. That makes the member for Bass, I think, quite qualified to speak about these particular issues, because he has been at the coalface dealing with these issues.

I would agree with everyone that has made a contribution so far that there is no more important job that we can do as members of this committee than to keep our country safe. It is almost a sacred responsibility. All else flows from that. You cannot have economic security without physical security. So I support the government’s endeavours thus far in making our country safer. To demonstrate the nature of that bipartisan support, there have been, in my mind, 3½—almost four—tranches of legislation that have been put through this parliament to strengthen our security laws to give the security agencies the powers that they need to
continue to keep our country safe, with appropriate safeguards. I asked my very trustworthy staff member to check how many amendments we have made to the legislation that has been put forward in our committee. In total it is 109 amendments, and we have had 68 legislative changes as a consequence of the work of the committee.

Why do I raise that? I raise it because there has been a lot of loose talk by certain sections of the media about the need for these laws. Clearly these people do not get in a car and travel to where I live, because on 23 September last year terrorism visited our doorstep—my doorstep, almost literally—when an assailant attempted to murder two policemen and, had he been successful in murdering those policemen, would then have attempted to attack and kill those in the police station. So when I read media commentary about whether or not these laws are needed, and some scepticism about why these laws are needed, I can say to those people that are writing this that they clearly have not been down to my electorate. The associates of that assailant who was killed by our police officers are before the courts again, and so I am fully seized by the government's desire to keep our country and community safe. It is bewildering to me why in the discourse about our security legislation that certain sections of the media commentariat do not understand why we need to be putting these laws through our parliament. I have lived why we need to put these laws through the parliament, and we continue to live those reasons. When the Prime Minister quite reasonably puts forward a proposition for further strengthening the laws of the nation to keep our community safe, I think he should be given the appropriate respect. There should be an appropriate discussion, and this matter should be referred to our bipartisan committee. There is no benefit to our national security in these matters not being bipartisan. We must be in lockstep with our security agencies.

If this power, for example, with respect to dual citizens is something that our agencies require, then our parliament must give it the most earnest consideration. It must come before our committee, and we must have a serious, mature, reasoned debate because we have to be the voice of reason in these very challenging times. We must understand what we are confronting. We are confronting something that is almost a nation-state, a caliphate, whose goal is to spread itself into a worldwide caliphate. So for people to say that this is not going to come and visit our shores, I say: 'Well, it has visited our shores on a number of occasions and is continuing to do so.' I know for a fact that there are a very large number of individuals who are on our national security authorities' radar. The purpose of my contribution is to support the member for Bass's motion and to reinforce why we need to continue to have a mature discussion about the laws that our country needs to keep us safe. As I said, I have no greater responsibility than to keep my country and my community safe.

Mr RUDDOCK (Berowra) (11:22): I would like to thank my colleagues, particularly the member for Bass, for proposing the motion and allowing me to second it. I would like to thank those members who have spoken to date in support of the motion. I do not want to appear to be countercultural, but I want to make some comments about context, if I may.

Australia is remarkable country. The member for Bass knows very well that we have the third highest proportion of overseas-born people in our community. I tell you that they are from all four corners of the earth, of every faith, every culture, every race. I tell you too that, if cultural diversity were a problem, we would have the most significant problems in the world; but I have to say we do not. I make this point because this motion is about terrorism
and about people who have adopted terrorist means to pursue totally unacceptable objectives. But we ought not to allow ourselves to demonise whole communities because of the actions of individuals. These measures are about terrorism. To put it into context: what sort of numbers are we talking about? The government says 250 Australians, some very young, have become ensnared in the evil ideology of the Daesh cult; and ASIO currently has 400 priority counter-terrorism investigations.

We know that 30 Australians travelled to Afghanistan and Pakistani between 1990 and 2010 to train in extremist camps or to fight with extremists. Twenty-five of these individuals returned; 19 of them engaged in activities of concern to security after their return to Australia; and eight was subsequently convicted of terrorism related offences. Why do I mention this? I mention it because these are the sorts of numbers that we are in fact talking about. I do not want these measures to be demonising any part of our community other than terrorists.

The motion that we are discussing outlines what is being done, and I want to say that all of that is essential. I have had the opportunity of being the Minister for Immigration and Multicultural Affairs, proudly supporting our society and our immigration programs; and I have been the Attorney-General of Australia—I am very conscious of the need for our society to be focused on accepting people of different faiths, different religions, and different cultures, while recognising that it is a two-way street. We accept you with your differences but we ask you, when you become part of our society, to accept that there are some rules that are for us all, to protect us all, and to protect the nature of our society. That is the rule of law. You have a chance to vote in elections, but there is an expectation that you will adhere to the rule of law.

It is in that context that I think it is very important that people understand why, and the member for Holt brought this out in terms of what he is experiencing in his electorate. It is because the safety of all Australians is involved. Terrorism—where you think you can go out and behead people; you can deprive them of their lives to pursue a particular objective—has no place in our society. People expect that the government is going to take every reasonable measure that it can to contain that threat. That is why supporting this motion is of such importance. But I emphasise again that we cannot afford to marginalise those people who would not be part of this because they feel that in some way we are unwelcoming. We need to remain a welcoming society for those who accept the commitments that Australian citizenship offers, and that includes the commitment to gender equity, the commitment to English as the national language, and the commitment to the rule of law—the measures set out in the National agenda for a multicultural Australia, which we have adopted now over generations. (Time expired)

Mr DANBY (Melbourne Ports) (11:27): The opposition has sought—both during this government and during the terms of the previous Rudd and Gillard governments—to have bipartisan support on national security. There could not be stronger supporters of that general attitude than the members for Gellibrand and Holt and myself. Support from members of the opposition for this motion is clear. Support for the views of the member for Holt—and agreement with the overall perspective put by the member for Berowra about what a great country Australia is—is also implicit in our attitudes.

To give some context to this motion: the opposition has worked hard to improve and ultimately supported two tranches of national security legislation that the parliament has
debated over the last 12 months and, more recently, the metadata legislation. There were valid privacy concerns with that legislation but, under the leadership of Bill Shorten and Mark Dreyfus, the opposition took the view—which is unfashionable with some—that the legislation was important and that it was needed. After all, police and other agencies already routinely access metadata. The Federal Police Commissioner, Andrew Colvin, said that between July and September last year, metadata was used in 92 per cent of counter-terrorism investigations, 87 per cent of child protection investigations, and 79 per cent of serious organised crime investigations. So far, this access has been unaccountable: not balanced by privacy considerations, not properly supervised by parliament, and not monitored by the Inspector-General of Intelligence and Security or the Commonwealth Ombudsman. Now—because we have passed this legislation together—this is all regularised. The dimensions of this problem were very clearly outlined by the member for Braddon in his remarks as to the number of people who were and are involved.

I think this parliament, with its support for expenditure by the national security agencies and with its legislation, is working cooperatively to protect the safety of the Australian people. That is clearly, as both the member for Holt and the member for Berowra said, the greatest responsibility of Australian parliamentarians. The parliament needs to find the right balance between security and protection of privacy rights of individuals. Labor insisted that the original draft of the metadata legislation be sent back to the Parliamentary Joint Committee on Intelligence and Security. I suspect that the government will agree that these proposals on dual citizenship be sent back to that committee, which has done a great job in sending back to parliament its recommendations on these important matters.

One point I would like to correct is in relation to the figures on expenditure on non-defence national security by activity in billions of dollars. They clearly show that between the years 2005 and 2007 and after, when Labor was elected, expenditure went up and has been maintained at a very high level in constant dollars. The claim that we are not interested in this issue is clearly wrong, as seen both by our actions in legislation and by expenditure. Through the intelligence committee, Labor fought for improved oversight by the Inspector-General of Intelligence and Security and by the Ombudsman, and for sunset clauses. We successfully argued for the enforcement of strict standards of data security, including the requirement of stored data to be encrypted, and a system of mandatory notifications of data breaches or privacy alerts. We also insisted that a public interest advocate protect journalists, based on a similar system already in place in Victoria.

Labor's view is that finding the right balance between security and freedom is an ongoing task. The government needs to respond to national security risks in a flexible manner, taking new measures, as the member for Braddon advocates. That is why Labor established an office of the Independent National Security Legislation Monitor. Initially the current government, through the member for Kooyong, took a rather ideological view about red tape on this. Fortunately, the kind of IPA, ideological zealotry that constantly downgrades safety of Australians was not adopted by the government. I am thankful that they woke up, listened and reinstated this particular position.

The process shows, both in legislation and expenditure, the importance of Her Majesty's loyal opposition in fighting for reforms. We are Her Majesty's loyal opposition. We are loyal
to all Australians. We can expect in the next few weeks and months that Labor will continue its responsible attitude towards national security.

Mrs McNAMARA (Dobell) (11:32): I congratulate and thank the member for Bass for raising this most important issue today in parliament. The most important priority for any government is to protect and keep our nation safe and secure. As the Prime Minister has said, when it comes to national security there can be no shortcuts. Currently we are experiencing testing times, and this government is committed to ensuring the safety of our law-abiding citizens.

We cannot underestimate the threat of terrorism present in modern-day Australia. Since the Bali bombings in 2002, which claimed the lives of 88 innocent Australians, we have been alert to the dangers of those who seek to destroy our freedom and our way of life. In recent times we have seen Australian lives lost in Sydney as result of radical, religious extremism. We are also aware of a number of Australians in Syria and Iraq fighting alongside the Daesh death cult. This indicates the scope of the problem and the need to fight terrorism both at home and abroad. Specifically, the government must work diligently to do all within its power to halt terrorism at its source. Australian counter-terrorism agencies must be able to share information in a secure manner with traditional allies and regional partners to prevent potential terrorist attacks. This is why I have been a strong supporter of this government's actions to ensure that our law enforcement and crime agencies are well equipped to respond to the ongoing evolution of terrorism threats. I am also committed to ensuring that those Australians who commit criminal acts in the name of a foreign death cult are dealt with appropriately.

We are aware of 30 Australian who travelled to Afghanistan and Pakistan between 1990 and 2010 to train at extremist camps—some fighting with extremists. Twenty-five of these individuals returned to Australia, with 19 continuing to engage in activities of security concern following their return. Eight were subsequently convicted of terrorism related offences, with five still serving prison sentences. The number of Australians with hands-on terrorist experiences in Syria and Iraq is now several times what it was in Afghanistan. And the challenges are much greater.

The government has already strengthened Australia's national security laws and provided law enforcement agencies with increased powers to address the threat from foreign fighters, including the ability to arrest or place control orders on those who return. In addition to these measures, I will be supporting the government's measures to remove Australian citizenship status from dual citizens who are proven to be involved in acts of terrorism against our great nation. These are indeed harsh measures but they are entirely fitting of the crime. Let us not for one minute forget that these extremists are fighting against the brave men and women of the Australian Defence Force; men and women who are placing their lives on the line to protect Australia's values and freedoms.

Recently foiled terrorist plots on Australian soil demonstrate the need to maintain and support both the Australian Defence Force and other government agencies at the very forefront of counterterrorism actions. While the urgency to address the national security threat has intensified over the past 12 months, this government has been committed to enhancing the safety of Australians since our election. In the lead-up to the 2013 federal election one of the biggest issues I encountered in my electorate was residents' concern for the need for Australia
to secure its borders. This government has successfully stopped the boats and in turn has not only prevented the loss of life at sea but has delivered budget savings that can now be redirected to enhancing our security.

Last week the Prime Minister stated, 'We need to bring the same drive, focus and clarity of purpose to countering terrorism that resulted in stopping the boats under Operation Sovereign Borders'. This is why the 2015 budget included $1.2 billion in new funding for national security, building upon the $1 billion announced last year. In total the government is spending over $35 billion on defence, national security and law enforcement. This includes: investing in our own security; protecting our borders from terrorism and crime; preventing Australians from joining or supporting terrorist organisations; and improving collaboration with our community and within our region to address the uncertainties we face, including terrorism.

There is no single measure to address the terrorism threat. The government has identified a suite of measures that together will best equip us in this fight both at home and abroad. We must not waver from our obligation to Australia and its people. I commend the government for the measures introduced and will work closely with my colleagues to ensure that we continue to equip our agencies with the necessary powers to combat terrorism threats. I commend this motion to parliament.

Ms BRODTMANN (Canberra) (11:37): According to the United Nations, sexual violence in conflict is one of the greatest moral issues of our time. And I agree. It is a moral issue we face now and it has been a moral issue for time immemorial.

Lamentations recounts that 'women have been ravished in Zion, and virgins in the towns of Judah'. Historically, rape was characterised as a private crime, and not a matter of universal human rights. It was considered a crime against a woman's honour, rather than an act of gross physical violence. However, the use of violence as a weapon of war, as an orchestrated, institutionalised, industrialised terror tactic as a combat tool is a more recent phenomenon, and a horrifying and unimaginable one at that.

During the Second World War, the Japanese created 'comfort women'; and the Soviet army is thought to have raped anywhere between one million and two million women in eastern Europe and Germany. But, as always with this despicable crime, who knows what the numbers really were? A 2002 Guardian piece entitled 'They raped every German female from eight to 80' said that one doctor deduced that, out of approximately 100,000 women raped in the city, some 10,000 died as a result of suicide. According to the United Nations, and despite fact that some evidence of sexual atrocities was received by the Nuremberg tribunal, these crimes were not expressly charged. Indictments before the Tokyo tribunal did expressly charge rape and received such evidence, and the Tokyo judgement referred to rape. General Matsui was convicted of war crimes and crimes against humanity based in part on evidence of rape. However, none of the women who had been raped were called to testify, and the subject of women's victimisation was only given incidental attention.

Sixty years on, we again heard of horrendous violence against women and children during the conflict in the former Yugoslavia. Estimates of the total number of Bosnian women who were raped range from 10,000 to 50,000, but again it is difficult to provide an exact number. As David Crowe says in his book, War Crimes, Genocide and Justice: A Global History:

What was particularly evil about these crimes was the creation of special "rape camps" where Bosniak women were repeatedly raped and sexually assaulted by Serbian soldiers, and then forced to return
pregnant to their families in shame. Part of the reason for this practice was to impregnate Muslim women, thus defiling their cultural, ethnic, and religious heritage.

In June 1996, the International Criminal Tribunal for the former Yugoslavia issued its first indictment that dealt exclusively with sexual violence and adopted rules that made it easier for victims to give evidence. The tribunal represented a watershed moment for sexual violence in conflict and now it is a regular aspect of the United Nations' work.

But to date the focus on sexual violence has been on state actors. What we are seeing with Daesh is a non-state actor engaging in some of the most unspeakable acts of sexual violence. What we are seeing is different from other uses of sexual violence in conflict. Women's bodies have become part of the terrain of conflict, according to a new report by Amnesty International. Rape and sexual abuse are not just a by-product of war but are used as a deliberate military strategy. The United Nations last month estimated that Daesh has forced some 1,500 women, teenage girls and boys into sexual slavery. A UN envoy on sexual violence in conflict found that girls from Iraq and Syria were stripped, sold and made to undergo over a dozen virginity reparation surgeries. The intense shame that accompanies these acts is too much for many women to bear, with a number later committing suicide.

As I said earlier, this is the greatest moral issue of our time, as described by the UN's Special Representative to the Secretary-General on Sexual Violence in Conflict, Zainab Bangura. It requires a multifaceted approach that includes more female peacekeepers, more women in senior positions in peace operations, early warning indicators, promoting accountability and fighting impunity, including by enacting criminal law reforms, ensuring victim reparations and sending all evidence possible to the International Criminal Court. I encourage those participating in the high-level review of United Nations Security Council Resolution 1325 late this year to consider an appropriate response to this new combat tool by non-state actors—the violation and torture of women and children through rape, prostitution and sexual slavery. There are of course countless reasons to destroy, degrade or terrorism in all its forms. However, for me the use of sexual violence— (Time expired)

Debate adjourned.

Inborn Error of Metabolism Program

Ms HALL (Shortland—Opposition Whip) (11:43): I move:

That this House:

(1) condemns the Government's decision to cut, without any warning and consultation, all funding from the Inborn Error of Metabolism (IEM) Programme that provides for families and carers with children who suffer from Phenylketonuria (PKU);

(2) acknowledges that sufferers of PKU require a vital expensive medically prescribed diet, supplemented by the funding, to avoid brain damage, seizures, liver failure, coma and in some cases death; and

(3) calls on the Government to reinstate the funding to the IEM program.

There is no action that more graphically demonstrates the Abbott government's disregard for battling Australians than its decision to cut the grant to those people who are living with inborn error metabolism, or IEM, disorder. There is no action that more graphically shows how much contempt they have for Australian people.
This grant was cut without consultation and without research into the impact it would have on those people who relied on the grant. It shows the general approach to health of the Abbott government. It was a quiet cut; it was sneaked in. There was no consultation, no consultation with anyone. The first people knew about it was when they trolled through the budget and found it had gone.

Living with this disorder can be very expensive. People who have IEM have a very expensive prescribed diet. Many families can afford this diet through the funding provided to them through the grant. This disorder is an inability for the body to process proteins—that is in a very simplistic form. Without the right kind of diet, people living with IEM can have brain damage, seizures, liver failure, coma and, in some cases, death. It is a vitally important grant that has been given to families in the past and provides $256.75 to the 904 people who have the disease. I have never seen anything quite so bloody-minded as this act.

The Prime Minister showed a lack of understanding when he said in parliament that there is more access to regular foods that will deal with the diet of people who have protein conditions. He also said that there is more medication available. That just shows he does not get it, he does not understand. This is a life-threatening disease and the people who have it really rely on the grant money to purchase the right kinds of food. I thought I would share with the House a letter from the constituent. In it she says:

I am godmother to a gorgeous, vibrant, intelligent 4 year old girl, Violet, who loves My Little Pony video games and dancing. She also happens to suffer from the rare genetic disorder … PKU. She goes on talk about how the liver does not produce amino acids and says how reliant the family is on the grant. The constraints of the diet, she points out, require speciality foods. She has given me an example of the types of foods required: Fate flour, $7.50 for 500 grams used to make bread and pizza, Loprofin rice $10 for 500 grams, Loprofin pasta $10 for 500 grams and Loprofin mixture used as a flour for cooking $7 per 500 grams—that is, really expensive when compared with standard foods.

This is a very bloody-minded act. This act was taken without consultation. I implore the government to reverse this act because it is having an impact on a small group of people, people who relied on the grant to sustain a suitable diet. If the Prime Minister has a heart, he should open his heart and reinstate that grant. He should not go through with his budget bloody-mindedness.

The DEPUTY SPEAKER (Ms Henderson) (11:48): Does the member have a seconder to the motion?

Ms KING: I second the motion and reserve my right to speak.

Dr SOUTHCOTT (Boothby) (11:48): I thank the member for Shortland for bringing the issue of inborn errors of metabolism to the House’s attention and would like to respond to this private members motion. Firstly, to explain what inborn errors of metabolism are, phenylketonuria would be one of the best known ones. It is picked up through the newborn screening test and involves an enzyme deficiency, which means that people cannot metabolise amino acids, the building blocks of proteins, but a number of others fall into this category. This means that from the time they are born, they need a very specific diet, often a low-protein diet.
To explain a little bit about the government's rationale, the government has put onto the PBS a number of medications, costing about $19½ million a year, to assist with conditions, including amino acid formulas, vitamins and other supplements. The vast majority of low-protein foods are available from supermarkets, and there is also a very limited range of specialist low-protein foods which can be ordered directly from manufacturers. The specialist manufacturers supply products such as baking mixes, rice, biscuits and some dairy replacements. Most fruits and vegetables and some ready-made pasta sauces are already low in protein. There are some very good handbooks which are put out by the Australasian Society for Inborn Errors of Metabolism. They provide extensive advice and recommendations regarding regular supermarket items that are suitable for a low-protein diet. Some of these items are things like rice milk, cornflour, some gluten-free foods and Asian food items as well.

The minister has said that foods for people managing protein and metabolic disorder are now more readily available and cheaper than when the program began, and that a number of medicines have been added to the Pharmaceutical Benefits Scheme. Having said that, I note that the motion is highly critical of the lack of warning and the lack of consultation that the minister undertook. My experience of the minister, since she has been the Minister for Health, is that she does consult widely and consultation is ongoing. That outlines the points behind the government's decision here, but the minister is always ready to listen to other points of view. I have found her very open in that way. As at March this year there were 985 people receiving the subsidy. The government's rationale behind its decision is that we have put a number of amino acids and supplements onto the PBS, the foods necessary are readily available at normal supermarkets as well, and there are very good dietary guidelines available.

Ms King (Ballarat) (11:52): I acknowledge the contribution of the member for Boothby—I acknowledge the hard task he has been given, very much at the last minute, because there were no government speakers listed on this motion on Inborn Error of Metabolism Program funding. I commend him for at least having a go. No decision highlights just how cruel and frankly pathetic this government is when it comes to health cuts as much as this decision—a decision literally made overnight with no consultation and no warning to cut a vital subsidy to some 985 families across the country whose children are suffering from a rare condition known as inborn error of metabolism. Managing this conditions requires a lifelong commitment to a rigid diet of carefully weighed synthetic, low-protein formulas and foods that are often very expensive to buy—pasta and rice at $10 a packet, and a block of cheese, after shipping, can cost $68.

In 2001 the Howard government began paying a small monthly grant to help offset the extraordinary costs these families were bearing from just feeding their children. This was by no means a budget breaker—today it amounts to just over $250 a month, or $3,000 a year, for a total cost to the health budget of $3 million a year; $12 million over the course of the forward estimates. Without any warning or consultation, with no discussion, families across Australia received a letter from the Department of Health to say they were losing $3,000. There are some families who have two or more children who suffer from this disorder. It just shows how embarrassed the government is that it has not had speakers on the list, and the member for Boothby was obviously asked by either the minister's office or the whip's office to speak on this issue—and good on him for having a go. Faced with a choice between
defending the decision or saying nothing, that is what they have done—said nothing. No wonder. I have no doubt that members opposite have been made well aware of the anger, betrayal and distress that this decision has caused hundreds of families, and the emails and letters will be flooding into their offices the same as they are into mine. From one GP I received these comments:

As a clinician in the public health system I understand the need to consider where resources are directed. However, I am angered by decisions such as this one that seem to defy any sound reasoning. I feel that this decision could only have been arrived at by people with no understanding of the seriousness of the biology and subsequent social/economic consequences of this disease and its treatments.

A constituent of mine, Heidi, writes:

I can only consume 10g of protein a day as set by my dietitian. As a result, I cannot eat most dairy, nuts, legumes, meat, fish and grains. My diet consists of fruits and vegetables that are low in phenylalanine and specially formulated low protein products.

As a teacher's aide on a fairly low income, I feel very anxious at the release of this budget measure as I am certain that I will not be able to afford the low protein products …

I know from letters and emails forwarded to me that Heidi is far from alone in her distress. This was brought home to me in a meeting that I held last week with associations representing many of these families. I met with Kymberley, who is having the extraordinary job of managing to weigh every single ingredient that she consumes, as she is pregnant, in order to make sure that the child she is carrying does not develop a disability. What an incredible thing to suddenly get a letter from the department saying, 'Guess what, the money you rely on to feed yourself and to grow this baby is now being removed.'

The Prime Minister's response that you can just somehow use rice milk or cornflour is pathetic. I hope the Prime Minister never goes on Master Chef. I do not know if he has ever tried to cook with cornflour, but it is not a substitute for these low protein flours. The fact is that these foods cannot just be bought in the supermarket aisles. They have to be ordered from specialist food suppliers. I quote again from a letter:

I really believe Mr Abbott is just misinformed. I am hoping once he realises this he can reverse this decision. Products are not more widely available and we only have 3 suppliers where we can buy the low or no protein products which are expensive and have delivery fees.

Rice milk and cornflour are not going to help us. He needs these low or no protein products, without these I simply cannot feed my son. He won't develop and grow normally.

I wonder how the Treasurer can reconcile this pathetic small-minded measure with the miniscule savings it will bring to the budget bottom line.

Once again, I call on the Abbott government to reverse this decision. This is a small amount of money within the context of the entire health portfolio and the entire budget. It is a pathetic decision and, frankly, one which they are rightly being condemned for. I hope they consider the representations of many members and reverse it. (Time expired)

Mr LAURIE FERGUSON (Werriwa) (11:57): I certainly concede the member for Boothby's claim that the current minister has shown a greater inclination to consultation than her predecessor and has certainly tackled a major debacle. However, in this matter she has not been consultative. I understand there have been no discussions with the Australasian Society for Inborn Errors of Metabolism, ASIEM, with the Metabolic Dietary Disorders Association
or with the PKU in New South Wales. These are the lead organisations and they heard nothing about this decision in advance of it being made.

I come to this issue with a degree of personal involvement. My office manager Linda Perrett, her son Kaeland and husband, Jamie, have endured years of a very traumatic lifestyle through Kaeland's suffering from classic MSUD, or maple syrup urine disease. Kaeland is now 18 years old and can only take five grams of protein per day. This means that special foods have to be used every day, despite the claims of expertise by the Prime Minister. This is the concrete reality the family faces. When Kaeland is unwell, his symptoms can range from a head cold, viral infection to broken bones. He then needs to go onto a sick regimen, which is no protein—that is the regimen—but he still needs to consume 3,000 calories a day. It is impossible to achieve that without using special low protein foods, which the grant is aimed at financing. Kaeland is an example of what people suffer in the real world—not the quick, from-the-hip responses in question time. In the real world he has been hospitalised approximately 20 times during his life, including five trips to intensive care. Obviously, the situation is that if the family cannot afford special foods he will have even more admissions. His brain will become more and more damaged. It is also possible that he will go into a coma and die.

One has to question not only the factual material put forward by the Prime Minister but the economic realities for this country if more and more people are hospitalised, go into comas and have brain damage. What is the eventual weighing of the cost in regard to this decision? It is not as though hundreds of millions of dollars are involved. We are talking about 980-odd people. The figures have been given to the parliament, and it is a very mean-minded decision that has been made.

It might be that more foods are available in supermarkets, but they are not low enough in protein for the daily consumption of these people. They need to be used in conjunction with special foods, not as a replacement for them. In the case of my electoral manager, the family needs to spend $300 to $400 per month on special foods. That is, as I say, the concrete reality out there. These materials are only available from three suppliers. A premade loaf of bread from one of the suppliers is $10 and a box of cereal is $14.95. A member of an organisation that Linda is in has paid $28 for grated cheese and $20 for sliced cheese plus $40 delivery in recent days. These foods are not subsidised by the PBS, as they are special medical foods, not prescription products.

In conclusion, we have a group of people who have decided to battle on in support of their children. I have seen the number of absences Linda has had occasioned through this issue in her family. I have seen the impact on the child's education and the amount of time she has had to put into attending schools, arranging school transfer and moving home to go to a more suitable smaller school in a more rural setting than where she was previously. This family has made a decision to help this child in life and, quite frankly, even with this subsidy, it is a very strong financial cost to the family.

I believe that strong consideration should be given to reversing this decision. I would hope it was based on misinformation to the Prime Minister rather than deliberate misleading of the parliament. Quite clearly, last week's supposed facts—about how things had allegedly been totally replaced by these alternative products in recent days and therefore we do not need to worry about it any longer, and how all the people enduring it and all the families directly
affected are wrong and do not know what they are talking about—are erroneous, and this decision should be reversed very urgently.

Debate adjourned.

**Tasmania: Fruit and Vegetable Industries**

Mr HUTCHINSON (Lyons) (12:02): I move:

That this House:

(1) recognises that:

(a) the Coalition's Economic Growth Plan for Tasmania dated 15 August 2013, committed the Government to creating a Tasmanian Fruit and Vegetable Industry Taskforce focusing on the growth of the fruit and vegetable sectors in Tasmania;

(b) the Taskforce will develop an industry-led plan to promote competitiveness, investment and jobs growth in these sectors; and

(c) the terms of reference prescribing the scope of the Taskforce included reviewing existing work, drawing conclusions and developing a unified and agreed plan for the Tasmanian fruit and vegetable industries to:

(i) increase grower returns and reduce their costs;

(ii) increase competitiveness, investment and jobs growth across the supply chain; and

(iii) develop domestic and export markets;

(2) acknowledges:

(a) the vital importance of the agriculture sector to Tasmania, and for all Tasmanians;

(b) that Tasmania is an important producer of fruit and vegetables, mainly potatoes, onions, carrots, cherries and other stone fruit, pomefruit and berries;

(c) that in 2011-12, the gross value production of fruit and nuts in Tasmania was $100.8 million, vegetables $213.4 million, and nursery production (nurseries, cut flowers and cultivated turf) $28.4 million, with Tasmania also being an important producer of the special poppy and pyrethrum crops;

(d) that in contrast to other states, exporting and direct sales to processors are the predominant sales channels for fresh produce, for example:

(i) in 2011-12, an estimated 70 per cent of Tasmanian vegetable growers sold their produce directly to a processor (this includes the manufacturing of canned, bottled, preserved, quick frozen or dried vegetable products, dehydrated vegetable products, soups, sauces, pickles and mixed meat and vegetable cereal products, processing and packaging of fresh salads and pan-ready vegetables, as well as bulk packaged and cleaned vegetables); and

(ii) approximately 10 per cent for export, which compares with the national average of 26 per cent and 4 per cent, respectively;

(e) that in 2011-12 only 5 per cent of Tasmanian vegetable farms reported selling direct to state capital wholesale, compared to the national average of 62 per cent;

(f) that Tasmania exports significant volumes of onions and cherries, for example:

(i) in the 12 months to June 2013, it exported $44 million of fresh fruit and vegetables, 6.7 per cent of the total value of national exports of fresh fruit and vegetables, and of this, 98 per cent of the fruit were cherries and 94 per cent of the vegetables were onions,

(ii) Tasmania accounted for 52 per cent of all cherries and 86 per cent of all onions exported from Australia in 2012-13; and
(iii) in 2012 the Australian exports of fresh onions and fresh cherries accounted for 0.9 per cent and 0.4 per cent, respectively, of global exports of these products;

(g) that an independent assessment of the economic development potential of sectors of the Tasmanian economy found that the wine, dairy and aquaculture sectors had the greatest economic development potential;

(h) that horticulture also presents opportunities for growth in employment, though not as great as those in the wine, dairy and aquaculture sectors;

(i) that the challenges and opportunities faced by Tasmania's fruit and vegetable industry have been well documented and the industry has been subject to many reviews and planning processes; and

(j) that, to assist the deliberations of the Taskforce, the Commonwealth Department of Agriculture, as the secretariat to the Taskforce, has identified and summarised a collection of previous work and in so doing, is mindful that individual Taskforce members would be familiar with a number of these documents, in some cases contributing directly to their production; and

(3) notes the continuing importance of investment in the Tasmanian agriculture sector, as a traditional and ongoing source of economic development, including employment, in that state, and one which continues to enjoy a relatively high national and international profile for the reliability and quality of its primary food production.

Part of a commitment that was encapsulated within the Economic Growth Plan for Tasmania, which was an election commitment prior to the 2013 election, was the establishment of the Tasmanian Fruit and Vegetable Industry Taskforce, and we have delivered on that commitment. The report was released by Minister Joyce and the parliamentary secretary to the minister, Senator Colbeck, on 1 October 2014. It was a privilege for me to be involved as a member of the government on the task force, and I will endeavour to summarise some of the outcomes of that report here today.

The first task was to review the previous reports, and there were numerous reports that have been conducted over the years into the horticultural industry—the fruit and vegetable industries—within Tasmania. But this for the first time summarised all of those documents and highlighted the good work that had been done by many in the past, and that became the starting point. We were not simply reinventing the wheel; we were availing ourselves of that good work that had been done previously. This was indeed an industry-led plan for the sector to promote competitiveness, investment and ultimately—which is the desire of all of us in Tasmania and certainly all of us in this government—jobs growth. The horticultural sector—the fruit and vegetable sector—make an important and valuable contribution to the Tasmanian economy.

The task force met three times between May and July 2014. To summarise the vision that came out of the task force, we want a more prosperous Tasmanian fruit and vegetable industry. We outlined the opportunities for Tasmania to be an innovative, profitable and sustainable supplier of fruit and vegetables to the world and to grow the annual sales of same to $750 million by 2020.

At the heart of the task force and everybody sitting around the task force in this process was sales. It involved, of course, funding and investment to support that, but key as well are the people involved in the sector, be they research people, producers or processors. It is about understanding our markets. At the end of the day, customers are ultimately the most important people in all of this equation. Like any other business, they are the only people who actually put money in at that end of the chain that feeds back down to the people who grow the things.
Of course, innovation is a key part of growing this sector away from the more traditional land uses there.

Another recommendation is to establish the Tasmanian Horticulture Market Growth Project, including a facilitator. I am certainly in the ear of the minister and Senator Colbeck every day to make sure that this position is funded and delivers on the expectations of the task force. It was interesting to see the opportunities that have flowed out of the task force. Some of the participants there had looked at exporting as a real opportunity as a result of being part of this task force. Of course, there are some in the fruit sector that are already exporting—for example, Tim Reid from Reid Fruits. Lucy Gregg was a representative on the task force. As a result of the free trade agreements, they have grown their exports into South Korea from five to eight tonnes annually up to 180 tonnes this year—an extraordinary result. People like Houston Farms clearly identified a desire to expand to markets that have a higher yield, because Tasmania enjoys an enormous reputation for high-quality and safe foods from practically the cleanest place on earth.

Can I acknowledge in the short time left to me the independent chair, Dr Michele Allan; David Addison from Charlton Farms; Sally Chandler from the TCCI; Andrew Craigie; Simon Drum; Callam Elder; Stuart Greenhill from Greenhill Bros; Lucy Gregg from Reid Fruits; Howard Hansen; Chris Oldfield; Michael Toby; Minister Barnaby Joyce and also the secretariat—Peter Ottesen, Martin Walsh and Bill Schumann—for their contributions to what was a very worthwhile process. Thank you.

The DEPUTY SPEAKER (Ms Henderson): Does the honourable member have a seconder for his motion?

A government member: I second the motion and reserve my right to speak.

Ms COLLINS (Franklin) (12:07): It is good to have an opportunity to stand up to talk about the importance of the agriculture sector in Tasmania because, as the member for Lyons has talked about, we are having a resurgence in our agriculture sector in Tasmania and our fine produce is being recognised not just in Australia but around the world. Indeed, I wanted to update some of the figures in the motion that the member for Lyons has moved about the agriculture sector in Tasmania because the latest data out for 2012-13 says the gross value of the agriculture sector in Tasmania has now exceeded $1 billion. Milk is about 26 per cent of that and vegetables account for about 20 per cent of that. Interestingly, the figure for the 20 per cent that vegetables account for is $237 million, and of that $120 million is potatoes. Fruit and nuts are about $130 million of that. So they have certainly grown over the last few years and I think that shows the bipartisan investments that have occurred over the last few years in the sector in Tasmania.

I particularly want to talk about irrigation in Tasmania when we talk about the agricultural sector and its importance. People may recall that state and federal Labor some time ago set up Irrigation Tasmania. Irrigation Tasmania has been a phenomenal success in identifying appropriate irrigation schemes in the state and then going to state and federal governments to get support for those irrigation schemes.

Indeed, state and federal Labor invested more than $220 million in irrigation systems in Tasmania. In 2013 we had on the table two more investments for irrigation in Tasmania. We had $15 million to further the Southern Highlands Irrigation Scheme and we had $9 million
for the Dial Blythe as part of our Tasmanian jobs and growth plan. Unfortunately, the $15 million committed 18 months ago for the Southern Highlands Irrigation Scheme was not delivered by the current government. I am pleased to see that it has been delivered now in this budget, where we have seen some extra money for irrigation in Tasmania come from the state and federal Liberal governments. I do support those investments.

I am a bit concerned that the funding for this, as confirmed in Senate estimates, has come from freight rail, which is also very important in terms of the future economic development of our state. The money has been taken out of freight rail and put into irrigation, and I am just putting on the record—

Mr Nikolic: That's rubbish!

Ms Collins: That is what the secretary of your department said in Senate estimates. I am concerned because they are both critical investments for our state and both are needed.

I would like to highlight that state and federal Labor actually developed an economic development plan for the state that some years ago identified the growth that was going to occur in the state, that growth being in agriculture, aquaculture, viticulture and in dairy. Of course, that is when we then invested in the Tasmanian jobs and growth plan and invested in those industries in our state. Indeed, we invested in programs at the Longford strawberry farm. We invested in projects for dairy's sustainable development on the north-west coast. We invested with Reid Fruits so they could get a sorter to get more of their cherries to market faster. We invested in organic juices with Juicy Isle. We invested in Harvest Moon, Greenham, blue onions, Costas—a whole range of investments—because these industries are important to our state and do deserve bipartisan support. They have had that from state and federal Labor in the past, and I would like to see that continue.

We also, of course, invested in funding of a gas extension from Port Latta to Smithton to help reduce business costs for Tasmanian dairy products. McCain and Greenham are also very important companies for which Labor announced that investment some time ago, so it is good to see that that has been delivered. These investments, as I said, do need to be bipartisan, and it is good to see people actually recognising the critical investments that are required and the long-term strategy of investments that are needed for these sectors to grow. I am sure that the following speaker from our side will talk more about the long-term stuff that is required for this such as an agriculture white paper, for which we have now been waiting more than six months.

Mr Nikolic (Bass—Government Whip) (12:13): I congratulate the member for Lyons for this excellent motion. As he has so eloquently explained, the future of Tasmania and agriculture are very closely tied indeed. It is therefore my great pleasure to champion this reality on behalf of the state that I am so privileged to partly represent.

Let me first of all acknowledge that industries like mining and forestry have made a major contribution to Tasmania's prosperity and will play an important part into the future. But it is also important to acknowledge that greater economic diversification is the key to fewer economic bumps in the road. In the case of Tasmania the twin pillars of agriculture and tourism will add strength and diversity to our state's future wellbeing. Investment in state agriculture in particular has a disproportionately positive effect on Tasmania and mainland
Australia. That is why the Abbott government has recently committed another $60 million to
tranche 2 irrigation schemes.

Tasmania is an important producer of a wide variety of fruit and vegetables—mainly
potatoes, onions, carrots, cherries and other stone fruit, pome fruit and berries—and I note the
important contribution to gross state product of fruit, nuts, vegetables, nursery products and
special poppy and pyrethrum crops, as the member for Lyons has mentioned. Moreover, in
contrast to other states, exporting and direct sales to processors are the predominant sales
channels for fresh produce. For example, in 2011-12 an estimated 70 per cent of Tasmanian
vegetable growers sold their produce directly to a processor, with approximately 10 per cent
for export. This compares most favourably with a national average of 26 per cent direct sales
to processors and four per cent for export. In the 12 months to June 2013, Tasmania also
exported $44 million worth of fresh fruit and vegetables or 6.7 per cent of the total value of
Australian national exports of fresh fruit and vegetables—and that is not bad for a state
comprising just over two per cent of the national population. It is certainly an example of a
state punching above its weight.

I note also that an independent assessment of the economic development potential of
sectors of the Tasmanian economy found that the wine, dairy and aquaculture sectors have the
greatest economic development potential. All of this attests to the reality that, with the right
support and attitude, Tasmanian agriculture produces both abundant and reliable harvests. The
irrigation schemes the member for Lyons has talked about are going to produce 95 per cent
water certainty. They are going to allow for the conversion of marginal land, currently not of
much use for any other purpose, into something far more productive. That is something we
should very much welcome.

The coalition has long recognised the overall importance of state-based agriculture, and has
acted practically and constructively for the benefit of both Tasmanians and mainland
Australians. The member for Lyons has mentioned the coalition's economic growth plan for
Tasmania, which was announced by the Prime Minister on 15 August 2013. It is a clear,
equivocal commitment by the coalition government to create a fruit and vegetable industry
task force, focusing specifically on the growth of the fruit and vegetable sectors in Tasmania.
The task force is acting to develop an industry-led plan to promote competitiveness,
investment and jobs growth in these sectors. The terms of reference for the task force will
result in the development of a unified and agreed plan for the Tasmanian fruit and vegetable
industries, designed to achieve three things: to increase grower returns and reduce their costs;
to increase competitiveness, investment and jobs growth across the supply chain; and to
develop domestic and export markets.

In closing, I call on the parliament to note the continuing importance and vibrancy of the
Tasmanian food and agriculture sector. But, most importantly, I can advise the House of the
Abbott government's steadfast determination to continue nurturing this immense potential by
continuing to invest in it. Doing so will not only create local jobs but will further support
Tasmania's economic prosperity. It will also continue to support Tasmania's relatively high
national and international profile for the reliability and quality of its primary food production,
which in turn will have flow-on benefits for all Australians and for those to whom we export.
I commend the member for Lyons' motion to the House.
Mr FITZGIBBON (Hunter) (12:18): There is no doubt that Tasmania is a state and an island in economic transition. That transition has been taking place for some time now, and there is no doubt that transition has created some economic and social pain in the island state. It must be true that, if Australia has a significant opportunity feeding the growing middle classes of Asia, then Tasmania must also have before it an enormous opportunity—maybe more than most. I am sure all of us in this debate this morning will agree that the best way for Tasmania to make the most of those opportunities is for us all to be working together, in harmony, in the best interests of those who live in Tasmania.

Tasmania, more than anything, needs a plan—a strategic plan for agriculture generally and, of course, a strategic plan for its fruit and vegetable industry. Indeed, Australia needs a plan. It has become more and more apparent in the last half-a-dozen years that, if we are to make the most of those opportunities in Asia, industry—which will, in the end, produce the wealth and the jobs, not government—will need strategic direction and strategic guidance from the government of the day.

That is why the former Labor government produced this very comprehensive document—the National Food Plan—which is designed to both set objectives and goals for the future and where we might need to be in terms of output, productivity and profitability out to 2025 and set forward how we as a nation might get there. We also did a lot of work on the Feeding the future report, with a focus on the relationship between Australia's agriculture sector and that in China and, indeed, how we might work together to address the looming global food shortage. It focused on how China and Australia, including Tasmania, might work together to ensure that, as we grow to nine billion people, we do not face increases in starvation around the globe. We started that process in government. The Asian century white paper was also a significant component of that ongoing work in developing a national plan.

The National Food Plan included a commitment that it be reviewed every five years so that we could keep our eye on the ball, move with the times and stick to those objectives. Unfortunately, since the election of the Abbott government—

Mr Hutchinson interjecting—

The DEPUTY SPEAKER (Ms Henderson): I would ask for some quiet.

Mr FITZGIBBON: Oh, sorry—they did finish Labor's very good work on the free trade agreement, although there are some matters to be tested there on the net proposition.

On 13 August 2013, during the election campaign, those opposite announced a policy. Their policy was to form a committee. This is what this debate is about today. In March 2014, the now minister, Barnaby Joyce, announced the committee six months after the election. The committee was a little bit more productive. I congratulate the quality people on the committee for all their work. They were a bit more proficient. They delivered their report just under six months after the event.

But now, 10 months on, the government is still sitting on the report. This is what we are trying to acknowledge today. Whilst this motion at first glance seems to be about Tasmania and fruit and vegetables in particular, it is really a motion to cover up for the fact that 20 months into this government we have had a committee and a report and nothing else.
We hear about the agriculture white paper. It was supposed to be delivered before Christmas last year. Here we are in June and the clock is ticking and we are still waiting. In the meantime, our competitors are on the march, improving their market access—

Mr Hutchinson interjecting—

The DEPUTY SPEAKER: I would ask the member for Lyons to desist from making comments like that across the chamber.

Mr FITZGIBBON: and taking every opportunity to exploit the opportunities presented to all of us in the Asian market. But, yet, the clock is ticking in Australia. We have had 20 months without any agriculture policy whatsoever. The agriculture sector is growing impatient. It just wants this government to do something. If the motion is about calling upon it to do so, I support it. (Time expired)

Mr WHITELEY (Braddon) (12:23): We regard the member who has just resumed his seat as the Dustin Hoffman of the lower house. But, when it comes to policy, he is Jed Clampett, straight out of The Beverly Hillbillies. Let's just get this in perspective. The shadow minister, who just resumed his seat, to give him the due consideration that he deserves, talked about a plan. We have a plan, but we have also had actions and results attached to that plan.

Honourable members interjecting—

Mr WHITELEY: If the chamber will just calm down for a moment, I will educate the members who just resumed their seats. The reality is that they had six years to enhance the Tasmanian Freight Equalisation Scheme.

Mr Fitzgibbon: Madam Deputy Speaker, I rise on a point of order. I seek leave for the member to table the plan he refers to.

Leave not granted.

Mr WHITELEY: The reality is that they had six years to deliver an enhancement to help the exporters of Tasmania to get the greatest produce in this country to some of the greatest markets in the world—and they failed to do it. I take on board the comments of the member for Franklin—who also gave due credit to Tasmanian Irrigation, who have done a great job. There has been some degree of bipartisanship there. And we have just delivered $60 million towards five projects that will greatly enhance the productivity levels in Tasmania.

Can I reflect, just for a moment, on some of the great stories that are coming out of the agricultural sector in my electorate. The week before last, I attended an amazing opening of an amazing facility: a specialty cheese facility built by Lion in the heart of the city of Burnie. That represents $150 million of investment—I have never seen more stainless steel in my life! It is the biggest such facility in the southern hemisphere. They are voting with their dollars in the confidence they have in the region. The great dairy products that are being produced out of my electorate in Braddon are something to behold. There is also the great story about Costa in my electorate and the way in which they are advancing their cause into the markets—into the local markets, but also having an eye to export markets in the near future with some of the funds that we have invested; where they can keep much greater stocks of berries and sell them into a market where the seasonal conditions are not there. I want to pay particular attention to Circular Head, who are doing everything they can to resurrect their own local economy in the midst of the Tasmanian economy—and they are doing a great job. International investors are showing tremendous appetites for what is going on in that part of the world, and great
confidence. Can I also talk about the reality of the reduction of red tape for producers—we are getting out of their way. I will also say that we are now offering a great opportunity, through the budget of just a few weeks ago, to these small businesses—called farms. We have 3,600-odd farms in the state of Tasmania: whilst we may only have two per cent of the country's population, we have over three per cent of the country's farms. That is a great credit to the people of Tasmania.

The shadow minister responded—and I always enjoy his contribution; you know, he does not say much but he is good to look at!—but he did not mention the free trade agreements. He did not mention the free trade agreements—

Honourable members interjecting—

The DEPUTY SPEAKER: Order! I would ask members opposite to desist please.

Mr WHITELEY: and this is where his credibility falls right away. Six years they had, to bring about a free trade agreement—could they have got one? Just one free trade agreement would have been terrific. Could they have got two? No. Three? That would have taken a miracle. And we have been in government for, what, 18 months—and Andrew Robb, the Minister for Trade, has nailed three of those suckers. They are going to be absolutely brilliant for the state of Tasmania. And I reckon we will bring in four. I noticed the member over there—he is a delightful member of the opposition—he was using some sorts of movements over there a moment ago, about winding it in; I will tell you what we are winding in—we are winding in free trade agreements! That is what we are winding in. And Tasmania is well placed to take full advantage of them. (Time expired)

Mr WILKIE (Denison) (12:28): The member for Franklin is right about one thing: that there really needs to be a bipartisan, or maybe a multipartisan, approach to the Tasmanian economy. We would make more progress. It is refreshing though, to see a consensus of sorts this morning.

I am sure we would all agree that agriculture is vitally important to Tasmania. In some ways, it is our mining boom. When we look forward, into the future and at what is happening the rest of the world, there is an endless appetite for the wonderful produce of our home state. In particular, as the world becomes more affluent, and as the middle class grows, it will be our mining boom. So it is good to see that some very positive things have been done to capitalise on that mining boom. The irrigation work is first-rate, and that will pay big dividends over time. So too, the $202.9 million in the budget to assist international exporters is a good thing, and I applaud the government for going down that path; I want to see more, but that is a good first step. I have got to give a plug for my neighbours, the Wolfe brothers, who live across the road. The Wolfe brothers are famous in southern Tasmania for the quality of their berries and other fruits—undoubtedly the best berry farmers in the state—however, we are kidding ourselves if we think the job is done or almost done, because there are so many other things that we can do in this place to let Tasmanian farmers realise their potential. There are so many environmental and commercial risks that we have within our power to address.

One environmental threat is fracking. To the state government's credit, they have put in place another moratorium on fracking, but we really need a permanent ban in Tasmania. And I also say to the federal government: we need a permanent ban across the whole country. There is widespread concern about the way it tramples on farmers' rights, the way it
contaminates water, the way it has gone wrong overseas. One thing we could do in this place is put a permanent ban on fracking. Another thing we could do in this place is put a permanent ban on oversized freezer factory vessels. The fact is that the super trawler Geelong Star is another thing that puts Tasmania's reputation at risk.

There are so many commercial threats. I notice the member for Braddon has made much of the fact of the government's free trade agreements. That is all well and good, but it does appear that the TPP still includes investor-state dispute resolution provisions. That is a threat to Tasmania. What happens if Monsanto takes the Tasmanian government to court over our GM-free status? That would put our GM-free status at risk. That is a commercial threat.

I hope everyone would agree there is still so much more we can do on Bass Strait too. I have given credit to the government—$202.9 million to assist international exporters—but, frankly, the job will not be done until we have an effective subsidy for all people, vehicles and freight in and out of the state to bring the cost of crossing Bass Strait down to the cost of moving a similar distance on the mainland. That is what is needed, and until we achieve that we will not have cracked Bass Strait.

I tell you what the federal government could do, and I was pleased that the Prime Minister spoke positively about this when I asked a question of him the other day in the House, either it or the state government has to take the Victorian government to task over the port licence fee. The fact is the Victorian government requires the Port of Melbourne to pay $75 million a year to the Victorian state government as a port licence fee—and it is indexed, so it is going up. That is clearly a tax on interstate trade when money is recouped from any goods in and out of that state to or from Tasmania. So until the federal government or the Tasmanian state government—two Liberal governments—muscle up and are prepared to deal with this, there will still be this unconstitutional tax on interstate trade. I am talking about the Tasmanian state government needing to take the Victorian government to court. Or perhaps the federal government could intervene, so there is another role.

Yes, I have given credit where it is due—I try to do that—but I have also laid out some serious threats and risks to the Tasmanian rural sector, which we have within our power to address: ban fracking, ban super trawlers, get rid of investor-state dispute resolution provisions from the TPP and fix Bass Strait. Those are the sorts of things we must do if we are to unlock the potential in our great state, and in particular our great rural sector. (Time expired)

Mrs ELLIOT (Richmond) (12:33): I rise to speak on the motion moved by the member for Lyons. This is a matter of importance to all of us, and particularly to those of us from regional areas. We understand how important the issues like this are.

The points raised in this motion before the House by the member for Lyons are indeed valid: growth plans for the regions are a very, very good thing, and Labor certainly recognises that. But the member's motion today is an attempt to try to claim some sort of credit or to create a smokescreen that the Abbott government has actually done something so far for the Tasmanian fruit and vegetable industries. In reality, this motion does not say much about what the government has done except that it set up another task force, which came up with the eight recommendations.
The eight recommendations are not surprising, and acknowledge there has been a large amount of research already undertaken into how to further grow the fruit and vegetable sectors in Tasmania. I support the member for Lyon's sentiments in that the continuing importance of investment in the Tasmanian agriculture sector remains a traditional and sustainable source of economic development. So Labor recognise, and we have heard the speakers say this today, that agriculture in Tasmania is vitally important. As the member for Lyons points out in this motion before the House, in 2011-12 alone, the gross value production of fruit and nuts in Tasmania was over $100 million and vegetables over $213 million. Indeed, Tasmania is an important producer of fruit and vegetables, and we acknowledge how important agriculture is to sustaining the economy, particularly the Tasmanian economy.

The previous, Labor government recognised the importance of agriculture through strategic and long-term investments. They included our massive irrigation investments throughout Tasmania, which have resulted in increased production, security of supply and value-adding opportunities. The previous state and federal Labor governments also invested $220 million in 10 critical schemes across the state which are now enabling thousands of new jobs across Tasmania. In 2013, we committed $15 million to the Southern Highlands Irrigation Scheme, which would have secured a viable and sustainable water supply. This was of course abandoned by the current government. But we on this side of the House will continue to show bipartisan support for investment in irrigation in Tasmania, which is why we have been supporting the government's recent announcement of new irrigation infrastructure, building on the good work of the previous, Labor government. But it is very disappointing that, as the Department of Infrastructure and Regional Development told Senate estimates recently, the Abbott government had chosen to use a $60 million cut to rail projects in Tasmania to pay for new irrigation projects in Tasmania. That is quite a disgrace.

The member for Lyons also speaks in his motion of the economic development potential of industries such as wine, dairy and aquaculture. In fact, it was the previous, Labor government that made significant strategic investments across Tasmania to ensure that we supported these emerging industries. Through more than a dozen investments, we unlocked significant jobs growth. These investments in Tasmania included $3.5 million for Huon Aquaculture to expand its Parramatta Creek factory and expand employment on the north-west coast—and I understand the factory will be open soon. What a fantastic achievement.

Another fantastic aquaculture project is by Tasmanian company Tassal. This company also secured funding under the same Labor jobs and growth program to help build a new factory. Another investment through the Tasmanian Jobs and Growth Plan was $400,000 for the Into Dairy Sustainable Dairy Development Project, supporting the state's dairy industry and creating 550 new full-time jobs—a great achievement.

The Tasmanian fruit and vegetable industry, like all agricultural industries, is seeking certainty and long-term policy settings, something the Abbott government promised before the last election but that just did not happen. This is another broken promise by the Abbott government, as farmers and industry await the long-expected agriculture white paper. The Abbott government promised to deliver the white paper within 12 months of gaining office. I quote from The coalition's policy for a competitive agriculture sector, released in August 2013:
The White Paper will be conducted by the Department of Prime Minister and Cabinet and will report within 12 months.

Our White Paper will also provide a clear, well-defined and transparent strategic approach to ensure the agriculture sector remains a significant contributor to the Australian economy and local communities.

Well, we are still waiting. The white paper process so far has cost the taxpayer over $3 million and, quite frankly, appears to be on the never-never now. This is really disappointing. We have repeatedly seen the coalition and especially the Nationals continuing to abandon, in so many ways, regional Australia, which is calling out for this white paper that never appears.

Labor acknowledge there is great potential for the fruit and vegetable industry in Tasmania; however, that requires genuine policy settings, not just a task force review which is yet to apply any practical measures on the ground. That is what we want to see. I also believe it is time that the Liberal-National government stopped taking credit for the great work of their Labor predecessors in Tasmania and started acknowledging the fact that Labor have a proud and strong record in agriculture, not just in Tasmania but right throughout the nation. (Time expired)

Mr Hutchinson: I seek leave to make the final contribution of five minutes.

An opposition member: He's spoken.

The DEPUTY SPEAKER (Mr Broadbent): Is leave granted?

Mr Conroy: [inaudible]

The DEPUTY SPEAKER: Leave is not granted. The member for Denison.

Mr Wilkie: Sorry; is leave not granted?

The DEPUTY SPEAKER: Leave is not granted.

Mr Whiteley: Leave was granted.

The DEPUTY SPEAKER: Leave is granted?

Mr Wilkie: No, leave is not granted.

Mr Whiteley interjecting—

Debate adjourned.

Shipping

Ms CLAYDON (Newcastle) (12:39): I move:

That this House:

(1) notes that:

(a) Australia, as an island nation, has a national interest in fostering an Australian coastal shipping industry for economic, environmental and national security reasons;

(b) comparable major trading nations have strong regulatory systems in place to support their coastal shipping industries;

(c) in 2012 the former government put in place a broad package of taxation, regulatory and workplace reform to revitalize Australian shipping; and

(d) people who perform work in Australia should be paid according to Australian-standard wages and conditions; and
(2) calls on the Government to act to support and promote the Australian coastal shipping industry, and to actively support Labor's recent changes to give the industry the certainty it needs to invest in new Australian flagged shipping.

Australia has a strong national interest in fostering our own coastal shipping industry, and the shipping industry holds particular significance for my electorate of Newcastle. The port of Newcastle is the world's largest coal export port and one of Australia's largest ports by throughput tonnage. It has a 215-year history of commercial shipping and is the economic and trading centre for Newcastle, the Hunter Valley and much of northern and north-west New South Wales. The port of Newcastle plays a critical supply chain interface in the movement of some 40 different cargoes and manages more than 4,600 ship movements every year.

In addition to its role as a trading port, it has been a key water berth for our nation's shipbuilders for nearly a century, with Royal Australian Navy and commercial ships being built in the yards of Newcastle, Carrington and Tomago. From HMS Strahan and Condamine, built in support of our World War II defence in the 1940s, to the Huon class minehunters, built in their entirety in Newcastle in the 1990s, to today with more than a third of the three air warfare destroyers being built at Forgacs, Newcastle is home to a highly skilled shipbuilding industry. The port of Newcastle is no doubt one of my electorate's most important economic contributors, leading to the employment of thousands of Novocastrians. Regretfully, this highly profitable port was recently privatised by the New South Wales Liberal government, and Newcastle continues to battle with Sydney to secure our fair share of the spoils.

However, more broadly, to put the case for Australia's strategic national interests in a local shipping industry: we are the world's largest island nation with the world's longest coastlines, and 10 per cent of world trade moves to and from Australia by sea. Shipping is important in terms of our economy, our environment and our national security. For an industry to operate confidently and successfully, certainty is required. We have seen the damage to the renewable energy industry in Australia when uncertainty reared its ugly head because of the actions of the Abbott Liberal government. We have also seen, through this government's willingness to send our naval shipbuilding contracts offshore, our shipbuilding industry on the brink of collapse, with hundreds of jobs at Newcastle shipyards already gone. We cannot see the same thing happen to our coastal shipping industry. In 2012, Labor gave the shipping industry in Australia certainty. It is vital that the reforms we introduced are maintained. These were not autocratic reforms. They were laws drafted in response to extensive consultations with all the stakeholders. To move away from these reforms that have been in place for less than three years now will almost certainly work to destabilise the shipping industry. We have already seen signs of this through recent ship flagging decisions.

Since its election, the government has vowed to undo Labor's reforms and effectively walk away from shipping; just like it is walking away from our shipbuilding industry. This is madness. The coastal shipping laws put in place by Labor created a level playing field for Australian ships rather than allowing undercutting on costs, including wages. The Abbott government, on the other hand, wants to introduce 'Work Choices on Water'. This was outlined in Budget Paper No. 2 last month, which stated a desire for:

- better aligning employment conditions for ships based in Australia with international standards …
Since many shipping companies base their ships in Third World nations to minimise their pay levels and working conditions, this was an explicit statement that the government wants to impose massive reductions in pay and conditions. This of course is not a new phenomenon, but it is no less damaging now than in the past. The former Minister for Transport and fellow Novocastrian, Peter Morris, outlined some of the dangers associated with ships operating under flags of convenience in his well-known and highly regarded *Ships of Shame* report in 1992. Tonight, ABC's *Four Corners* will outline some of the current-day dangers with their expose into the events on board the MV *Sage Sagittarius* that saw three lives lost in 2002.

Rather than engage in a race to the bottom, as this government proposes, we should focus on the actions of comparable major trading partners like the US, Japan, the UK and Europe as a whole—all free market economies with clear, strong frameworks for the shipping industry to operate within. Current laws introduced by Labor help strike an important balance between competition and the national interest. The government's proposal, on the other hand, will decimate the shipping industry and have long-term, negative safety, economic, environmental and national security implications for Australia.

**The DEPUTY SPEAKER (Mr Broadbent):** Do we have a seconder for the motion?

**Ms Parke:** I second the motion and reserve my right to speak.

**Mr NIKOLIC (Bass—Government Whip) (12:44):** My home state of Tasmania is an island state, and therefore the issue of shipping is of vital importance to our future prosperity. Coastal shipping and international shipping are key enablers in ensuring that quality Tasmanian produce and manufactured goods are able to reach domestic and international markets. Coastal shipping is at the heart of our competitiveness and our ability to ensure that Tasmania optimises the benefits of the trifecta of free trade agreements that were negotiated by the coalition in 2014, and all of the indicators are encouraging. Demand for Tasmanian seafood and agricultural products continues to grow. The $60 million in federal funding announced recently for irrigation schemes will fund five new schemes, providing 95 per cent water certainty and allowing the conversion of marginal land to something much more productive. Efficient and readily available coastal shipping is therefore essential to ensure that our clean, fresh, quality produce will grace growing Asian markets from India to China.

That is why Labor's meddling in coastal shipping while in government has proven to be such a disaster for our industry. That is why the government is moving to untangle the mess of regulations that undermine the viability of coastal shipping. It is undoubtably that under Labor the cost of shipping went up and the number of Aussie ships went down. Labor presided over a halving of our major coastal shipping fleet, with coastal licences plummeting from 30 vessels in 2006-07 to 15 in 2013-14. From 2010 to 2030, under what Labor has in place, Australia's overall freight task is expected to grow by 80 per cent but coastal shipping will only increase by 15 per cent. Instead of helping to revitalise Australian shipping, Labor's Coastal Trading (Revitalising Australian Shipping) Act has badly hurt the industry. Over the first two years of the coastal trading act, there was a 64 per cent decline in the carrying capacity of the major Australian coastal trading fleet.

I will give you a case study to demonstrate. Bell Bay Aluminium in my electorate of Bass is, sadly, one of the few businesses of its size left in northern Tasmania. Its importance cannot be overstated. It uses 25 per cent of Tasmania's total electricity, contributes $700 million each year to gross state product and provides over 1,000 direct or indirect jobs. The general
manager is a good man, Ray Mostogl, who has won CEO Magazine's Manufacturing Executive of the Year award. Mr Mostogl has constantly called for something to be done to fix Labor's coastal shipping act. He has said publicly that after Labor introduced the coastal trading act in 2012:

... BBA faced ... a 63 per cent increase—

in freight rates. He says:

This ... led to greatly reduced shipping options and competition ...

Critically, he identifies sea freight as 'one of the key means to keep the Bell Bay smelter viable'. Mr Mostogl draws a clear link between Labor's legislative gift to the MUA, the increased costs that followed and the impact on the very viability of his company. Mr Mostogl has revealed that leaving ships idle at ports for a day before loading can commence, as demanded by the MUA, costs foreign vessels about $10,000 a day and Australian ships more than $20,000 a day. He points out that freight rates from Tasmania to Queensland in the first year of Labor's coastal trading act rose dramatically, from $18.20 a tonne in 2011 to $29.70 a tonne in 2012, while internationally in the Southern Hemisphere rates are about half that, at $17.50 a tonne. Mr Mostogl is one of the many stakeholders demanding reform to increase flexibility and affordability for users of coastal shipping. So while the member for Grayndler and his MUA mates revel in the shrine that has been established for him by Paddy Crumlin from the MUA, and the MUA are no doubt thrilled at this legislative gift that is given to them, it has been bad news for my home state of Tasmania.

Labor has been cheered on by the Greens, who in the Launceston Examiner denigrated Bell Bay Aluminium and three other major industrial companies in Tasmania as having:

... exaggerated ... because they want a handout.

There is nothing you can say about that, Mr Deputy Speaker, except that it is callous indifference to jobs in my electorate of Bass. Shame on them for these coastal shipping regulations. I will be strongly supporting the coalition's repeal of these appalling Labor coastal shipping laws.

Ms PARKE (Fremantle) (12:50): I thank the member for Newcastle for tabling this motion. I have a strong natural sympathy for the concerns she has expressed, being the representative of a major working port and of significant shipbuilding and maritime industry precinct in my electorate of Fremantle.

In 2012, the Labor government introduced and passed a number of bills that were aimed at revitalising coastal shipping in Australia. This first meant addressing a number of measures and practices that took hold during the period of the Howard coalition government, especially those that gave free and ill-conceived rein to foreign-owned and foreign-flagged vessels through the misapplication of the permit system. But it also meant providing incentives for Australian shipowners to upgrade and renew an ageing fleet of Australian vessels, and encouragement for those who operated Australian-registered vessels and who employed Australian seafarers.

These initiatives went hand in hand with further measures to advance the international competitiveness of Australian shipping, and to make our contribution to supporting stronger international labour laws and safety compliance. They were, frankly, long overdue and they
represent an important achievement of the Rudd-Gillard Labor government. As the minister, Anthony Albanese, stated at the time:

We are a country where 99.9 per cent of our exports are moved by ships, and there will soon be no Australian shipping fleet to revitalise. We need to act now or we will simply not have an industry at all, and an Aussie flag on the back of an Aussie ship will be consigned to history … This is sensible policy to level the playing field with our international competitors.

I note that some of these shipping reforms supported the improvement of basic working conditions for seafarers around the world and were championed by the Maritime Union of Australia. As I noted in my speech on coastal shipping in 2012:

The largest branch of the MUA has been and continues to be a critical mainstay of social values and industrial rights in Fremantle and Western Australia. The MUA has always been one of my community's strongest, most vibrant foundation blocks: an organisation whose contribution to the social capital in Freo goes far beyond its important industrial work to also encompass the wider general values of collective trust, care and obligation and the wider specific concerns in areas like safety, health, the environment and social justice.

The labour movement in this country is motivated by the best values and best interests of people everywhere, especially working conditions, not only for Australians but for all workers. The last thing we want to see is Work Choices on water.

Any assessment of the proper regulation of Australian shipping and of coastal shipping in particular is much more than a narrowly framed question of economic efficiency. To some degree the member for Newcastle's motion states the obvious in noting that we are an island nation, yet it is a point that has to be made, because in this day and age of easy international air travel and digital communication it is possible to forget that our lifeline, in many respects, remains dependent upon sea freight. And in the circumstances of any regional conflict or instability, the availability of Australian-owned vessels is a critical security consideration.

Many countries recognise the importance of a domestic shipping capacity on that basis and therefore regulate to support their own national fleets. If one is happy to let the existence of an Australian-owned shipping fleet be determined and dictated by the cold winds of laissez-faire economics, then it is more than likely that Australia will soon be left without any meaningful capacity in this regard, especially when many comparable nations are active in protecting their own domestic shipping fleets.

The United States is an excellent example, notwithstanding its image as the pre-eminent champion of the free market. Like the US, we have experience of needing access to shipping in times of conflict, both in war and, more recently, in some of our regional peacekeeping efforts. But unlike the US, we have been inclined—certainly under coalition governments—to overlook that aspect of our security and to pull away the regulations designed to buttress Australian shipping.

As I have said before, if your basic mindset sees all regulations as red tape and only judges policy in terms of how successfully it leaves us exposed to market forces then you will always be at risk of missing the bigger picture in which sensible regulation is part of an holistic web, like a circulatory system or a safety net.

What is also at threat as a result of the government's neglect in this area is coastal shipping as part of the broader freight task in this country. I know as a Western Australian that the opportunity in future to have more freight delivered by sea and less by road, whether that is to
Fremantle or other regional destinations, is an important contributor to a lower carbon economy and to lowering the urban and regional impacts of road freight. We have to ask ourselves: is it really sensible to sit back and allow—or even to facilitate, as this government appears intent on doing—the severe dwindling of an Australian owned shipping fleet, the continuing decline of Australian flagged vessels and the corresponding decrease in Australian coastal shipping? Common sense tells us it is not, and I hope the Abbott government heeds this call to respect and enhance the work done by the former Labor government in support of Australian shipping.

Mr HUTCHINSON (Lyons) (12:55): I thank the member for Newcastle for bringing forward this motion on coastal shipping. To put this whole debate in context: the current system is simply not working. Yes, one option is to tinker around the edges. That may make it a little bit better, but the reality is it will not let the industry fix the structural issues and problems that are part of coastal shipping in Australia today.

We have an ageing fleet that is simply not being replenished. In 2013, 49 per cent of the ships in the world fleet were under 15 years of age and 79 per cent of the world’s gross tonnage was carried on ships under 15 years of age. In contrast, the average age of Australian ships in the major trading fleet, and operating under a general licence, is 23 years. As these ships get older, they get less efficient; they break down more and the cost to insure them goes up. This is why we have seen operators in Australia progressively retiring their vessels over the years and not replacing them.

I am really disappointed, though, because there is no member for Franklin and no member for Denison here to defend the indefensible. Perhaps it is understandable. Unlike the last time I brought a motion here about the disastrous coastal shipping regulations that were brought in by the previous government, there is no sign of them here today. They are getting other people to do their bidding. To defend the indefensible in the case of Tasmania is simply unsustainable.

In 2012, the changes that were made absolutely hurt our state of Tasmania. As the member for Bass highlighted, the manufacturing industry in Tasmania was devastated as a result of that. The costs went up and they hurt our state. We lost our international shipping service—the AAA service that used to run Bell Bay-Brisbane-Singapore. Those changes hurt our state. All of that was then pushed onto Bass Strait. Thank heavens this government has listened: we have brought in $202.9 million over the next four years to expand the Tasmanian Freight Equalisation Scheme.

But we should not lose sight of the fact that we need to continue to work to drive down the costs of shipping on Bass Strait. This is not an endgame for us—this is our state’s lifeline. I understand the MUA—

Honourable members interjecting—

Mr HUTCHINSON: I do understand, and I do appreciate, that there are workers on ships who are feeling concerned about their jobs. But the rationale does not stack up. When you take one job here, on an Australian flagged coastal vessel, and it costs four jobs in another unionised workplace—whether that be at Bell Bay or at Norske Skog in my electorate—this is the conundrum all around Australia.

Honourable members interjecting—
Mr HUTCHINSON: I do have some sympathy, but the reality is we have to deal with the facts. The facts are that we have an ageing shipping fleet in Australia, it is not being replenished, and this is vital not only to my state of Tasmania, it is vital to our nation. Yes, we can tinker around the edges—

Honourable members interjecting—

Mr HUTCHINSON: I do have some sympathy but the arguments that are being used on the other side simply do not stack up to scrutiny, when you are brutally honest about it. The claims around wages simply do not stack up. There is '2 a day' and these sorts of claims—they simply do not stack up.

Eighty per cent of global tonnage is carried under the Maritime Labour Convention 2006, to which Australia is a signatory. Sixty-four of the international labour organisations are members of that. The safety net of standards that applies to employment applies to over 1½ million seafarers. The dead-weight tonnage on Australian flagged ships has fallen by 64 per cent since the member for Grayndler introduced this legislation in 2012. That is the tragedy. I cannot stand here in good faith and not condemn what has been a disaster for our state, as the representative of a large part of the island state; and I advocate very strongly for change.

I support the contribution made by the member for Bass. He is right: the system is broken. The costs on Bass Strait went up enormously since 2012. We are doing substantial work, with a $203 million contribution over four years to assist the Freight Equalisation Scheme. We are assisting with free trade agreements and other measures, but to get goods to the market we need vessels that are cost competitive.

Mr ALBANESE (Grayndler) (13:00): I am pleased to support this resolution that has been moved by the member for Newcastle. I do so as someone who understands that, as an island continent, Australia depends upon Australian shipping. More than 99 per cent of our exports and imports are moved by sea. Our starting point is that it is in Australia's national interest to have an Australian shipping industry. It is in our economic interest, in our environmental interest and in our national security interest. That is why we brought in a comprehensive plan of reforms—not a protectionist model that occurs in a place like the United States, where ships not only have to be US owned and operated to operate around their coast but have to be built in the United States as well. We did not go down that sea. What we did was make sure that there could be competition in terms of accessing the blue highway.

We should allow these reforms to have an opportunity to work, because they were comprehensive. They went to employment and training, they went to providing tax breaks and they went to ensuring that people moving domestic freight around our coast seek an Australian flagged vessel in the first instance. But there would be a permit system to allow foreign flagged vessels around our coast if an Australian operator was not able to undertake that task. So it is a flexible system but one that operates in the interests of the nation.

Those opposite simply want to introduce Work Choices on water. They are so obsessed by the Maritime Union of Australia they never mentioned the Australian companies that run the shipping industry here. It is all about the workers. If you move freight by road, the truck driver must be paid Australian wages and conditions and the truck must satisfy Australian standards. If you move freight by rail, the people who work in the rail network are paid under Australian wages and conditions. There is no reason whatsoever for any different
arrangements to operate on the blue highway. For those who speak about border security, the idea that people on a Liberian flagged carrier can operate, not complying with environmental conditions, certainly renders us vulnerable compared with the control that is there in the Australian system.

When it comes to Tasmania, the Tory state Premier of Tasmania got elected on a promise of funding an international ship from Tasmania to take exports to Asia. That is what they said they would do and they have now dropped that and instead made changes to TFES at a cost to the taxpayer. That is the reality. They committed a fraud upon the voters of Tasmania by pretending that government, not the market, could determine the operation of shipping from Tasmania. What they know, and operators know, is that the increase in costs for Tasmanian shipping is due to the increase in port charges that occurred in the Port of Melbourne under the Napthine government. That was the big increase in costs.

When it comes to an Australian ship, there is a total staff of 15 that operate a container ship. The difference in labour costs is minimal. The member for Lyons says it was a minuscule charge. That was before the businesses who operate out of the Port of Melbourne recently saw an 800 per cent increase proposed. And they say it is miniscule!

A government member interjecting—

Mr ALBANESE: And he says 'one stevedore'. How many stevedores do you think they have? When you look at the detail of their proposal, you see they have not done any work. It comes down to ideology; it comes down to Work Choices on water. Like their crazy proposal for open skies in northern Australia, it should be rejected.

The DEPUTY SPEAKER (Mrs Prentice) (13:05): The question is that the motion be put. Would the member for Lyons like to have another go?

Ms Hall: No, the member for Lyons has had a go, Madam Deputy Speaker.

Mr Albanese: No, he cannot.

The DEPUTY SPEAKER: Even by leave?

Ms Hall: No. Leave is not granted.

An honourable member interjecting—

The DEPUTY SPEAKER: There is no need for that, thank you.

Ms HALL (Shortland—Opposition Whip) (13:05): I would like to support the motion by the member for Newcastle and congratulate her on a fantastic contribution to the debate, a contribution based on factual information and a great understanding of the shipping industry. I also note that my colleague the member for Charlton is in the chamber. He is also very supportive of the shipping industry and knows and understands how important it is to Australia as a nation. It is really very pleasing to follow the member for Grayndler because what he does not know about shipping is not worth knowing. He has made a long-term commitment to ensuring that we have a vibrant, viable shipping industry in this country. He recognises that Australia is an island nation. He recognises the importance of shipping for transporting goods around and from Australia. He also recognises the onshore industries which complement the shipping industry.

There has been a long battle in this parliament in relation to shipping. The previous Liberal government introduced the flags of convenience and supported foreign ships travelling around
Australia, taking Australian goods from one port to another on foreign flag vessels with crews from different countries. Quite often the crews were living in appalling conditions on those ships. They had no rights. When my predecessor, Peter Morris, was a member in this House, he chaired the transport committee inquiry into the ships of shame. How any member on that side of parliament could be arguing for the types of conditions that existed on those ships of shame to be introduced to Australian ships is beyond my belief.

It is interesting that we have had only Tasmanians speak on shipping. It seems for the government that shipping is only important to Australia if you are Tasmanian. I heard the member for Bass talking about Tasmania being an island state. Australia, I remind members, is an island nation and shipping is vitally important to our nation. I understand the government consulted with shipowners but they consulted the wrong ones. They consulted the shipowners who represent foreign interests; they did not speak to the Australian based organisation, the Marine Industry Australia Ltd, because they oppose the changes the minister is talking about introducing, changes that will lead to Third World working conditions for Australian seamen and to an increase in the flags of convenience. We will go back to the old permit system which did not serve the Australian industry well. It is really about introducing Work Choices on the water.

We know that this government are all slaves to Work Choices. All the time they are looking at some way they can bring back Work Choices. Here is an attempt to bring back Work Choices. It is all about having a shipping industry that has no regulation, where tax avoidance is ripe and where there are low labour standards. They oppose the changes that were introduced by the member for Grayndler when he was minister. They have just been biding their time. It is driven by their philosophy and ideological hatred for the MUA. Every time they get an opportunity, that hatred rises to the surface. They do not look at what is good for Australia; they look at what is good for themselves.

Mr CONROY (Charlton) (13:10): I want to echo the fine remarks from the members for Newcastle, Shortland, Fremantle and Grayndler. This really is a substantive issue for our nation. Plenty of people have been talking about how we are an island nation and we need to pay due deference to the need of an island nation to have a strong maritime industry, including in ship construction. We are having that debate right now with the government's disgraceful breach of its promise to build submarines in this country. We are seeing the impact of that running down capability right now in my home region of the Hunter. The excellent member for Newcastle talked about that at Tomago with Forgacs. It has gone from 900 highly skilled workers to between 150 and 200. That is a great loss of capacity in this nation. We are also seeing this in ship design and development and in transport in our maritime industry as a whole.

As the member for Grayndler, who was a most excellent minister for transport, discussed earlier, there is a great opportunity to have Australian-run shipping lines transporting around this nation. He was an excellent minister for transport, building on another excellent minister for transport, our very own Peter Morris, the former member for Shortland, who did so much for Australian shipping and through the 'ships of shame' inquiry in earlier times.

It is really concerning when we hear those on the other side conflate separate issues. They conflate cartage costs that have gone up due to quite outrageous monopoly rents being extracted by the Port of Melbourne with these very important reforms. These reforms ask, 'If
it is okay to have Australians driving the trucks that transport the ingots of aluminium from Bell Bay to the docks, why isn't it okay to have Australian workers on the ships that transport those ingots of aluminium? That is a really fundamentally important principle.

People accuse us of using a glib phrase with 'Work Choices on water', but it gets to the heart of the matter here. Those on the other side do not really concern themselves about the exploitation of workers. They say some important things, but they need to match that rhetoric with actions. On this issue, on the bill and on everything else around this debate, they have failed. They will continue to fail.

The member for Lyons confesses an interest in workers. He is absolutely right: we need to be very cognisant of the interests of the workers in his home state versus the interests of the workers on the water. But attacking one worker's rights to promote the economic interests of another worker is in no-one's interests. That is a race to the bottom. If you accept that it is okay to undercut Australian workers on ships and for them to have Third World rates of pay and conditions, the next argument is to have them in those workplaces at Bell Bay, at Norske Skog and at these really important manufacturing facilities. It is a fundamental point of human rights that all human rights are inviolate. If you run down some people's human rights to support others, it is a race to the bottom and it will end in tears.

It is really important that we are having this debate right now because Four Corners tonight on ABC will be investigating some very disturbing actions that occurred aboard a ship that docked in my home port, the Port of Newcastle, which is also the home port of the members for Newcastle and Shortland. We were all very disturbed by what occurred upon that ship.

Ultimately the workers on that ship were relying on the intervention of the MUA, a union that has a great internationalist tradition and a great internationalist orientation to support workers around the world. It knows that the best way of supporting these workers is to ensure fair working conditions on Australian ships. That is why I am proud to say that I am a great supporter of the MUA, and the MUA has been supportive of me in the past. It is a great union that really is part of the social fabric of this country.

The agenda of those on the other side is really to destroy the MUA, just as in 1998 Peter Reith and John Howard conspired to make an entire workforce redundant purely because they were members of a union, in order to destroy a union. Those opposite know that if they attack the MUA and the CFMEU mining division, two great, stalwart unions in our region, they can destroy organised labour in this country and really run down the capacity of progressive forces to run an opposition to their reactionary cause.

So this is a really important issue, and the choice is clear. The choice is between supporting wages and conditions of Australian workers and running them down in response to Third World conditions. So I am proud to support the member for Newcastle's motion, and I do that very proudly.
Mr CONROY: No, Madam Deputy Speaker, leave is not granted. If they could not find more than two speakers on this motion, I do not think we are in a position to grant leave.

The DEPUTY SPEAKER: Thank you, Member for Charlton. I find that somewhat churlish, seeing as we have given that benefit to your side many times this year.

Mr CONROY: And we granted leave in the very previous debate, Madam Deputy Speaker.

Mr Hutchinson: No, they didn't.

Mr CONROY: Yes, we granted leave.

The DEPUTY SPEAKER: So we have 15 minutes and one speaker, and you are not granting leave.

Mr Hutchinson interjecting—

The DEPUTY SPEAKER: So leave is not granted—very disappointing.

Ms Claydon: Are there no other speakers?

The DEPUTY SPEAKER: They are clearly not here, are they? The mover of the motion is shutting down debate. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Sitting suspended from 13:17 to 16:00

STATEMENTS BY MEMBERS

Asylum Seekers

Ms PARKE (Fremantle) (16:00): I would need to be Tim Winton, my famous though humble constituent, to put the feeling properly into words—the dismay I felt when I heard our Prime Minister say, ‘Nope, nope, nope,’ to the notion of Australia resettling any of the miserable souls stranded friendless in the middle of the ocean off South-East Asia. As Hadi Zaher wrote in New Matilda, this incident was reminiscent of the fate of the Jewish refugees on the MS St Louis who were refused entry to Cuba, the US and Canada and forced to return to Europe, where many of them perished in concentration camps.

It is exceedingly rare to have nations in the region—Malaysia, Indonesia and Thailand—specifically ask for our help. Yet, when they do, instead of taking the opportunity to develop a true regional protection framework, we turn our back—thus damaging our credibility and standing in the region, as well as the hope for a longer term solution. The Refugee Council of Australia made some recommendations to government ahead of last Friday's special regional meeting in Bangkok:

1. Offer logistical and financial assistance to nations rescuing boat arrivals …
2. Negotiate resettlement places for refugees …
3. Encourage dialogue and commit financial resources to addressing causes of migrant and refugee flows … human rights conditions in Burma, economic and social development in Bangladesh and constructive action to tackle human trafficking.
4. Increase diplomatic pressure on Burma to address persecution of Rohingya …
5. Advocate for the establishment of UN human rights presence in Burma …
The government chose to ignore this sage advice, but it remains valid and available to the government should it decide that regional relationships and human decency are important after all.

**Solomon Electorate: The Safety House Program**

Mrs GRIGGS (Solomon) (16:02): I would like to let you know that my office is now an official designated safety house. A couple of weeks ago, the official yellow triangle sign was put in the front window of my electorate office. This means that children travelling to and from school who are injured, scared or worried about their safety can come into my office—a safety house. Any place where this yellow safety sign is displayed is a designated place for children to go when they are feeling worried or scared.

Currently there are only 134 safety house locations throughout the Territory. I would like to see that number grow. I think the Northern Territory police do a fantastic job administering and promoting this program. However, we need to get more people involved in the program. I would like to recognise the excellent work of senior police auxiliary officer Suzanne Seears, who has done an incredible job with this program and is responsible for us being one of the designated safety houses. As I said, I would like to commend The Safety House Program to all of my constituents in Darwin and Palmerston as well as to my fellow parliamentarians. I encourage not only my constituents but each of you here in the Federation Chamber to get involved with this great initiative.

**Rankin Electorate: Daisy Hill Koala Centre**

Dr CHALMERS (Rankin) (16:03): Yesterday was a really important day in our community. It was the 20th anniversary of the Daisy Hill Koala Centre. Anyone who has interacted with the koala centre at Daisy Hill would know that it plays a crucial role in koala preservation, as well as in the broader context of the Daisy Hill forest and the conservation parks that surround it.

I say this as someone who grew up on the fringe of that forest and who lives on the fringe of that forest now: I have a deep appreciation for all the staff and volunteers, as well as all of the clubs that use the forest, of the Daisy Hill Koala Centre, which celebrated its anniversary. With the anniversary celebrations yesterday, the place was full of people. With the celebration came an important announcement from Premier Palaszczuk and also the Minister for Environment and Heritage Protection, Steven Miles. They were accompanied by the member for Capalaba, Don Brown, and also my great friend the member for Springwood, my local member, Mick de Brenni. The announcement was that the koala will now be listed as vulnerable in Queensland, as it is federally, which is an important announcement. Previously it was limited to the south-east corner of the state, and now it will be state wide. So I pay tribute to the Premier, the minister and my local member for that announcement yesterday. Mick de Brenni shares my deep appreciation for the forest. He is a regular user of the forest and he understands the decision will be welcomed not only by koala lovers and conservationists but by everyone in my community who values the forest and the work that goes on there to make our community such a livable place.

**South Australian Government**

Mr LAMING (Bowman) (16:05): I return, bunker fuel free, to acknowledge that, just every now and then, you see this incontrovertible evidence that you need to get rid of state
governments. This time it is the South Australian government, who last week decided that they would effectively hack into 10,000 jobs and divert all of the state funding in training back to TAFE and kill off the private training sector. I know sometimes in politics it is all about protecting your mates' jobs in the unions, but sometimes you need to step back and just accept that private training providers do a pretty good job. Rod Camm, ACPET and all of those private training providers around this country offer a vibrant, capable alternative to TAFE that drives the quality in both. If we expect TAFE to evolve, the only way it will happen is if you invest equally and fairly in alternatives and let people decide. I know that is not a union philosophy, but let people vote with their feet and let the resources follow. It is so important to have private training, but that has effectively been killed off, with 45,000 of the 51,000 funded and subsidised places just being handed to TAFE—basically a lazy asset where only 27 per cent of their capital infrastructure is actually used through business hours and the rest of it just sits there idle. How is that efficient use of resources?

South Australia, no more brain explosions. I know you have already managed to kill off maths as a core subject in schools. I do not know why; we do not really understand why. You can be encouraging coding for kids and antenatal classes, but you are not looking after maths and you are not looking after training.

Brisbane Valley Highway

Mr NEUMANN (Blair) (16:07): I commend the state Labor member for Ipswich West, Jim Madden, and thank him and the Palaszczuk Labor government for their commitment to the Brisbane Valley Highway. Last Friday I attended the Geoff Fisher Bridge along the Brisbane Valley Highway, where I saw $1.65 million of rehabilitation work commencing, helping 3,400 local motorists around Fernvale and Lowood as they head into Ipswich.

As far back as 2013, I was campaigning on this issue with then Councillor Jim Madden, and I had the displeasure of getting correspondence from Mr Scott Emerson, who was then the Minister for Transport and Main Roads in the LNP government in Queensland. He told me in a letter to me on 13 June 2014 that my request for rehabilitation of this particular road was denied; it was not a priority. Then he wrote to me on 13 November 2014 saying that the Brisbane Valley Highway was only included to the extent of a one-kilometre section prioritised in the budget for 2014-15. There was no indication of when a further upgrade to the Brisbane Valley Highway would take place.

I commend the Palaszczuk government for starting this work. There is more work to be done. I thank Jim Madden, the member for Ipswich West, for his advocacy, and I thank the hundreds of people who signed petitions in the electorate of Blair to get behind Jim and me in this campaign.

Wigg, Mr Athol, JP

Mr RANDALL (Canning) (16:08): Madam Deputy Speaker, as I am sure you are aware, we in the House recently acknowledged National Volunteer Week, which ran from 11 May to 17 May. It is a privilege to rise today to once again bring to the attention of the House the invaluable and tireless efforts of volunteers across Australia every day. Driven by their kindness, compassion and sense of duty to their community, over six million volunteers in Australia contribute enormous economic and social benefits to our nation.
One such gentleman, who resides in the electorate of Canning, encapsulates this community spirit and dedication to serving fellow citizens in quite a remarkable way. Mr Athol Wigg JP has devoted over 60 years of his life to serving his community, most notably in a number of different community organisations based in Serpentine in the north of my electorate. He has also served the Serpentine St John Ambulance association, the Serpentine Scout Committee as its chairman, and the Serpentine Tennis Club, as well as a plethora of other community groups and committees too numerous to list in the time constraints upon me.

In 1996, Mr Athol Wigg JP was appointed a justice of the peace. From 2002 to 2007, he was a councillor of the Shire of Serpentine-Jarrahdale, winning the shire's community service award in 2002. He continues his good work as a member of the Serpentine-Jarrahdale Land Conservation District Committee and as a member of the Serpentine Jarrahdale Shire Reserves Advisory Group. I am honoured to acknowledge Mr Wigg's record. (Time expired)

Hunt, Mr Ian

Ms BIRD (Cunningham) (16:10): It is with great sadness that I report to the House that a fortnight ago I attended the funeral of a wonderful local gentleman called Ian Hunt. Ian was a really important person in our community, and his passing, given in particular that it was unexpected after a very short illness—cancer—caused great sadness. Many people turned out to his funeral to pay respects to him and to his family.

Ian was a councillor for the northern suburbs of the Illawarra from 1995 to 2004. During that time, he spent two years as the Deputy Lord Mayor of Wollongong council from 2002 to 2004. He was very passionate about improving his local community. That can be seen by his service on the Wollongong Showground trust, the conservatorium of music and the redevelopment of the North Dalton Park sporting precinct. He was someone who had a long and very proud history in our party as well. He held many important positions in the local Labor Party and was the president of one of my branches up until his illness and then, sadly, his passing.

Ian has left behind his wife and children. His wife, Judy, is also an active member of the party and the community, and I extend my condolences to her, his children—Leighanne, Jenelle and Brad—their partners and grandchildren.

Robertson Electorate: Erina Community Men's Shed

Mrs WICKS (Robertson) (16:11): I am pleased to be able to rise to speak this afternoon about the importance of men's sheds in my electorate of Robertson. They are very important community hubs for those people who seek mateship and company in a welcoming and inclusive environment. Today I am pleased to say that the Erina Community Men's Shed will receive a grant of $5,500 as part of this government's funding of $400,000 for more than 100 men's sheds across Australia.

This particular men's shed has only had its doors open since February, but it is fast becoming like a second home for around 50 locals on the Central Coast. At the Erina men's shed they join together to work on projects such as woodworking and repairing, and they can speak openly about issues related to health, their general wellbeing or whatever happens to be on their minds. I am informed that, while they started meeting on Fridays, it has become such a busy, demanding place that they are now open on Thursdays as well, which is fantastic news. This $5,500 grant will mean that they can construct an all-weather awning on the shed,
which will give them more space and even more opportunities to be of service to the community on the Central Coast.

This has been an initiative of Erina Baptist Community Care. The CEO, Jeff Blair, has told me that they are absolutely thrilled to be able to receive this level of support from the federal government. So I say well done to Jeff and the Erina Community Men's Shed chairman, Bob Miller, who has a real passion for this community. I commend the work of the Erina Community Men's Shed and other sheds across the coast, such as at Terrigal, Kincumber, Gosford, Umina Beach and Ettalong, for the work they do. (Time expired)

Health Care

Mrs ELLIOT (Richmond) (16:13): I implore the Abbott government to reverse their cruel and callous budget decision to cut the IEM grant, the Inborn Error of Metabolism Program grant. This funding provides financial support for special low-protein food for those with metabolic protein disorders. These individuals are unable to properly metabolise one of the amino acids in protein. This cut impacts on some 985 families across the country. In my electorate, a local teenager from Bexhill, Jayden Driussi, suffers from such an illness. Jayden is now 13 and was just nine months old when he was diagnosed. Since this budget announcement there has been a huge community outcry across the country about the need to reverse this harsh decision. This decision was made overnight with no consultation and no warning.

Previously the federal government had assisted families with a monthly food grant to help cover the cost of sustaining the complex and expensive diet that includes specialised low-protein foods. Until this month, individuals with these conditions were entitled to a grant of around $250 a month or around $3,000 a year to help with these costs. As a result of the budget cuts, this funding has been scrapped. It is a budget saving of around $3 million a year.

Jayden's family are calling on the Abbott government urgently reconsider their decision. I join with them and families right across the country in urgently calling for a reversal of this decision. It is vitally important that these grants are reinstated to assist these families.

Migration

Mr EWEN JONES (Herbert) (16:14): One of the great things we do as members of parliament is attend citizenship ceremonies. There, you will see the freshly minted smiles of freshly minted Australian citizens. It is one of the truly great things we do. Townsville is alive with multiculturalism. We are a fantastic multicultural site in Australia. We have 29 different ethnic groups that run alongside our Aboriginal and Islander groups, as well as our Celtic and European groups. We are a fantastic microcosm of Australia.

I always this say when I am able to speak to people at citizenship ceremonies: 'Always remember that although you take on citizenship, we are richer and we are more textured because of what people bring to our society.' I shudder to think that we are still the same shut-off sort of society that we were 100 years ago, when my great-grandfather came to this country and could not get a job because he was a Catholic. I would say to everyone when they come to Australia that if I had to go to another country and if I had to be a citizen of another country, I would accept the laws and I would accept their customs; but a part of me would never stop being Australian. I would always eat Vegemite, drink Milo, always stop for
Boxing Day cricket matches, watch the State of Origin and recognise those things that are truly Australian.

That is what we have got to do when it comes to accepting people into our hearts. We need to make sure that they add to our country. It is not about what we can give them, but what they add to us. That is what makes Australia singularly the most successful immigrant nation on the face of the earth.

**Budget**

Mr SWAN (Lilley) (16:16): Low-income families in the northern suburbs of Brisbane, as well as low-income pensioners, part pensioners and low-income retirees, are extremely fearful about the impact of the Abbott government's budget—both budget No. 1 and budget No. 2—on their living standards. Those who receive family tax benefit part B could be up to $6,000 a year worse off. There are some 7,000 families in the northern suburbs of the Lilley, as well as more families in the electorate of Petrie, who are going to have their incomes substantially cut. That will have a dramatic impact on their lifestyle.

It is not just affecting those on lower incomes. There are many who will also be affected by other changes in the family benefits. For example, a family with the dual income of $120,000 a year and two children will be $3,272 a year worse off by 2018-19, which is over $60 a week. That is a big hit to a family budget. But it is not affecting just families with children. It is also affecting pensioners and low-income retirees, who are very fearful about the changes which are now coming in the income and assets test. This government is not content with threatening in budget No. 1 to reduce the income of full pensioners by up to $80 a week in a decade. It has now turned its guns on low-income retirees and many part pensioners, who are extremely fearful about what these sudden changes made do to their incomes and their lifestyle.

On behalf of all those people in my electorate, I write to assure them that I am going to fight these changes to the end. *(Time expired)*

**Boothby Electorate: Roads**

Dr SOUTHCOTT (Boothby) (16:18): I was very pleased to be up at the Flagstaff Hill roundabout recently with Minister Jamie Briggs to announce Black Spot funding, which will make important safety upgrades to roads in my electorate. Flagstaff Road and Happy Valley Drive are major commuting roads for residents of Aberfoyle Park, Flagstaff Hill and surrounding suburbs. Unfortunately, this road—which runs through the foothills—currently has no road lighting whatsoever on a 2.5 kilometres section between Black Road and Manning Road.

I was very happy to be there with Mayor Lorraine Rosenberg and Counsellor Darryl Parslow to announce $786,000 of funding to install new road lighting on that stretch of road, which will decrease the chance of crashes and at night time. Locals also know that the railway crossing on Grange Road at Hawthorn is often quite dangerous. Vehicles queue over the crossing and, on at least one occasion, an articulated bus has been caught under the boom gate. That crossing will now be upgraded with a vehicle escape lane, capable of accommodating 19-metre articulated buses. The traffic signals at the Grange Road, Belair Road and Newark Road intersection will also be improved. Finally, the corner of Hawthorndene Drive and Watahuna Avenue is dangerous in wet weather, with vehicles losing
control. New funding will see the installation of non-skid pavement, advanced warning signs and delineation at that intersection.

I thank the Onkaparinga and Mitcham councils for their applications and am pleased that we were able to work with them for this outcome. (Time expired)

**Canberra Electorate: Cercol Construction Services**

Ms BRODTMANN (Canberra) (16:19): I rise today to pay tribute to a local Canberra company, a company that is doing fantastic work across the capital region. All of you here have probably seen their work, with a number of their projects out at the Canberra airport.

Cercol has been operating in Canberra for more than 16 years and currently employs 18 full-time staff. I was fortunate enough to meet one of those staff members at the launch of Habitat Recruiting, the newest member of Karlka Recruiting Group, Australia's first national Indigenous-owned recruitment group.

Clive Connolly is a young Indigenous Australian who moved to Canberra from the Yarrabah community, outside Cairns in Far North Queensland, to learn his trade as an apprentice carpenter. He was given an opportunity by Habitat Personnel and Cercol, and by all accounts he grabbed it with both hands. At the event last week, Cercol Constructions director, Greg Spencer, described Clive as a model employee. According to Greg, Clive is a very determined person and has a wonderful vision of where he wants to be in the future. Greg told me that Clive would love to be in a position in the future to build himself a house back home in the Yarrabah Aboriginal Shire. 'Well, Clive, I believe you have the ability and the determination to achieve that, and I am going to help you get there,' says Greg.

Clive is well on his way to fulfilling his dreams as a qualified carpenter and, then, licensed builder. Watch this space! I would particularly like to thank Cercol, Nathan and Greg Spencer, and Habitat Recruiting for the opportunities they are providing to Indigenous Australians and for the great work they are doing in the Canberra community.

**Eden-Monaro Electorate: Fling Physical Theatre**

Dr HENDY (Eden-Monaro) (16:21): On Friday 15 May, I had the great pleasure of attending the Fling Physical Theatre season opening night performance of *Rule of Three* at Bega's indoor sports stadium. I was honoured to attend as the representative of the Minister for the Arts, Senator George Brandis. Fling has recently received funding through the government's Regional Arts Fund, demonstrating our commitment to fostering the arts for regional audiences and encouraging artists and creators in those regions.

The audience of some 80 people enjoyed the evening's program which consisted of three performances. The first performance, called *Curved Lines*, is an abstract work exploring the communication pathways of the body. The second performance, called *Speech*, considers how much one is willing to share—for example, do we say what we really think? Lastly, the third performance, called *Socialise Me*, explores the use and abuse of social media, with particular focus on the trends of young people today.

I acknowledge the great choreography of Rob McCredie, Gabrielle Rose and Ruby Dwyer. I salute the work of artistic director Lee Pemberton, the theatre's chairperson Ms Martine Mathieson and all those who contribute their time and skill to Fling Physical Theatre, such as Jen Hunt. Above all, I applaud the cast: 19 enthusiastic, creative young performers dedicating profound personal effort to artistic expression.
Makin Electorate: Armenian Community

Mr ZAPPIA (Makin) (16:22): In April I attended the stage performance entitled *Journey of Faith*. The play was produced to coincide with the 100th anniversary of what is referred to by many historians as the Armenian genocide. The production relives the death of an estimated 1.5 million Armenian people at the hands of the Ottoman Empire between 1915 and 1923, through the eyes of an Armenian woman and a Turkish soldier who come face to face in Adelaide as two elderly people some 50 years after the event.

Whilst the Turkish Government has acknowledged that atrocities were committed, it denies that they were genocide and says that they occurred during a time of war, when other atrocities were also taking place. In 2013, the Turkish Prime Minister conveyed his condolences to the grandchildren of the Armenian people who had lost their lives in the early 20th century. As Australian lawyer, Geoffrey Robertson, points out, the determination of genocide is a matter for judges. What there is little disagreement about is the magnitude of Armenian suffering and the loss of lives of men, women and children—so much so that, at the time, emergency relief committees were established in several countries, including Australia.

In 1923, Adelaide pastor Reverend James Crasswell travelled to Armenia and surrounding countries to see for himself the situation of the Armenian people. Today I acknowledge the 100th anniversary of the loss of 1.5 million Armenians between 1915 and 1923, and to their surviving families I offer my sympathies.

Banks Electorate: Beverly Hills Parking

Mr COLEMAN (Banks) (16:24): Local infrastructure is one of the most important issues in my electorate of Banks, and nowhere more so than in the suburb of Beverly Hills. Beverly Hills is a key part of the local economy in Banks, with scores of restaurants and other businesses employing literally hundreds of people. Parking in Beverly Hills is simply not good enough. Beverly Hills is one of the largest commercial centres in my electorate, and for too long parking has been a major problem, especially on the weekend. In recent weeks I have distributed a petition on this issue in our community, and I am pleased to say that hundreds of local residents have signed to say that they agree that this problem of parking in Beverly Hill needs to be fixed. Next week I will be presenting this petition to Hurstville City Council, and I look forward to the council taking action on this important matter. Beverly Hills has a wide range of entertainment businesses—there is a large cinema and there are many cafés—but the existing parking on Edgbaston Road simply is not coping with the level of demand. In order to continue to grow our local economy in Banks and in Beverly Hills we need the infrastructure to allow people to visit the suburb, and that is why I am determined to pressure the council to improve the parking situation in that suburb.

Parramatta Electorate: Schools

Ms OWENS (Parramatta) (16:26): So much for building the future! The Abbott government brazenly talks about building the future from time to time but by every measure it is a big fail. You simply cannot build a future without investing in education. Educators, parents and even our state government know that. Over 27,000 Parramatta schoolchildren and their parents are counting on funding for our schools because they know that education is our future. The Abbott government clearly does not know or does not care, because by its own figures schools in Parramatta will be $231 million worse off over the next decade. The
average school will be $3.2 million worse off, and cuts will affect every school in Parramatta—public, independent and Catholic. Effectively every student in every school in Parramatta will be worse off under this government.

This is the real intergenerational theft: denying our current generation of children the education they need to do well in adult life in a rapidly changing world where our neighbours to the north are overtaking us already when it comes to the education of their children. These savage cuts to schools are just another example of unfairness in Tony Abbott's budget but, more than that, they show an appalling lack of vision. Education is the foundation of future prosperity, and the Abbott government is ripping that away as surely as it is ripping away the future for our children.

**National Security**

Mr HOGAN (Page) (16:27): Dual citizenship strengthens the social and economic fabric of our nation. The ability of Australian citizens to also be citizens of other countries gives people more freedom to move in an increasingly globalised world. It has strengthened our links with other nations, including in our region. Dual citizenship recognises there are Australians who have close connections to Australia and to another country as well.

The recent counter-terrorism review concluded that Australia has entered a new, long-term era of heightened terrorism threat with a much more significant home-grown element. It assessed that the threat of terrorism in Australia is rising along with the number of known sympathisers and supporters of extremists. Thousands of young and vulnerable people in the community are susceptible to radicalisation.

The Commonwealth government intends to update the Australian Citizenship Act 2007 so dual nationals who engage in terrorism can lose their citizenship. The Minister for Immigration and Border Protection will be able to exercise these powers in the national interest where a dual citizen betrays our country by participating in serious terrorist-related activities. Since 1949, Australians with dual citizenship who fight for a country at war with Australia have forfeited their citizenship. Our success as a nation is underpinned by a commitment by all Australians to a law-abiding, peaceful and open society, and in an environment in which terrorism is reaching out to our community we need to ensure that this is well understood.

**Dearing, Mr Paul**

Ms HALL (Shortland—Opposition Whip) (16:29): On 6 April Paul Dearing—a three-time Olympian, a member of the Hockey Australia Hall of Fame and an icon of Newcastle sport—died. He was also a constituent who lived in Eleebana. He was a fearless shot stopper and he played in 69 tests between 1963 and 1972. He appeared at the Tokyo 1964, Mexico City 1968 and Munich 1972 Olympic Games. He was a highly respected coach and umpire.

He died at his family home in Eleebana after a long battle with an illness. He was 73. He was a pioneer in an era where goalkeepers were admired for their courage as much as their prowess. He grew up in Carrington at a time when Carrington was not a fashionable suburb. He played for Norths, and he went on to be the best in the world. Dearing was a member of the first Australian hockey team to win an Olympic medal, taking bronze at the Tokyo games. Four years later, they were runners-up in a 1-0 loss to Pakistan in the final. He was also inducted into Hockey Australia's Hall of Fame in 2008. He was named a goalkeeper in the
World XI as well. He has been an outstanding sportsperson, and my sympathy goes to his family.

Nobbs, Mr Eric

Mr O'DOWD (Flynn) (16:30): I regret to inform the House of the passing last fortnight of Eric Nobbs, a well-known pastoralist, who was born in Jandowae but lived most of his life in my electorate. Eric was regarded by all who knew him as a gentleman and a gentle man. He was unassuming, and he was successful in the cattle industry. Throughout his career, he built his family business to include 17 highly productive properties in Central Queensland. He lived to 97, but even in his later years he showed no interest in retirement. He kept a hands-on role in his family businesses.

Eric was made a life member of the Australian Brahman Breeders Association in 2002 in recognition of his outstanding contribution to the Brahman breed. His cattle have achieved great results across Australia, and he was judged the most successful breeder at the Brahman Commercial Breeding Female Sale in 2012 and 2013. Eric was a regular Beef Australia entrant and made an appearance at the last Beef Week, which was held in Rockhampton only last month. There was no shortage of well-wishers. Eric Nobbs's passing represents a great loss to the Queensland and Australian cattle industry. My thoughts are with his family during this difficult time.

Sheikh-Eldin, Dr Melika

Ms VAMVAKINOU (Calwell) (16:32): Today I rise to speak about my constituent Dr Melika Sheikh-Eldin. I met Melika yesterday at the annual conference of the Refugee Communities Advocacy Network. The conference provided former refugees in Victoria with the opportunity to discuss issues of importance to their communities, including access to education, the settlement services program, employment support and, of course, the broader Australian refugee and humanitarian program. Dr Sheikh-Eldin is herself a former refugee and is very well-placed—and was very well-placed yesterday—to talk about her experiences coming to Australia.

Dr Sheikh-Eldin immigrated here as a refugee from Eritrea in 1992 with her three sons. Since settling in Australia over 20 years ago, she has received her doctorate in aquatic science with a research focus on Australian endangered species. This remains a topic of interest to Dr Sheikh-Eldin, and one that she hopes to pursue into the future. Another keen interest of Dr Sheikh-Eldin's is providing settlement support to newly arrived refugees. She has worked for AMES, a settlement service provider, for 13 years and is currently the manager for settlement partnerships for the AMES network in Victoria. In this role, she oversees the Community Guides Network, an internationally recognised program that links newly arrived refugees to non-English speaking communities. She is involved in assisting refugees in other capacities. She is a member of the Refugee Council of Australia, a deputy chairperson of the Horn of African Communities in Victoria and an attendee at the annual International Migration, Integration and Social Cohesion conference in Geneva.

Tourism

Mr ENTSCH (Leichhardt) (16:33): Last weekend a silk road started operating between Cairns, Australia's Gateway to the Reef, and the lion city of Asia. SilkAir is the regional wing of Singapore Airlines, and their Boeing 737-800 touched-down in Cairns just after 10 o'clock.
on Saturday morning. It was the first of a three-times-a-week service between Singapore and Cairns. Of course, securing this route between our two cities would not have been possible without significant negotiations. I would like to congratulate those involved: Cairns airport CEO Kevin Brown, SilkAir CEO Leslie Thng, Tourism Tropical North Queensland CEO Alex de Waal and the Queensland government.

Singapore is one of the world's major commercial hubs and the fourth largest financial centre, and has one of the five busiest ports. The new service is expected to bring an extra 20,000 visitors to the city of Cairns each year, with the route generating an extra $14 million in visitor spending during the first year of operation. This will bring massive benefits to our city in terms of tourism, investment, and imports and exports—and even those looking to study at one of the two universities with major campuses in Cairns.

Singapore is the cosmopolitan gateway between the eastern and western worlds, and I am pleased to see their regional airlines, SilkAir, is making Cairns a major gateway into Australia.

**Indi Electorate: Australian Manufacturing and Farming Program**

*Ms McGOWAN (Indi) (16:35):* It is not enough for us simply to put young people in schools and hope their education will land them a job when they finish. Providing leadership and direction for young people and being positive about employment opportunities is just as important. I had the delightful pleasure on Friday to be part of such a seminar. I would like to thank Raymond Bertazzo from Bertazzo Engineered, and Wilson Transformer Company's General Manager Jon Retford for taking the time to speak to students at the Australian Manufacturing and Farming Program forum held in Wodonga.

This forum gave students direct access to two very successful businesspeople to learn what it is that they are looking for in young people. The tips they provided students from Wodonga Middle Years College and Corryong College were first rate, particularly for those young people considering an apprenticeship when they leave school. Corryong College teacher Helen Marshall also brought a number of year 11 students to the forum. Many students at Corryong College are interested in trades as a career, as is typically the case in many rural schools. Helen said the information at the forum was current and relevant, and it was important to hear it straight from the industry's mouth, so to speak. Being on the same page as business is vital for education providers, and the AMFP provided that opportunity. The tips were: succeed to year 12, be persistent, do English and do maths.

**Calare Electorate: National Stronger Regions Fund**

*Mr JOHN COBB (Calare) (16:37):* I congratulate Parkes and Orange councils on having successful projects named in the recent round of the Stronger Regions Fund. We are very grateful for that. I would also like to point out to those who were unsuccessful, whether councils or other applicants, that it is possible for them to get a total debriefing from the department on why they were not successful and whether perhaps they should try again.

One council and project that very much come under this category are Lithgow City Council, in the east of my electorate, and their Lithgow revitalisation and infrastructure project to increase the services, utilities and surroundings of the centre of Lithgow, which obviously would hugely lift the amount of business done there and the attractiveness of the whole shopping area in the centre of Lithgow. This is a town that is looking to improve. It has
lost its coalmining in recent times, and Wallerawang power station has shut down because of the effect of the subsidisation of alternative energy. This is a project that would be good for Lithgow and good for our region.

**Inborn Errors of Metabolism**

Mr MITCHELL (McEwen—Second Deputy Speaker) (16:38): 'Federal government cuts essential funding for children with genetic disorders' was the headline of an MDDA press release on 25 May this year. The federal government sneakily cut essential funding for children and adults suffering from rare genetic disorders called inborn errors of metabolism. For these individuals, a vital but expensive medically prescribed diet—which was supplemented by the funding—is required to avoid brain damage, seizures, liver failure, coma and, in some cases, even death.

The federal government stated that the grant would end at the end of the year but they did not consult anyone about this. The grant currently supplements some of the very expensive food costs. One box of specialised low-protein cereal costs $14.65. Low-protein bread costs 10 bucks a loaf. Specialised low-protein grated cheese costs $28. These foods are only available from three mail-order national suppliers, and the delivery fees are also very high. It is easy to see how the monthly food bill can skyrocket for families dealing this illness.

As I said, the federal government currently provides $256.75 per month to 984 people with the disease. The federal government advised of its decision without consulting any major representatives or the peak body MDDA, which represents medical clinicians for IEM disorders. We know the government says that things are cheaper, you can buy them and they are more accessible, but that is just an absolute crock—absolute rubbish. I know that this is going to impact on Tiffany and Peter in caring for their son, Jesse, and also on Craig and Koby with their sons, Lachlan and Liam.

**Dawson Electorate: Illicit Drugs**

Mr CHRISTENSEN (Dawson—The Nationals Deputy Whip) (16:40): Last Tuesday I received a disturbing letter from the Mayor of Whitsunday Regional Council. She told me the Bowen State High School had raised some concerns with her about what they described as an astounding and gravely concerning increase in the use of drugs, particularly ice. The reports that the school had obtained insinuated that drugs were being given freely, at no cost to the user, and were used amongst a wide range of community members, including students. As if to substantiate those claims, 100 police raids across Mackay and the Whitsundays on the weekend netted more than $1 million in drugs, with 57 arrests made. The drug haul included 14 kilograms of cannabis, 18 cannabis plants and 460 grams of the drug known as ice.

The Liberal-National government earlier this year identified the growing problem of ice and created the National Ice Taskforce to develop a National Ice Action Strategy. As a region that is heavily impacted by the use of ice, North Queensland will be contributing to the National Ice Taskforce. I will be conducting community forums on ice in both Mackay and Bowen in the coming weeks, gathering input from key stakeholders across the community, including front-line police and ambulance officers, health and mental health workers, schools, sporting and youth groups, and social services organisations. Our community forums will discuss both the extent of the problem and its impacts, as well as the solutions for the National
Ice Action Strategy. I look forward to that strategy being developed and to solutions for my local community.

**Western Australia Day**

Ms MacTIERNAN (Perth) (16:41): Today is WA Day, marking the establishment of the Swan River Colony, the forerunner of the great state of Western Australia, in 1829. This commemoration must always be tempered by an acknowledgement of the Aboriginal people whose culture was so critically disrupted by this settlement. Our path to reconciliation of this clash of cultures has been pretty chequered. It is a work in progress that will require Aboriginal people to be given much more opportunity to shape their own destiny. On the other side, we are a community that has in the last few decades grown rapidly and has become much more ethnically diverse. This expansion has brought even more energy and vitality to the always energetic WA community.

The WA spirit has been forged by isolation and extended periods of hard times. It is inclusive, welcoming anyone, and it is creative and cooperative, as for many years we lacked the population to simply replicate the old order, requiring inventiveness. We joined the Federation a little reluctantly, and we may have tried to escape in the past, but our future is now clearly as part of the Australian family. We encourage our eastern states cousins to be as interested in and open to our stories as we are to theirs, and so to strengthen this shared Australian identity.

**Forde Electorate: Beenleigh Police-Citizens Youth Club**

Mr VAN MANEN (Forde) (16:43): I am sure, Mr Deputy Speaker, you would be pleased to know that on Saturday I took part in the Beenleigh PCYC Time for Kids event. In taking part in that, I was locked up for an hour, and I am sure you would have paid—

An honourable member: They let you out?

Mr VAN MANEN: That is because I did not ask the Deputy Speaker for any sponsorship; he would probably have asked to keep me in longer. But this was a terrific event, with a wide range of community leaders and people involved in raising funds for the local PCYC.

The Beenleigh PCYC does an absolutely tremendous job, with a wide range of programs for kids in our community, many of whom come from very difficult circumstances at home. I would just like to acknowledge Sergeant Mark Haestier, who is the officer in charge of the PCYC, for the tremendous job that he does in running the PCYC, along with his team of volunteers, who do such a tremendous job. I would also like to put a shout out in acknowledgement to some of the people that took part on the weekend: Shannon Fentiman, Don Waters, Jennie Breene, Don Petersen, Jared Love, Bill Heck, David Look, Anje Pieper and Shane Gee. All had an absolutely wonderful day, and it was great raising funds for the local PCYC.

The DEPUTY SPEAKER (Mrs Griggs): In accordance with standing order 43, the time for members' statements has concluded.
BILLS

Appropriation Bill (No. 1) 2015-2016
Appropriation Bill (No. 2) 2015-2016
Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016
Appropriation Bill (No. 5) 2014-2015
Appropriation Bill (No. 6) 2014-2015

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr VAN MANEN (Forde) (16:45): It gives me great pleasure, in rising to speak on Appropriation Bill (No. 1) 2015-2016 and related bills, to take this opportunity to share with the House some of the positive feedback from the Forde community following the 2015 federal budget. Over the course of the week subsequent to the budget we hosted a number of mobile offices and community forums around the electorate. There was a clear sense of understanding and confidence in the Australian government from the residents we spoke to. People understand that we were left with unsustainable debt and deficit from the previous Labor government, and they are looking to us as a coalition to come up with a budget that is measured and responsible to ensure a prosperous economic future for our country. This starts with the $5.5 billion Growing Jobs and Small Business package, which has been very well received by Forde's small business community.

I recently met with local business owner Paula Brand from Living with IT. She not only runs a small business but hosts regular north Gold Coast business meetings as well. She applauded the budget measure to cut the company tax rate by 1½ per cent to 28.5 per cent. She also said that the new accelerated depreciation measures that would allow small businesses to claim an immediate tax deduction for every asset valued up to $20,000 would improve cash flows for small businesses significantly.

A division having been called in the House of Representatives—

Sitting suspended from 16:47 to 17:01

Mr VAN MANEN: I was speaking before about the importance of the budget to small business in the electorate of Forde and I was sharing some of the thoughts of Paula Brand from Living with IT, one of our very good small businesspeople. The instant asset write-off to $20,000 is a substantial increase over the previous $1,000 threshold and is a fantastic opportunity for small business in Forde to have a go and take the opportunity to expand their business. Paula also welcomed the removal of the fringe benefits tax on portable devices as this would encourage business to embrace technology. She said that it would encourage small technology businesses to take on the challenge of competing with bigger technology retailers and would improve spending in the industry.

The Growing Jobs and Small Business package will also encourage young people into work and provide incentives for business to hire older workers. Investing some $6.8 billion to establish Job Active will significantly improve the quality of service for job seekers and
employers. In Forde, MAX Employment has been appointed the Work for the Dole coordinator for the Logan region. I look forward to seeing the fruits of our labours as we help job seekers gain valuable skills and search for permanent employment. I know that, in meeting and speaking with representatives from Max Employment, we have already seen some significant successes.

The Forde region has had its concerns with youth unemployment, and we see the new Job Active program helping job seekers not only to learn new skills but also to give something back to the community that supports them. Many young job seekers do not have practical work experience. I have often heard from our young people how difficult it can be to gain employment without experience. Job Active is about helping job seekers who have been out of the workforce for some time to gain valuable employable skills.

There are also incentives for employers. The government has committed a $1.2 billion pool for wage subsidies to support employers to provide job opportunities and assist job seekers into work. We have also committed $18 million over four years for around 6,000 job seekers to annually undertake valuable work experience of up to four weeks while they continue to receive income support. This is a great step forward as we seek to tackle youth unemployment. I encourage Forde's young people to take the initiative to seek the skills they need to find full-time work and positively contribute to their local community and their country. We want to see more people in work and continuing in work. These incentives will encourage local small businesses to take the initiative to expand their number of employees.

There are more than 18,000 families with school-age children in Forde and the $4.4 billion Jobs for Families package has been very well received across the community. The struggle for parents to return to work after having children has been a growing concern for many families. The childcare system has become more and more expensive under Labor, with fees increasing by more than 50 per cent between 2007 and 2013. I am pleased to say we are reforming the childcare assistance package to establish a new and simpler childcare subsidy from July 2017.

With the changes that have taken place in our society and economy over the years, having two parents in paid employment has become an increasingly important necessity for most families. This means we need to do more to help parents who want to work and parents who want to work more. I have spoken with many families over the years who have complained about the increasing cost of child care and the toll it has taken on the family budget. One mother told me how she had returned to work for the sake of an extra $100 a week after childcare expenses—but that they needed that extra hundred dollars just to get by.

The new Jobs for Families package will deliver a simpler, more affordable, more flexible and more accessible childcare system. Parents who are working, training, studying or undertaking other activities such as volunteering will be able to get the assistance they need. The majority of families in Forde accessing child care will be on average $30 a week better off. The Child Care Safety Net will also ensure children from lower income families will not be left behind, with support for the children and families who need it most. This is a tremendous win for families and we look forward to it being implemented over the coming years. As usual, it has taken a coalition government to actually sit down and listen to what Australian families need and to help them to achieve their priorities, goals and objectives.

Forde has more than 25,000 people receiving the age pension and more than 3,600 receiving Veterans' Affairs pension payments and benefits. Budget changes to the assets test
for pensions mean the majority of pensioners in Forde, those with modest assets, will be on average $30 a fortnight better off. Following the community forums I held last week, I know that pensioners are pleased with these changes and have also welcomed the government's decision to scrap last year's budget measure to link pension increases to the CPI. Following the assets test changes, the majority of pensioners will either be better off or will have no change. This is a positive step forward in the government's plans for a fair and sustainable pension system.

I am very proud to say that much has already been achieved by this government for the people of Forde. From the 2015 budget, Forde received a portion of the government's 2015-16 budget funding, including $300 million for the preconstruction work for the Melbourne to Brisbane Inland Rail line and a further $10 million for the upgrade of exit 54 at Coomera. Funding for the Coomera Interchange was a major election commitment and I am pleased to see we have achieved this outcome. Construction is scheduled to start in July and I look forward to seeing the project completed and to being part of the celebrations when it officially opens in late 2016.

The government has also recommitted its $3 million in support to the Beenleigh Town Square project. I am happy to report that the community is increasingly looking forward to this project coming to completion. The Beenleigh Town Square is expected to open in September 2015 and will completely change the dynamic of the Beenleigh town centre. There is hope this redevelopment will encourage business investment in the region and give the residents of Beenleigh the pride in their town that it so rightly deserves. Two local councils in Forde will also receive a funding boost from the 2015 budget through Roads to Recovery. Logan City Council will receive some $4.7 million and Gold Coast City Council will receive $8.4 million. The government doubled the Roads to Recovery investment in the 2015-16 financial year. This investment epitomises the importance placed on building the infrastructure Australia needs from the local level up. Funding local councils means local needs will be met and Forde's two local councils will be able to deliver the reliable infrastructure their residents deserve. I have also ticked off on many other election promises. This year's federal budget has been instrumental in this process.

We have an issue in parts of the electorate with crime and antisocial behaviour. This has been a major topic of concern from community surveys. Surveillance plays an integral role in reducing crime and improving the safety of residents. This government has delivered $960,000 for 12 closed circuit CCTV cameras to address this issue. We further committed and funded $20,000 to the Beenleigh and Logan West State Emergency Service groups. This funding helped the SES purchase a number of GPS units and an education trailer. Our local SES branches have performed extraordinary work in the community and have helped so many people in times of crisis. In the past four years we have seen our community hit by floods, devastating storms and cyclonic depressions. Each and every time our SES have answered the call for assistance. It is fantastic to see that we have been able to answer their call for funding by supplying vital equipment so they can continue their work.

I recognise that, while much has already been achieved, there are still many local issues across Forde. I will continue to work hard on behalf of the community to continue to advocate for the funding to address vital projects for our region. I am pleased to commend the budget to the House.
Ms BUTLER (Griffith) (17:12): In speaking in this debate I want to talk about the future of standards of living for individuals and their families because, after all, the purpose of government is to serve its people. Government should do what it can to promote families' and households' living standards, so I want to talk about that. If we want to be a nation that is prosperous and a nation where everyone shares in that prosperity, our country needs to focus on jobs now and in the future. So I also want to talk about jobs and what this budget does or does not do about jobs. If government's purpose is to serve its people then federal budgets should serve the interests of the people. So an important test of a budget is: what does it do for the economy and what does it do to help everyone share in the benefits of the nation's prosperity?

As I said, a federal budget should help to promote families' and households' living standards. What is the point of living in a prosperous nation if people live in poverty? What is the point if even people in middle-class households are finding it hard to make ends meet? Why are we not dealing with these questions as a matter of urgency? What does this budget do in relation to those questions? Unfortunately, what this budget does is continue to take an axe to family tax benefit, particularly family tax benefit part B. As John Howard, the former Prime Minister of this country, said last year, family tax benefits are a form of tax relief for working and middle-class families. They are aimed at helping families with the cost of raising children. Yet the second Abbott government budget maintains last year's cuts to family tax benefits. They want to take away the family tax benefit from a family when the youngest child turns six and there is a long-term freeze on the rates of family tax benefits. These cuts are going to make it harder for families to bear the costs of living. These are cuts that hit the families on the lowest incomes the hardest. Nine out of 10 families whose income is in the lowest 20 per cent will lose out under the Abbott government's first budget and second budget combined with cuts to family tax benefits. Meanwhile, nine out of 10 of the wealthiest families will actually benefit from the changes that are being made to family tax benefits. A single income family on $65,000 with two children in school will be around $6,000 a year worse off as a consequence of this budget.

We will continue to oppose these cuts, as we have done for the past year. These cuts are not minor; they affect literally thousands of families in each electorate—for example, these cuts to the family tax benefit will affect 7,172 families in my neighbouring electorate of Bonner, 3,408 families in the federal electorate of Brisbane, 8,638 families in Capricornia, 8,690 families in Dawson, 9,629 families in Flynn, 12,867 families in Forde, 11,654 families in Leichhardt and 12,502 families in Petrie. Where are the members for these federal electorates? Why are they not speaking out to oppose the cuts that will affect the families who live in their electorates? If it is not their job to represent those families, then what do they think their job is? Why are they not standing up for the working- and middle-class families in their electorates?

My electorate is one that is younger than average. It is one where there are a lot of young children. It is an electorate where we have a higher-than-the-national-average proportion of dual-income families where both parents work 40 hours a week or more. Those families know as well as anyone how hard it is to balance all of the competing demands that we all have—the demands of care for children, disabled relatives and elderly relatives, the demands of paid work and the demands of being part of a community. People do not just want to live to work
and sleep; they want to be part of a rich and vibrant community. My electorate has plenty of those types of communities. Making it harder for people to bear their cost of living by making these cuts to family tax benefits is going to make our society a less cohesive one—a society where people have even less opportunity than they do now to go out and participate in civic life.

Australia needs a big, productive and healthy middle-class. We need economic settings that allow everyone to make a contribution, whether that is through the unpaid labour of love that is care for kids and relatives, volunteering in community organisations, paid employment, running a business, or a combination of all those things. A variety of settings and policies are needed—jobs creation; keeping unemployment low, for example. That is obvious. Importantly, we need settings that help parenting-aged people manage care responsibilities and settings that ensure that people get the best start in life. That is why we need, among many other settings, policy settings that support families. To support families, we need the tax and transfer system to work for them, we need a realistic understanding of the costs of care and we need structures and institutions in place that can serve families' needs. The family tax benefit is an important component of families policy—and so is early childhood and care.

In their first budget, the Liberal-National government sought to cut around $1.1 billion from early childhood education and care, including through cuts to subsidies, cuts to outside school hours care and cuts to family day care. This year it has announced some good changes that are not unwelcome in relation to early childhood, particularly child care; though I would note that last week Goodstart Early Learning released some modelling that showed that some families would be a fair bit worse off, around $4,600 worse off, and that about 100,000 children would be affected. I do give the government some credit for finally trying to tackle the issue of child care access in this country, but it should not be making those changes that are desperately needed—not just by the individual families and for the kids themselves but by the economy as a whole, when we try to increase workforce participation—contingent on passing cuts that are going to hit families, such as the family tax benefit cuts.

The government has also announced cuts to paid parental leave which will see around 80,000 people a year worse off, some by as much as $11,500. It has rightly been criticised for accusing working parents of rorts, of fraud, of double-dipping. This cut shows that this government does not understand paid parental leave. I doubt that the Treasurer or the Minister for Social Services have even read the Productivity Commission report of 2009 that preceded the introduction of the first universal Paid Parental Leave scheme in this country that Labor introduced after many years of work from people including, particularly, the member for Jagajaga, Jenny Macklin. It seems that the coalition does not even understand the Paid Parental Leave scheme, which is regrettable. I certainly hope that they will start to think more carefully about the way that all of these different components of families policies interrelate.

These changes are worrying not just for their impact on the individual children and the individual families but also for their impact on the economy and on our society. It is particularly disappointing to hear the Liberals and Nationals talk about cuts to support for families as a means of encouraging people into work—as though people just need to be encouraged to work, as though people are just sitting around thinking that they might just prefer not to work. What planet are they on?
I do not think that it is realistic to think that there are people who somehow need to be encouraged into work. I think that a better use of everyone's time and effort would be dealing with the fact that we are heading for 6½ per cent unemployment in this country—that is on the government's own projections in its own budget papers. This is in a country where we also have a significant underemployment problem. But they are looking around, saying, 'The real problem here is people are not doing enough to look for jobs.' Where are the jobs? Where are the jobs coming from? Where is the work for small business?

We have said that we will support the small business package. Of course we will support an asset write-off—we had an asset write-off that this government took an axe to last year. But the fact is that, if you are a small business, if you are a tradesperson, if you have an ABN, if you are working in an ABN capacity and you are a microbusiness or a small business, then all of the policies in the world aimed at helping you to spend money are no use to you if there is no work out there for your business because the economy is in the doldrums. This government has overseen a situation where their first budget smashed confidence in this country, damaged confidence so much that the economy was damaged.

On that side of the House they like to call us economic vandals. They like to say that about us, but it is absolute nonsense of course. It is just sledging and rubbish. If you want to know who the real economic vandals are, look at the first Abbott-Hockey coalition budget. Do not forget that they were warned not to make too many cuts too quickly. Do not forget that they were warned that if there was too much austerity, that would hit growth. They were warned about that but they did it anyway. What was the consequence? The rate of GDP growth slowed every quarter last year. The rate of GDP growth slowed from the first quarter. If you look at the March figures, then the June figures, the September figures and the December figures—on a trend basis, at the end of December quarter, GDP growth had slowed to 0.4 per cent for the quarter. It slowed all year. Every quarter was worse than the last for economic growth, yet the people in the coalition try to lecture Labor about economic vandalism. They should look in the mirror.

What are they going to do about the fact that we are about to have unemployment at levels worse than at the height of the global financial crisis? As we are all aware, unemployment already hit 6.3 per cent last year. It is still above six per cent now. Those figures are also worse than unemployment was during the global financial crisis and they are worse than they have been for many years. In fact they have not been this bad since the current Prime Minister was the employment minister in the Howard government.

Our country clearly needs to focus on jobs right now, as a matter of urgency. What are the jobs now and what are the jobs going to be in the future? We need to look at the way work is changing. People's jobs are getting less secure and anyone who is employed on a contract for a term knows how hard it is to get a mortgage, to plan for your future—if you are on a short-term, insecure contract.

Wages growth is slow. The Economist was writing about this in the context of the UK recently, saying that they needed to be pushing up their wages growth in the UK. In fact, if you look at the figures, it seems that their inflation actually dipped into deflation just recently. They are in a terrible situation, but we have slow wages growth here as well. Unemployment being up is obviously one of the culprits, but the fact is that wages growth is the slowest it has
been since the wage-price index started being kept in the 1990s. That is as much of a warning sign for our economy as you can get.

The wage share of the economy is decreasing; the profit share, obviously therefore, is increasing. These changes are affecting people's ability to meet their cost of living and they are affecting how far a dollar will go. This second Liberal-National budget is just as much of a disaster for jobs and for the economy as their first. This idea that somehow we can be happy about a budget in which there is a forecast increase in unemployment to 6½ per cent is wrong. The Liberals and Nationals have no vision for jobs of the future or for the training and skills we need to be building right now in relation to those jobs of the future.

So what is their plan to deal with this unemployment issue in the longer term? We talk about coding in schools. We talk about that in question time and the Prime Minister displays his utter ignorance on this issue by mocking us for doing so.

Our country needs to invest in science, technology, engineering and mathematics to make sure that Australians are ready to take up the jobs of the new economy. There are jobs in this country right now that rely on those skills that we are not filling with Australians. That needs to change. We know it needs to change. That is why Bill Shorten, the Leader of the Opposition, announced in his budget reply that we would take immediate measures to skill up primary and secondary school teachers to make sure that they get degrees in those stem disciplines, to make sure that other Australians get the opportunity to get degrees in those disciplines, and to make sure that those subjects are taught at primary and secondary level so that we are skilling people for the jobs of the future.

I do not want to hear companies or big business asking me why we do not have the talent in this country and have to import people. I do not want to have to hear them ask why the government is not doing enough to get more girls interested in engineering. I want us to fix that right now. Unfortunately, the current government thinks it is all a bit of a joke, but we are serious about STEM and we are also serious about innovation. A lot of the entrepreneurs I speak to, a lot of the people in the innovation sector, say to me, 'Australia has a culture of fear of failure. Why don't entrepreneurs go out and take more risks and build more businesses?' They point to Silicon Valley. A key difference between Australia and Silicon Valley is that in Australia if you start your own business you almost always are going to be risking your family home. That is not the case in the US.

What does Labor say about this? The bill announced a fantastic policy in the budget reply, saying that we are going to find a way to help those start-ups and entrepreneurs to get the finance they need without having to risk their family home. That is going to contribute to a culture of greater risk-taking and greater entrepreneurialism. Risk-taking is not a dirty word any more in business, and nor should it be. It is through building businesses, through not being afraid of failure, through it not being a catastrophe for the family, that we will find those innovations of the future and build the new jobs of the future, as well. That is also why I am so proud of his announcement in respect of partnering with venture capital for new entrepreneurialism. The budget needs to be taken seriously by people. Talk to your MP and do not support this sort of economic vandalism that we have seen from the coalition.

Mr PASIN (Barker) (17:27): I rise to speak on the Appropriation Bill (No. 1) 2015-2016 and cognate bills before the House to highlight the significant contribution to South Australia, and particularly to my electorate of Barker, being made by the Commonwealth through the
2015-16 federal budget. We know that our first budget was strong medicine for the financial wreckage left behind by Labor, but it was necessary in the first budget to put the country on a stable, sustainable financial footing so that we could invest for the future in our second budget. This is a responsible, measured and fair budget that is investing in jobs, growth and opportunity.

I am disappointed that the member for Griffith just left the chamber, because I wanted to congratulate her on what was a herculean performance, and I am sure you would agree with me. But then we would need to finish the sentence, because it was a herculean performance of motherhood statement after motherhood statement—15 minutes of it. It has been interesting to watch the Labor Party scratch around since budget day to find something—some negative stuff—to talk about with respect to this budget. It is important that we push back.

The point about this is that we have push modelling from NATSEM and we have Labor's year of big ideas, which are really just a year of old ideas. And, of course, what is the solution? I was making notes about Labor's positive, substantive contributions in terms of how we go about improving the economic conditions in this country, and in the last 90 seconds I get effectively a reference to coding and to 'finding a way' to help start-ups succeed without risking their family home. Of course, we will get further than that.

While we are talking about the budget, let me talk about South Australia. We have a South Australian state Labor government that wants to spend its time talking down our economy; wanting to aggressively attack the federal Liberal-National government. So I thought I would point out to the House, through this speech, some of the contributions being made to South Australia as a result of our budget.

Over the next four years, the Commonwealth funding for South Australia will increase in each and every year, rising by 30 per cent or $2.4 billion over the forward estimates, bringing total Commonwealth spending in South Australia over that period to just under $40 billion. South Australia will benefit from: a 30 per cent increase in GST revenues, or $1.8 billion more over the forward estimates; a 19 per cent increase in funding for hospitals—I will repeat that: a 19 per cent increase to funding for hospitals—or $208 million more over the forwards; a 26 per cent increase for schools, or $280 million over the forwards; and $2 billion in funding for world-class infrastructure, including the much-needed work on Australia's most inefficient road, the North-South Corridor, and $1.5 million more Commonwealth funding over that period as a result of the 2014-15 budget. On every single measure, the South Australian state government is receiving more Commonwealth funding than ever before. Last year, South Australia was one of only two states where the number of small businesses declined. In this budget, the Liberal government is giving the engine room of our economy a jump-start. Struggling South Australian small businesses will benefit from the $5.5 billion of dollars of new measures lowering the small business tax rate and allowing them an immediate tax deduction for every asset they acquire that is valued up to $20,000. There are also new provisions for a simpler, more affordable, flexible childcare system, benefiting South Australia's parents, and for an $842 million extension of universal access to early childhood education, allowing up to 15 hours of preschool a week per child.

Having spoken about South Australia, Deputy Speaker, if I can be allowed to just parochially mention two commitments that were delivered as a result of this budget. The first is a $7.5 million grant to the Coorong District Council to underpin SA's motorsport park,
Tailem Bend. From my electorate's perspective, this is most certainly the centrepiece of the budget; some of my colleagues might disagree, but I can assure you that the metropolis of Tailem Bend is looking very much forward to being the second venue for the V8 supercar racing in South Australia. The other commitment that I would like to refer to is the $5 million contribution for the Murray Bridge Racing Club which will underpin its Gifford Hill development, which will see the expansion of Murray Bridge's golf course, a significant residential development, relocation of the racing track to Gifford Hill, and an associated training all-purpose track and conference centre.

Having dealt with the parochial, I would like to move back to the budget from a national perspective. In preparing criminal trials, I always asked myself: 'What is my case concept? What is it that I am seeking to prove by calling this witness or this series of witnesses?' And so it is that I sat back in some quiet time after the delivery of the budget and thought: 'What was the Treasurer's case concept with respect to this budget?' I came up with, effectively, a pretty simple suggestion—he was keen to establish a better budget and a stronger economy with more jobs. And in every measure I saw delivered, both on budget night and in the detail thereafter, I kept coming back to: 'a better budget and a stronger economy with more jobs'. These are easy things to talk about but much more difficult things to deliver. What were some of the difficulties that the Treasurer faced? Well, he faced an iron ore price that was effectively falling off the cliff face—$92 billion in write-downs. Notwithstanding that, he was determined to deliver a better budget; a budget which more closely reflected balance. And you will see over the forwards, Deputy Speaker, deficits going from $41 billion to $35 billion to $26 billion to $14 billion to $7 billion.

As someone who has a small business background—my wife and I ran a small business; I grew up in a household where my mother operated a small business and my father ran our family farm—I am never comfortable, like, I am sure, the member for Braddon, with operating budget deficits. But the reality is that we inherited a budget which was structurally out of order. Our payments were significantly outstripping our receipts, and that was before we dealt with the calamity of an iron ore price which has so significantly decreased.

The member for Griffith suggested that we are the true economic vandals, and her principal submission was our previous budget. What our previous budget did was halve the trajectory of our net debt position, and we did that because we knew that if we did not get on with the business of improving our overall fiscal position then the task would be left to subsequent generations of Australians. As with any tough decision, the longer you wait to implement it the more trouble you find yourself in. So we set about that course.

We are now seeing some of the dividends from taking hard decisions in the budget. What were those dividends? Those dividends were principally in the form of a small business package—a $5.5 billion shot in the arm for the small businesses of our nation. In my electorate, there are some 102,000 voting-age constituents, and over 15,000 small businesses. I make that to be about one in seven involved in small business. Let's consider that for every small business there are often, as mine was, a partnership between a husband and wife, or a partnership between two individuals. I would hazard a guess that one in four of my electors are actively involved in a small business. So this measure is a $5.5 billion shot in the arm to those businesses. It says to small businesses that those who of us who get the privilege of representing our constituency here in Canberra understand that you are the engine room of
this economy. We understand that, if we are to deal with the unemployment issue, which the member for Griffith was so keen to focus on, then you are going to be our strong allies in addressing that issue. So we took some real and practical measures.

We effectively said to the small businesses of Australia: you can have a tax cut—an effective 1.5 per cent tax cut. We also said that we would operate a system of instant asset write-offs, which have been seen principally in the agricultural sectors of my electorate. People have been rushing out to rural stores and buying that piece of equipment that they just have not had the confidence to buy to this point. It helps that we have commodity prices at record levels. The Minister for Agriculture has been opening up markets and putting export parity pressure on purchases of our commodities such that the beef price is now over 300c a kilogram. Sheepmeat continues to travel strongly, as do other commodities.

In addition to the small business package, we identified—and quite rightly, in my view; at least the Treasurer did—the need to deal with participation as an issue. We all know and have heard in this place many times that Australian female participation rates are well behind those of Canada. To deal with that, we have delivered a budget measure of $4.4 billion for families, to assist and to facilitate the return to the employment market of those in our economy who are currently undertaking parental responsibilities.

We have taken the Prime Minister's Paid Parental Leave scheme—which I can now say I was never a big fan of; something I made clear to the Prime Minister in private—a measure which was intended to work over the first six months of child's life, and we have applied that to the first six years of a child's life, to give assistance to families who are seeking to meet their responsibilities in the economy, particularly in capital cities, where one must operate from a position of being a dual-income family, but less so in Barker.

In the short time I have left to speak, I want to mention one other thing. Not all things occur on budget night and not all things find their way into the budget, but the budget processes are sometimes instructive. I want to take this opportunity to congratulate the Assistant Treasurer and the Treasurer on accepting an invitation to fast-track the consideration of a review of reforms for the wine equalisation tax. As the member for Barker I am effectively the member for wine. I represent more constituents engaged in the wine industry, either by value or by volume, than any other member. Given that I am also the member representing the river Murray, we like to say that we are specialists in turning water into wine—but that might be one claim too far!

Essentially, the Winemakers' Federation has called on our government to consider reforming the wine equalisation tax and removing it from bulk unpackaged, unbranded private-label wine; to abolish the New Zealand WET producers' rebate; to introduce a traditional rebate measure to allow a merger of two WET-rebate-eligible businesses; and, from the associated savings, to go about marketing Wine Australia overseas, taking advantage of the low Australian dollar and, of course, the recently established free trade agreements with China, South Korea and Japan.

Those reforms were to be shunted off to the agriculture white-paper process. I am pleased that advocacy in the lead-up to and in the course of the budget has seen those reforms fast-tracked for preparation of a discussion paper, which will hopefully be available in July and consideration of any reforms ready and implemented by the time of the next Australian vintage. These are critical reforms which will return the Australian wine industry to a position
of long-term viability. I thank the Treasurer and the Assistant Treasurer for considering those reforms.

Ms VAMVAKINOU (Calwell) (17:42): I wish to address budget measures associated with the Attorney-General's portfolio—in particular, the measures that are designed to keep Australians safe from the threat of terrorism. I want to look at two particular programs: the $40 million allocation over a four-year period for investment in programs aimed at countering violent extremism; and the $21 million over four years for programs announced in February this year which are aimed at developing new measures to challenge terrorist propaganda online.

The federal seat of Calwell is one of those electorates that, for better or for worse, are focus of a lot of attention from the government in relation to keeping Australia safe from terrorists and extremist propaganda. That has been the case in my electorate for over the last decade or so, so we are pretty familiar with being the centre of attention for a whole series of government services. But this one is of particular concern to us.

In relation to those programs and given the nature of my electorate, I was quite concerned about an article I saw on the weekend in one of the Melbourne papers which raised the concerns of some ethnic community leaders about the allocation of deradicalisation funds, particularly those associated with counselling services and known as Living Safe Together grants. I am concerned about it because we are talking about allocating a lot of money to programs that are meant to deliver successful outcomes.

I would like to refer to some of those concerns today. Some of those concerns were raised, in particular, by Dr Berhan Ahmed, who is a very high-profile Australian of Eritrean background. He is involved with the African community in Melbourne in a very comprehensive way. He has raised concerns about the African community having missed out on receiving grants under these programs. His concerns are that some of the organisations that have received grants are not known, or there is no accountability; that there is no transparency around who is receiving grants. There is an element of secrecy, according to Dr Ahmed, about the allocation of these grants.

When we are looking at funding programs that are meant to deliver outcomes for the broader collective good, you have to be a little bit concerned when they are referred to, described as or alleged to be, perhaps, secretive—not necessarily going where they should be going or to the groups they should be going to. I am certainly concerned, and I understand the Islamic Council of Victoria has also expressed some concern in relation to the focus of the grants. I am not saying they are not rightfully focussed; they probably are rightfully focussed at countering violent extremists, but there is a group within the centre that requires some attention.

I would like to speak about some of the activities and initiatives within my electorate that come from my own community—from within the Muslim community and my own organisations—which do not draw on government funding and will not be relying on funding for these programs. Nevertheless, they are aimed at doing exactly what funding for counter-terrorism programs aims to do, and they do it in a very different way.

I had the opportunity on Friday to attend the sod turning of the Quba mosque, which is being built in my electorate. The Quba mosque is being built in Somerton on the Hume
Highway. It belongs to an organisation whose prime focus is investing in the education of young people. The organisation believes that educating children and providing knowledge is at the core of helping young minds develop into positive citizens who want to do good in the community, as opposed to being destructive. We expect that the mosque will be ready and completed by the end of next year.

Also associated with the mosque is the Islamic Sciences and Research Academy of Australia, which provides an online degree course in Islamic studies in conjunction with Curtin University. It is a very novel and important way of teaching classical Islamic studies here in Australia. It will provide a Bachelor of Islamic Studies and also a Master of Islamic Studies, and in this sense, in conjunction with Curtin University, it will give people an opportunity to learn about Islam in a positive way. Its aim is to counter the narrative of the fundamentalists and the recruiters. This approach—that of teaching through education—is a very important approach.

Some of the core principles of the Islamic Sciences and Research Academy of Australia include: to help young people develop a sense of sincerity in their intentions and in their actions; to encourage positive action in every situation; to serve God and humanity; to behave in a manner of excellence in both practice and outcome; to provide for them a sense of balance in life and in the way they conduct themselves; and to give them an opportunity to learn to integrate, or to build relationships, with the broader community. The Quba Mosque and the Islamic Sciences and Research Academy of Australia are initiatives that come from within the community. They are excellent examples of how the community can take it upon itself to initiate very important relationship building that is helpful to young people today. Whether they are of Muslim or some other background, young people today need good, positive mentoring; they need guidance; and they need to be assisted in working their way through the development of their sense of self and identity. At the core of some of these disturbances that we read about is the sense of not belonging and not understanding who they are or what their place is in the broader community. So I am very pleased that I have organisations in the federal seat of Calwell that are dedicated to providing excellence in education and are genuinely committed to mentoring and helping young people.

I also want to raise the Australia Light Foundation, which is a similar organisation in my seat of Calwell and which is committed to the same objectives of educating, helping and mentoring young people as they work their way through their education. This afternoon in my electorate one of the Muslim schools, the Ilim College, which is a very large school with about 1800 students, held a forum to which they invited participation from other schools in the electorate. Their aim is to reach out to students in neighbouring schools to try to establish communications and relationships.

It is very important that young people are not stereotyped and therefore made to feel that there is something peculiarly different about them or that they are in some way a threat to the community. There is a self-fulfilling prophecy in that sort of attitude. I am so proud of my local community because they understand the need for young people to belong, as well as the nuances and the difficulties that young people face. They are taking it upon themselves to raise their funds and to invest not only in buildings but also in content. I am very pleased to be representing a community that is often maligned and is very much in the spotlight for the wrong reasons. It is a community that I know well, that has taken control of the stereotyping
and is seeking to find a way through it in order to help young people, not just from within the Muslim community but also to reach out to the broader community and hopefully to set an example of best practice in genuinely countering extremism and countering that online narrative—a narrative which seems to lure young people away from their homes and into dangerous pursuits and which we seem to read so much about in recent times.

On the one hand, a lot of money is being allocated in the budget for this kind of work. Certainly, the previous Labor government also allocated a lot of money under the Building Resilient Communities program. We must be very careful that they are not tainted by the sorts of allegations we read about on the weekend that are coming from the African community and the Islamic Council of Victoria. The idea is not to make communities feel that they are being left out. You need to practise being inclusive, especially when you are talking about funding of that nature—$40 million over a four year period. You would want to think and believe that that money will be money well spent and that it will deliver results. I would like to think that my community can actually offer some advice and guidance—even to government generally—about how to pitch the message and how to better spend that money. I raise that in the context of an issue that is very important to my local community. Jobs and health and childcare and many other areas are also of concern to me, but I do not have enough time left this evening to go into those issues. But at the core of helping communities lies a sense of purpose, opportunity, education and being able to find work; in particular with young people, in an electorate such as mine which has a very high youth unemployment rate.

If we can address those issues comprehensively then we might find that we do not have to spend as much money on building resilient communities or countering violent extremism—because young people will have a purpose and they will have a focus. And this is the focus of the Islamic Sciences and Research Academy of Australia, of the Australia Light Foundation, of Ilim College and of many other organisations of Muslim faith in my electorate. Their focus is about reining in the commitment of young people and their focus onto things that are positive and that help develop an awareness of self and identity in a positive way, so that they can make positive contributions to the community—so that they can also then not be vulnerable to the narrative of the extremists and be lulled away from the safety of their homes and their neighbourhoods to places on the other side of the world which are, as we all know, places of violence and evil, quite frankly. The challenge is there, the money is there, and the will is there. My only concern is that the funds go to the organisations that will actually deliver the results that need to be delivered in order to keep Australia safe and to keep our young people focused on working their way through the integration process, which is very important in their understanding of self.

Mr WHITELEY (Braddon) (17:57): I rise this evening to speak on the Appropriation Bill (No. 1) 2015-2016 and related bills. It is a great privilege to be one of the regional members of this parliament from Tasmania. It is a thrill to be able to represent such a great community—people who are dedicated to the future and who are looking to be filled with hope and anticipation of the future. For me and for the electorate that I represent, I believe wholeheartedly that this bill will provide the stimulus for jobs, that it will provide encouragement and incentive for growth, and that it will provide real opportunities for Tasmanians, particularly those in my electorate of Braddon. This budget is the clearest sign yet that we have a federal government that treats Tasmania not just as a great place to live and
a great place to visit—and if you have not visited, you should—but rather as a great place to work and a great place to invest and do business. We have a federal government that is willing to invest in the economic enablers for Tasmania—to give Tasmanian small businesses the confidence they need to take a chance, to grow their businesses and, more importantly, to boost employment.

My overview of the budget as translated to me over the last two weeks by my constituents would be this—and I will try and summarise it fairly and do justice to their comments. Even at the football on Saturday, while having a couple of beers with the teams in Smithton and Penguin, you get a chance to say, 'How do you think it's going? How do you think we're going? How do you think the budget's going? How's the boss travelling?' And with all of us, I am sure, our constituents are never backward in coming forward and telling us their views. This is the view that I have picked up over the last few weeks: the budget was good, the budget seemed to be positive and it was great to see support behind small business. Keep in mind that probably most of the people that I was speaking to were either small business operators, sole traders, partners in a small business or in the employ of a small business. So they were encouraged to see a significant—in fact, a $5 billion plus—investment into the small business sector and the agricultural sector, which is of course made up of small business. So that was their overview of the budget. They saw it as positive and encouraging of small business.

The constituents that I talked to understand the need for the government to live within its means. Does that mean that everything relayed to me over the last few weeks was that they agreed with everything in the budget? Certainly not. But they do, at the heart of their beliefs, know that we have to live within our means. They get that. They understand it for their families, they understand it for their business and they know that that is what is required at a national level. So they understand the need. Even our detractors understand the need to live within our means. When I, as a local member, get the opportunity to say, 'Do you know how much more we are spending every day than we earn?' They go, no, and they do not really understand that. When you put it in terms of, 'It was going to be $130 million a day more in spending than we earned, and we have it back to probably $100 million at the moment,' they look at you with great disbelief. But this is the reality. It is not my reality, it is not Joe Hockey's reality and it is not Tony Abbott's reality; it is Treasury's reality backed up by the best commentators and economists in the country. We are spending more than we earn, and any clown in any circus would know that that is not sustainable.

I will tell you what else they are feeling. They are starting, absolutely, to feel frustration at governance in this country. Again, I would be silly to presume that they agree with everything that this government wants to do, but what they do get is that in September 2013 we were given an overwhelming mandate to govern this country. They are now seeing the strategy or the tactics—call it what you will; I would probably say 'bloody-mindedness'—in the Senate of the Labor Party standing in the way of the mandate that we were given. They will say, 'I don't like that, Brett, but I do accept that you got elected and you really should have a go. If we don't like what you do and if we don't like the journey that you're taking us on, we'll kick you out in three years time'. So that is my overview of what my constituency is telling me.

What do you do, as a government, when you are preparing a budget and you are faced with so many stark realities about the future of this country? What do you do when you come to
realise that life expectancy in our nation, in the next 30 or 40 years, will be 90 years of age? With all the advances in health, it could even be more. What do you do with that piece of information when you have it? Do you disregard it or do you take into consideration as you should? As you watch your own children grow, you plan for the future: you plan for weddings and you plan for university degrees—it is just common sense. So how do we plan when we know that life expectancy will reach an average of 90 years of age? In 1970, when I was 10, if you walked up the main street of my city you would run into 7½ people aged between 15 and 64—there was one with half a leg and an arm—before you ran into someone over the age of 65. Today, if I walk up the same street, I will only meet 4½ people on average before I run into someone aged over 65. But here is the thing: in 30 or 40 years time, you will only run into 2.7 people as you walk up your main street, Member for Indi, before you run into someone who is aged 65. We are going to be knocked over by Zimmer frames.

Seriously, what do you do in a public policy sense when you are faced with this reality? That is what governments do. You cannot win as a politician in government, can you? You are accused on one day of being short term and short sighted and only having your eye on the next election, and then, when you want to talk about the year 2030, people think you are an idiot and you should get yourself some therapy. Well, I remind people that it was 15 years ago that Cathy Freeman won the gold medal in Sydney. It was 13 years ago that two big planes ran into two big towers. It seems like yesterday, but in the same amount of time going forward it will be 2030, and these are the challenges we face. You can bury your head in the sand all you like, but the reality is that this budget and every budget that comes after it, whether it be by us or by anyone else, should reflect that in the plans.

We in this government are committed to living within our means and we are committed to energising small business, but among our opponents there is no commitment there. There is no commitment that we can see to rein in spending money we do not have. Bill Shorten, the Leader of the Opposition, had 30 minutes a couple of Thursday evenings ago to outline his plan, and what did we get? We got an unfunded spending spree of about a quarter of a billion dollars every minute of his speech, with no sign of where that money is coming from. So this leopard does not change its spots.

We have to face reality: we cannot keep borrowing money. We have a commitment to ensuring sustainability of the pension system, and what do we have from our opponents? No commitment to sustainability, preferring to ignore the problem and make out that it does not exist, when the stats about the age differentiation coming forward that I put up as I started this speech say to any person with any degree of common sense that there is an issue coming down the track. It is a tsunami, in fact, that obviously any government in its right mind and committed to the people of Australia would address.

We are committed to changes in the culture of welfare dependency. There is no question about that. Can I just say that I believe that the overwhelming majority of the nation supports this journey that we as a government want to go on—that is, changing the culture of welfare dependency. But our opponents have no commitment to changing that culture, because fundamentally I believe, sadly, that it suits them to leave people dependent on government, because at the end of the day that just leads to out-and-out socialism.

When it comes to health and education in the state of Tasmania, I want to put a couple of things on the record as a part of the debate on the appropriation bills. Despite all the best
efforts of people like the member for Franklin and the senators who do not have much to do but just to make up things as they go along, the reality is that the funding to Tasmanian hospitals will increase by 19 per cent over the next four years. This is on top of the increase of 12 per cent that was in place last year. We are also increasing funding to Tasmania’s schools by 17 per cent over the next four years. That is on top of the increase of another 17 per cent just last year alone.

So can I put to bed this myth that there have been cuts to health and education. There have not. You cannot cut money that was never there. We keep hearing this magical figure, $80 billion. This magic pudding figure that was put on the table by Rudd-Gillard-Rudd was never in the budget or in the forward estimates. We cannot afford what we are doing now. We certainly could not afford that. We never committed to it at the election, so how can you cut something that never existed—or was I imagining the Gonski protesters at every polling booth in my electorate? I went to the election saying we would fund Gonski for the first four years but not the last two. The people who voted me in fully understand that. There are no cuts; there are increases over the forward estimates. So I want to just put that on the table for everybody to clearly understand.

Just on those facts and figures for health, I am thrilled that just last week, as a part of the budget process, I was able to formally announce ongoing funding for the next two years for the Mersey hospital, the only hospital in Australia that the Commonwealth has a direct relationship with in its funding. I will not go into the history of that, although it makes for a good story, but it was thrilling last week to be able to announce $148½ million over the next two years, to be reviewed in two years time as the Tasmanian government rolls out the realignment of its health services. For the people who live at the eastern end of my electorate, that is certainly very good news.

Small businesses play a massive role in my electorate. They are the heartland of Australia and we need to pay more attention to them, give them more respect, more encouragement and more incentive. This budget does that. I have always said that if I could just get one in every three or four of the small businesses in my electorate to be empowered sufficiently to employ one more person, we would flog the unemployment figure in my electorate to death. It is as simple as that. That is what is at the heart of the small business package in this budget—tax cuts, not just for incorporated small businesses but for sole traders and artists. That is great news. Even better than that, the budget allows for unlimited accelerated write-offs as long as each individual item is no more than $20,000 in value.

There is a young guy in my electorate who is powering on, building his business and his vision in the community—Lee Murphy, the owner of the Harbormaster Cafe on the banks of the Mersey where the TT-Line ships go past. Only days before the package was announced, Lee received the permit to upgrade his kitchen and expand his business. This small business package is going to offer him some amazing incentives to do that. What a great, positive, encouraging surprise it was to him: as he was about to invest his money, the government stands alongside him and says, 'Lee, well done—here are some incentives for you; here is some tax relief to reward you for your commitment to building a business in Devonport.'

As a result of the budget, Briar Maritime Services in Ulverstone—the business of Captain Brian Peters and Captain Anne Rutherford—made a commitment to buy two new boat engines and a new work trailer. They even said that, as a result of that, they are going to
engage another full-time employee. Well done to them—congratulations. May those two people be a shining example to every other small business in my electorate as they move on with hope and opportunity for employment in the not-too-distant future.

This budget is about jobs. It is about growth. It is about opportunity. It is a budget that is courageous enough to tackle the issues that confront this country. You can either confront them or, for political expediency, you can bury your head in the sand and make out that they do not exist. But at the end of the day those issues exist and the country requires the government to deal with them.

Ms McGOWAN (Indi) (18:12): My vision for Indi is one where our communities in rural Australia are prosperous, caring and alive with opportunities for everybody. To be part of the process for implementing that vision is one of the key reasons I am in federal parliament. I am 100 per cent committed to working in partnership with my community, with business and with governments to bring this vision to fruition. Of all the tools at the disposal of government and this parliament, the budget plays a key role in setting the parameters and creating the environment for that vision to be enacted.

The future is not some place we are going to. It is not a set destination. The future in fact is a place we are creating, and I believe the paths to the future are made not found—and the making of those pathways changes both the maker and the destination. What we do is important, but I believe that how we do things is equally important.

With these convictions, I am committed to working closely with my community in my role as MP on both the what and the how of good governance. Consequently, over the three weeks since the budget, I have been talking with my community in multiple ways about the budget. I have been running listening posts, driving the caravan near and far across the valleys and towns of Indi. I have held meetings, walked the streets and gained a sense of what the people of Indi think about the Abbott government's second budget—their hopes, their fears, their likes, their dislikes and their suggestions for improvement. I have called this process the budget impact tour, or BIT. Tonight I am pleased to present a summary of the findings to the House. A full report will be made available and distributed across the network and to my colleagues in early June. Together with kitchen table conversations and the 'get in Cathy's ear' postcard, the BIT is one of the consultation strategies I am using to ensure that I provide strong, fair and balanced representation on behalf of the people of Indi.

In summary, there were three main themes gathered during this consultation. The first is the impact of the budget on regional Australia; the second is the impact of the budget on individuals, families and businesses; and the third is the opportunities presented in this time of low interest rates and cheap money to invest in infrastructure in regional Australia. In relation to the budget and regional Australia, a major criticism of last year's budget was the lack of understanding, discussion and appreciation of the impact budget strategies would have on regional Australia. Following extensive discussions in my electorate and with colleagues in this place, at the end of March I presented to the House a private member's bill, the charter of budget honesty amendment bill, which outlined key aspects of what a regional budget impact statement would address.

For the information of my colleagues in the House tonight, the key aspects of that bill were the publication of a regional Australia statement, which contains information about the likely impacts on regional Australia of key government initiatives or significant changes since the
last financial year. The budget would have regard to the following: the economic, social, cultural and environmental impacts of government initiatives; the economic drivers of regional communities; the effect that government initiatives may have on regional communities due to lack of infrastructure, particularly mobile phone coverage, reliable internet connections, access to public transport, and the lack of access that people living in regional communities have to government services due to cost, long distances and time; the effect that lack of competition in regional communities has on the cost of living and doing business in regional communities; and, finally, the cost and difficulties involved in complying with regulatory requirements for people and businesses in regional communities.

I am pleased that in this year's budget the government has responded to the call from regional Australia for more information and has tabled the blue book, which does outline key government initiatives. I congratulate the government on this publication. I also note that there is no discussion in the blue book of the likely impacts on regional Australia of key government initiatives and the process made in addressing significant structural inequalities. From my perspective, clearly this is a work in progress, and I will continue to lobby the government and advocate with relevant ministers on the importance of doing this analysis.

To the second part of my speech: the summary of feedback gained during the budget impact tour—the impact on individuals, families, communities and businesses. I will begin with the positives. The budget recognition and support for small business has been widely applauded, as outlined by the member for Braddon. Budget support for stronger communities through the small capital projects grants is seen as a positive initiative, and people are looking forward to seeing the detail and the guidelines. There is a general sense that this budget was not as controversial as last year's; it is seen to be more fair and has addressed some of the problems outlined in last year's budget.

However, the largest particular area of comment to me was in relation to taxation. As I mentioned, there is strong support for changes to small business taxation as well as support for changes to agricultural taxation. But there is a call to align these changes so that agriculture and farming both have immediate access. The current arrangement is that farmers have to wait for two years before they can claim the tax incentives. While there has also been concern about the impact of bracket creep and the burden being carried by middle-class regional Australia, there was strong support for reviewing taxation, and support for the taxation white paper and the related federation white paper.

The second area of great concern was the impact of the budget on social security: changes to pensions, fear of more changes to pensions, the impact of changes to family benefits, maternity leave arrangements, pensions and changes to disability support have all caused great concern. In the health area, there has been concern about changes to arrangements for funding aged care and, in particular, residential aged-care packages, as well as ongoing concern about GP co-payments and what might happen in small rural communities where we have no bulk-billing services.

In the area of telecommunications there is an ongoing and consistent call for better access to mobile phone coverage. The government has an excellent program underway to address this issue, and there was great disappointment in my electorate that the budget failed to put more money into the mobile phone black spots program. I will continue to advocate very strongly to the minister that this needs to be done.
Around transport, fears relating to the potential impact of the sale of the Australian Rail Track Corporation and what this might mean for ongoing train and rail maintenance on the Melbourne-Albury line was a constant concern, as was the need for much more support for the inland freight route and the eventual funding of high-speed rail.

Around agriculture, there was general disappointment in the time it is taking to release the agricultural white paper; and the hope that recommendations in the white paper, when it is released, will be well funded. Particular mention was made of the importance of agricultural research and the need for a long-term strategic approach to investment in innovation, particularly in agricultural innovation.

Other issues canvassed included cuts to our aid budget and support for young people, particularly support for young people to make the transition from school to work, from work to university, from town to city and from city back to town. There was real worry that the long-term implications of cuts to our aid budget would turn up in rural and regional Australia as problems. People have asked me, again, to advocate to the Minister for Foreign Affairs to see what we can do, particularly about providing support to our near neighbours in the Pacific.

Apart from these issues raised during the consultation process, I also had a series of discussions about the government commitment to regional Australia with the financial experts in my community, and a number of questions were raised for consideration by the government. What would it take to get the government to seriously invest in infrastructure in regional Australia? With the low cost of money and low interest rates, the question was asked, 'Why doesn't the government borrow money to invest in infrastructure such as high-speed rail connectivity, telecommunications and regional services?'

I was also asked why there is not a national policy around decentralisation. Why are we getting only ad hoc titbits, moving agricultural research to centres? We need a policy of decentralisation. I was asked what we would have to do to get such a policy in place. How do we grow service industries in regional areas? How do we really grow small business? What can we do to remove the impediments of cross-border anomalies and very specific taxes such as the payroll tax?

I was asked to think about what we need to do to create incentive for regional development, what incentives are needed and how government could provide these. What would we really need to do to get super funds to invest in regional infrastructure?

Generally, the people of Indi were supportive of the government's attempt to manage the budget. However, they want a much greater appreciation of the impact of budget measures on regional Australia, and they want larger investment in regional infrastructure. They are worried about the slow pace of addressing the many mobile phone black spots, and the lack of commitment to high-speed rail and public transport. The people of Indi are calling on the government for inspiration and for partnerships—especially partnerships with young people; for the government to work with young people to enable them to become active participants in our new economy. They see opportunity for the government to provide aspiration—to really move from a sense of entitlement to a sense of innovation. There is so much more we could be doing, and regional Australia wants to partner with government in being part of that innovation.
Many constituents also commented on the important role of young people in regional Australia, and the need to stem the export—to reach out to young people and offer them support, encouragement and mentoring in order for them to reach their potential and become active participants in our regional economies. They said to me that young people do not need punishment—they need encouragement. They need a hand up. We need to be able to ensure that young people's energy, enthusiasm, vitality and skills can be used to help create the future that we all desire—a future full of prosperity and caring and alive with opportunity.

If I could make a note regarding the member for Braddon's speech, he expressed, perhaps, a fear that our regional communities will be full of old people. My sense is if we keep going in that direction, that is where we are headed. I call on the government to not go in that direction, to actually pay attention to young people in regional Australia and encourage them to come and live in our communities, to open small businesses, to partake in higher education and to be active participants in our communities.

It is my hope that next year's blue book—that concentrates on the government's budget and its impact on regional Australia—will focus on how the budget has impacted on the lives of young people who live in regional Australia, how it has advanced education, how it has given them access to mobile phones and NBN, how it has given them access to public transport, how it has given them access to create jobs and innovative ways of doing agriculture. And, finally, I hope that when we look at the balance of that particular budget that it shows we are in a surplus and that young people choose to come to live in regional Australia because that is the way we want to have it.

Mrs MARKUS (Macquarie) (18:25): I rise to speak on the Appropriation Bill (No. 1) 2015-2016. All budgets are important, and as a member of this House I have had the fortune, indeed the privilege, to see 10 budgets. Each budget though feels more important than the previous one. For everyday Australians, at that point in time when the budget is handed down they are focusing on what it means for them and for their futures. I am particularly proud of this budget as it follows on from a particularly difficult one last year, which took much conviction to deliver. While difficult, it changed the trajectory of the nation's debt; while still tough, it now puts us on a much straighter path.

In spite of what was left by the previous government in the form of debt and deficit, this coalition government is delivering on its commitments to ensure our nation remains, in the long term, sustainable and able to provide for its people and that of the future generations, which I note was also mentioned by the previous member, the member for Indi. The cost of unemployment cannot be measured fully to the unemployed, their families, to the economy and to society as a whole. Having a job is the best ammunition against the battle of welfare dependency and poverty. I have said on many previous occasions in this place that where there are jobs there are indeed opportunities.

Those opposite have used many choice words about the 2015-16 budget but this budget is one that recognises that everyone deserves an opportunity in life. I am sure that this is what the people in the electorate of Macquarie want—they want opportunities, they want confidence, they want to know that not only do those who are currently employed and in the workforce have opportunities but also that the generations to follow them do.

This government understands the importance of small business—the engine room of our economy. This government understands the personal risk that many small businesses take in
an endeavour to build and to grow jobs not just for themselves but also for their communities. If a business grows then we see job growth. In Macquarie there are more than 11,000 small businesses—more than 5,300 in the Blue Mountains and more than 6,400 in the Hawkesbury area—each employing staff and contributing to the local economy. That is why we have delivered a budget that will help small business grow and not stifle them with uncertainty, as was the case under the previous government.

This budget will ensure small business see the lowest company tax rates since 1967. We will give a tax discount for unincorporated businesses. This government will provide a five per cent tax discount to unincorporated businesses with an annual turnover of less than $2 million from 1 July this year—this will deliver a tax cut of $1.8 billion over the next four years. The discount will be capped at $1,000 per individual in an income year delivered as a tax credit in their tax return. We will give an immediate tax deduction for any individual asset a small business buys that is worth up to $20,000. And in ensuring that we do not stifle small business, we will continue to cut red tape. A tax deduction on assets up to $20,000 will help businesses expand—for example, in a hairdressing salon that has people eagerly waiting for their turn this one simple measure of accelerating depreciation means the business could purchase additional hair-washing basins, therefore saving time and creating more productivity for their business.

This government understands infrastructure and the importance it plays not only in the life of business but in the day-to-day living of all of us and our families. It is a travesty that people have had to sit in traffic jams and chaos, day in and day out, for so many years under those on the opposite side. Almost daily, I receive complaints regarding the congestion experienced, particularly in the Hawkesbury. That is why this government will contribute towards the important infrastructure required for the electorate and it will work with state governments that are interested in providing better outcomes for all residents. Important infrastructure for Macquarie will include a recommitment to the Ross Street intersection at Glenbrook and the Richmond Bridge improvements to approaches and surrounds. This will not completely resolve the challenge of traffic flow on the bridge, particularly in the mornings and evenings, the peak hours, but it will go some of the way towards improving it. Other measures include the Great Western Highway safety works at Mount Victoria and the black spot projects for Peninsula Road, the Great Western Highway at Valley Heights in the Blue Mountains and, of course, the Hawkesbury Valley Way at Hobart Street to Racecourse Road in Richmond. These projects will deliver a modern local transport network and will unlock the economic capacity of Macquarie. The budget will also see funding for the Roads to Recovery program double for urgent local road repairs, delivering $2.1 billion over the five years to 2018-19 directly to local councils, including the double payment in the coming financial year. Projects funded under the Roads to Recovery program are nominated by local councils according to local priorities. This is good news for local councils and residents alike.

The first responsibility of government is keeping people safe. The government is continuing to make a significant investment in the safety and security of Macquarie. Macquarie has two defence facilities: RAAF Base Glenbrook in the lower Blue Mountains and RAAF Base Richmond in the Hawkesbury. Together, these bases see 2,399 defence personnel, including civilians, and their families in our community. This year, the government has already invested $201.1 million in defence in Macquarie, with over $1.1 million to be
invested in the coming year. This government will provide Defence with $31.9 billion in the 2015-16 financial year—an increase of $9.9 billion over the forward estimates. When this is compared to the 2014-15 budget, it represents a record expenditure on defence and is a stark comparison to the former Labor government, which took $16 billion from defence, reducing spending as a percentage of GDP to the lowest level since 1938. Investing in defence locally will have direct and indirect economic benefits for Macquarie.

The Macquarie community support for our defence families and local defence investment is one part of a whole range of measures helping to bolster our defence capabilities, supporting Australian defence industries and ensuring Australia remains safe and secure into the future. I take this opportunity to thank all the defence personnel and their families for the commitment and dedication they demonstrate as they serve our nation.

Feeling safe and secure is fundamental to our lives. However, feeling safe not only includes our defence capabilities and border protection; feeling safe is also paramount for our families and communities to build a future in which to live out our daily lives. Knowing our children are safe is a major contributing factor to our ability to work, as well as flexible arrangements that cater for our new emerging society. Recently, I welcomed the Minister for Social Services, Scott Morrison, to my electorate to meet with families and to speak firsthand about the Jobs for Families package. The $4.4 billion Jobs for Families package will give parents more choice and opportunity to work. The 2015 budget delivers on the government's commitment to support families by making child care simpler, more affordable, more flexible and more accessible.

Families with shift workers such as police, firefighters, ambulance officers and nurses often experience great challenges in accessing mainstream childcare services. They are often unable to access government-supported child care due to the unpredictable nature of their hours and work. This is why we have committed to spend $250 million on an interim home-based carer pilot program known as a nanny's trial. This trial will provide more choice and flexible childcare options, funding 4,000 nannies and providing subsidised care to approximately 10,000 children. Eligible nannies must, of course, be attached to an approved service, be at least 18 years of age and have a current working with children check and meet first aid requirements. Families that are eligible will receive a subsidy at a percentage of an hourly fee cap rate of $7 per child based on family income, similar to the childcare subsidy parameters.

The world is changing. Our nation is changing. There is a greater need and expectancy for accessibility to goods and services. It is therefore recognisable that we need child care that caters for these changes. Whilst my children are now in their early adult years, I too worked whilst raising a family and understand the need for a safe, caring and flexible system.

It was wonderful for the minister and I to be welcomed so warmly at Jasmine Preschool in Freemans Reach by owner Andrew Junor, the families and the children, who indeed have a lot of fun. Also visiting the electorate the week before last was the Assistant Minister for Social Services, Mitch Fifield, who joined me, the New South Wales state minister for disability services, John Ajaka, and my colleague the federal member for Lindsay, Fiona Scott, for the signing of an agreement to begin the early rollout of the National Disability Insurance Scheme in the Nepean, Blue Mountains, Hawkesbury and Lithgow areas of Greater Western Sydney. This represents a $20 million commitment by this government, enabling the NDIS to be rolled
out for up to 2,000 children between nought to 17 years of age in the electorate of Macquarie—one full year ahead of schedule.

There are 2,000 children living with disability in Greater Western Sydney and this early rollout enabled by the budget will see families in the Hawkesbury and the Blue Mountains receive more support to help meet the needs of their children and support them to achieve their goals and aspirations.

Minister Fifield then joined me in a roundtable session with local organisations and stakeholders for a discussion regarding NDIS, which enabled many questions regarding this important matter to be answered. While there has been much progress, we all understand that there will be challenges and processes to work out, to iron out any wrinkles, if I may use that terminology, as we roll out this wonderful program.

I, as does the government, recognise and appreciate all families and loved ones that care and dedicate their lives to support those living with disability. Australia has almost 2.7 million carers that care for people with disability—those with medical conditions, mental illness or someone who is aged. They are the unsung heroes that often silently and diligently go about their responsibilities with passion and often without thanks. I would like to thank them here tonight. The government recognises the contribution they make and wants to make their lives easier.

Carers currently access services through gateways such My Aged Care or the NDIS, focusing on the person that is cared for. Under the Integrated Plan for Carer Support Services, IPCSS, and the National Carer Gateway, which is due to commence on 1 December this year, carers will have easier and simplified access to information for their social and economic participation. The National Carer Gateway is budgeted to cost $10.9 million in 2015-16 and a total of $33.7 million by 2018-19.

Also two weeks I attended the launch arranged by WSROC of the Light Years Ahead project with the Parliamentary Secretary to the Minister for Industry and Science, Karen Andrews. This government has committed $5 million towards this innovative project which will see the replacement of approximately 13,000 old street lights, with LED lights across nine councils. This will result in a reduction of greenhouse gas emissions of approximately 24,000 tonnes and $21 million in energy savings for nine councils over 20 years—the life of the lights. I am delighted this project includes the Hawkesbury and Blue Mountains city councils.

Opposition is a sad place to be in—I have been there myself—and it is worse when you have no meaningful and alternative solutions, like those opposite. The 2015 budget is the next step in our responsible long-term plan to build a stronger, safer and more prosperous future for all Australians. What people want is confidence and certainty. It is my hope, then, that those opposite who helped contribute to the mess they themselves created will now assist by enabling these benefits outlined in the 2015 budget to be passed.

Mr GRAY (Brand) (18:40): In this appropriations debate I will speak of the former finance minister, Peter Walsh. Peter Alexander (Alexanda) Walsh was a farmer, a finance minister, a husband and a father. Peter was born in Kellerberrin in 1935; he left school at 14 and entered the Senate in 1974. He entered cabinet in 1983 and left parliament in 1993. His achievements in public life are quite remarkable. When Peter died on 10 April he was
surrounded by his loving and understanding family. He was not always easy to live with—he was acerbic and gruff to political opponents while being friendly, social and caring, always loving and intriguing to his family. Hardworking, he enjoyed a party and he was an enduring friend to a broad political church of public policy enthusiasts. Peter applied a consistent set of values throughout his life—Australia is a better place for that. He distrusted the new class, saw government as having an efficient and effective purpose, only doing what governments do best—taking one tax dollar more than was necessary was, he said, theft.

But I am getting ahead of myself. In his younger days Peter, Rosalie and brother John and sister-in-law Margaret farmed wheat and sheep at Doodlakine in Western Australia’s grain belt. In a family of outstanding farmers, Peter was a good farmer and a good left-handed 100 sheep a day shearer. Harry Perkins told me that. Harry was beaten by Peter in a junior farmers regional shearing zone final in the early 1950s. Peter was very pleased—Harry was Country Party! Peter's farm neighbours were always impressed by his remarkable capacity to estimate crop yields. He was known to get it right to within 0.1 of a tonne per hectare. It was an invaluable skill and an ability he retained to the end. Even through the gathering cloud of dementia and as other skills left him, in October last year he could convert grain length and density of the head into bags of wheat then bushels per acre, then to tons per hectare and finally into tonnes per hectare—all in his head. Although it was thought radical in the 1960s, Peter built contour banks across the farm to contain and direct heavy rainfall. Peter was proud of his contour banks. They remain in full working order today, saving soil and water and controlling erosion.

In the early 1950s Peter did National Service with the Army at the Northam camp. But Peter was not an enthusiastic soldier of the Queen. Peter was an enthusiastic soldier in the battle for a stronger economy. He was a general in the fight for a better, fairer budget. Peter was outstanding at that.

Peter had a clarity of thought, an ability to reduce the complex to simple principles. This was a critical facility. When he spoke he made sense, and people listened. The Labor Party, led by Bill Hayden, with John Dawkins, Don Grimes, Neal Blewett, then Bob Hawke and Paul Keating, found Peter's approach invaluable. We thank his colleagues for finding not just a place but a purpose for what Paul Keating called 'Peter's reactive economic rationalism'. As resources minister, Peter introduced the petroleum resource rent tax, which, like his contour banks, remains in place today, working for the benefit of future generations. Bob Hawke said:

… it was as Minister for Finance that Peter really made his mark. His highly principled, no-nonsense and at times acerbic style made him ideal for this position. In agricultural terms, of which he was well versed, he was able to sort the wheat from the chaff in a very efficient manner. His talent and contribution has been widely acknowledged, including high praise from Nick Minchin and other Liberals as the Best Ever Finance Minister. No-one could disagree with that.

Significant expenditure cuts were required in 1986 in order to weather collapsing terms of trade. The government adopted a simple trilogy: do not raise taxes as a share of GDP; do not raise outlays as a share of GDP and reduce outlays in real terms. For four years, using IMF expenditure definitions, Peter fulfilled that trilogy.

For four years, using IMF expenditure definitions, Peter fulfilled that trilogy. He produced four budgets which reduced outlays in real terms, something that no other government finance minister has done more than once. So Peter remains the gold standard, cutting spending in
real terms while increasing the fairness of outlays. The old child endowment, a payment to every family regardless of wealth, was abolished. The family allowance was introduced. It was income tested and provided a greater payment only to those who were less well off. Peter worked with a team of aligned souls, as Paul Keating called it—a company of ministers and public servants who understood the need for fairness and frugality, pursuing a philosophy of 'restraint with equity', ensuring that the least well off were protected as overall government spending fell.

Peter was always at work—even at a diplomatic corps dinner at the embassy in Tokyo. Ross Garnaut tells of Peter's visit in the latter days of the 1980s property boom, when Peter was finance minister. Ross says:

The Australian Embassy residence was set in an old and beautiful Japanese garden that had been bought for a number of inconvertible Japanese yen during the postwar occupation. It was famous around the old and great of Japan, and the pride of the Australian Ambassador and diplomatic glitterati. 'How much is this garden worth?', asked Walsh. The Ambassador said that he didn't know for sure, but, proudly thought it was probably a billion dollars (that's the dollars of the late 1980s). The Finance Minister said he would check it out.

A Cabinet meeting a couple of months later authorised a process to put part of the garden in Tokyo out to sale by tender, and to build fit for purpose offices for the Embassy in a corner of the site that would not be sold. The next year's budget papers revealed a surplus of more than $800 million from the sale of land, after deducting the costs of new Embassy buildings in Beijing and Tokyo.

So, fairness was increased as a consequence of restraint.

Labor's primary vote rose and its two-party preferred vote rose. At the 1987 double-dissolution election held on Gough Whitlam's birthday, 11 July, with declining government outlays Labor increased its parliamentary majority. Peter was proud of that, and we are proud of Peter—proud of him as a Western Australian and proud of him in his role as a Labor senator and a Labor minister.

Peter enjoyed a party. He was not going to let hard work or politics get in the way of that. Members, senators and public servants would seek out Peter's corridor parties, in the company of Gareth Evans, John Button, Ralph Willis, John Dawkins, John Howard, Peter Costello, John Hewson, and another son of the WA wheat belt, from the town of Korbel, John Stone. I could keep on going but you get the picture. Peter was also close to John Hyde, another dry, wheat-belt public-policy obsessive from Dalwallinu. He respected Eric Ripper's fiscal management. He liked and respected Nick Minchin and made a friend of Mathias Cormann. He liked Tony Burke and he enjoyed showing Burkey around the family farm.

Peter's daughters remember a loving father, proud of his girls, unlike the reserved, stoic, sunburnt grain-belt types. He was always soft and gentle—but don't ever tell his foes that; they thought the softest thing about Peter was his teeth. He was a contradiction. To daughter Deborah, he was a pessimistic optimist, an anti-green conservationist, a frugal man who loved to party, a grandfather who doted on his grandchildren but who was a dodgy babysitter. Deborah talks of a Saturday morning when the boys were in Peter's care. Deborah came home to find two wild ducks walking to the boys' bedroom and a trail of duck poo from the back verandah to the bedrooms. Deborah asked Peter why he had let the ducks into the house. He looked up from The Australian Financial Review and said, 'Well, I didn't leave the door open.'
To Anne, Peter was a teacher and a role model, remembering Peter's connection to Muresk Agricultural College through which a young and troubled Vietnam war conscript came to stay on the family farm. Peter taught the girls that you could hate the Vietnam War but honour, sympathise and support its participants. Peter taught that creed and colour play no part in the worth of a person. Peter taught never to confuse the volume of noise with the number of people making it.

To Shelley, Peter was a playful father, teaser of kids and family pets, and a serious competitor in childhood games on the farm. He taught that it was always possible to add one more to the dining-room table.

Peter had three lives: the family man, the senator and the farmer with enduring attachments to the dirt at Doodlakine.

Karen remembers Peter living by the numbers and precision; farming required that. The girls were daughters 1, 2, 3 and 4. Peter was fun, spontaneous and out for adventure, while Rosalie restored the order. Karen remembers his vast general knowledge, and how learning new things was exciting with Peter. To escape the heat on a hot dry summer night, the family would often drag their mattresses out onto the back lawn. Peter was fascinated by the stars and the universe, and he would encourage the girls to find constellations in the Milky Way. On the farm on their back lawn, on their backs looking up; going to sleep they would discuss the universe and its wonders.

While Peter retired from politics in 1993, he left a legacy that transcends it. He learnt from the land and he brought from the wheat belt that gave him life an appreciation of the real value of things, and the rigour to apply those values throughout his life. Those values included a 'restraint with equity' philosophy to protect the most vulnerable, which ultimately meant a better and fairer outcome. He blazed a new path for finance ministers. Peter enjoyed football, first as a player locally, then as a lifelong member of the Swan Districts Football Club, and he was a proud—original—West Coast Eagles member. Peter was always true to himself. Australia was made stronger and fairer for Peter's public service. No Australian could aspire to do better than that.

We thank the whole Walsh family for letting Peter perform his public service; John, for holding things together on the farm; and Rosalie, for holding things together at home. The Walsh family, through Kevin and Philippa, continue today to farm at Doodlakine, where as dust Peter will settle. Peter is survived by Rosalie, by his daughters Karen, Shelley, Anne and Deborah, and by 11 grandchildren, Rhiannon, Daniel, Imogen, Christopher, Alexander, Laura, Siobhan, Michael, Riley, Darcy and Toby. We thank you, Peter. We thank you for your service.

Mr WOOD (La Trobe) (18:52): I too wish to speak in this debate on the Appropriation Bill (No. 1) 2015-2016 and related bills, in particular on the benefits to my electorate of La Trobe. But first we need to go back in time and have a look at what Labor left the Abbott government.

This budget shrinks the deficit from $50 billion this year to $3 billion in 2017-18. Under our Economic Action Strategy, debt will be $277 billion lower in 10 years—I repeat, $277 billion lower in 10 years—than it would have been under Labor government policies. In 10
years, we will be saving $16 billion in annual debt interest. This saving is more than the annual cost of the Pharmaceutical Benefits Scheme; more than the annual cost of the National Disability Insurance Scheme; more than the annual expenditure of higher education—so it is an incredible saving.

We are doing our job to repair the budget and build the future. We are doing this by investing in infrastructure—a record $50 billion in critical road projects, rail, ports and airports—and, sadly, as a Victorian I must say that I am devastated that the East West Link project will not be going ahead under the current state Labor government with Daniel Andrews, but the great news is that $3 billion is still on the table with the federal coalition. We are also abolishing the carbon tax to grow the economy and save households on average $550 next year alone. We are helping apprentices with concessional loans to help them to complete their training; it is vital that we help young people. We are helping small businesses create jobs, cutting the company tax by 1.5 per cent and reducing red tape costs by $1 billion per year. We are introducing a special $20,000 tax deduction for small businesses investing in equipment and materials, from hairdressers to tradies. We are pursuing free trade agreements, such as those negotiated with South Korea and Japan, to help boost our exports. These are the facts when it comes to health: over the next four years, the Australian government funding to the states for public hospitals will increase by 40 per cent, and total spending on health will increase by more than $10 billion a year over the next four years.

These are the facts on schools: the government is investing $64.5 billion in schools over the next four years—over $1.2 billion more than Labor would have spent. Between 2013-14 and 2017-18, annual funding from the Australian government to schools will go up by 34 per cent—a $4.6 billion a year increase. These are the facts when it comes to pensions: pensions will not be cut during this term of parliament. The pension will continue to increase twice a year, as it always has since indexation was introduced under the Howard government. Aged pensioners will benefit significantly from the carbon tax being scrapped, which will save households on average $550 next year alone. The family home will not be included in any pension asset test.

Now I would like to look a bit closer to home in my electorate of La Trobe. Once again, I am very proud to say that, midway through this current term, we have continued our motto of listening and delivering. In the last federal budget we had delivered three major projects in La Trobe. I congratulate those who put the project applications together. In total, I believe that there were over 400 applicants and 51 of those were successful. Three of our local councils came up with successful applications.

Bunjil Place is actually in the seat of Holt, but I am very proud to say that I worked with the Casey council on this project. It was formerly known as the Casey Cultural Precinct. The federal government has committed $10 million to this project. The Casey council is putting in an amazing contribution of $110 million for this project. Sadly, the state Labor government has made no contribution. The CEO, Mike Tyler, told me that the $10 million put in by the federal government will decrease the amount of interest the council has to pay by reducing the loan term from 30 years to 21 years. If the state Labor government were to contribute $10 million, that would further decrease to 16 years, which would take great pressure off local council ratepayers such as those living in Narre Warren, Narre Warren South, Berwick et cetera.
During construction, this project will create an amazing 1,200 jobs, and that is what we truly need at the moment, considering the Labor Party is not backing the East West Link in Victoria. This will be a premier arts destination for the outer south-eastern suburbs of Melbourne. It will include a theatre, a studio space, a function centre and a regional art gallery. I again acknowledge the CEO, Mike Tyler, for his hard work. I also acknowledge the Mayor of Casey, Mick Morland, as well as Deputy Mayor Louise Berkelmans, Councillor Rafał Kaplon, Councillor Wayne Smith, Councillor Geoff Ablett, Councillor Susan Serey, Councillor Rosalie Crestani, Councillor Gary Rowe, Councillor Amanda Stapledon, Councillor Damien Rosario and Councillor Sam Aziz. The reason I have mentioned all of these councillors is that this is truly an amazing project. I doubt whether, in Australia, there will be any project where a council contributes $110 million. For all those who have been involved in Bunjil Place, I congratulate you, because this is really going to be a fantastic local community project.

We also delivered funding for the Emerald Community Hub—$1.5 million. This will have enhanced capacity to provide existing and new training courses, including accredited training of radio operators—and that is very important up in the Dandenong Ranges each fire season. It will provide courses enabled by a new commercial kitchen. It will provide an arts space to promote the local art community. Again, we were very much involved in the past, funding the Gem Community Arts Centre and also the Emerald Secondary College's performing arts, which has just been fantastic for the local area. An incubator hub for local businesses is also part of the Emerald Community Hub, as is the promotion of local tourism, which is very important to small business. The hub also includes facilities to provide enhanced mental health services and allied health services, and accessible community space for local residents and social recreation groups. I would like to thank the CEO of Cardinia Shire, Garry McQuillan; we met with him several times on this project. I would also like to thank councillor and Mayor of Cardinia Shire, Leticia Wilmot, Councillor Tania Baxter and Councillor Brett Owen, as these three are councillors for the ward the Emerald community hub will fall within. I must thank all the other councillors, too, because it obviously comes down to the votes. All councillors want to look after their wards first, but they acknowledge this is a fantastic project.

From the Emerald community I would like to thank Ray Spencer, representing the Emerald Mechanics Institute, and Russell Soderlund, representing the Dandenong Ranges Community Bank, which very generously contributed $250,000 to this project. Above all, I thank all of those involved in the Emerald community hub. This is a project which is being led by the local community.

We were also, under this current budget, very proud to announce that the Belgrave Multipurpose Health Hub will receive $3.835 million. This will include council's maternal and child health services and youth services. Regarding youth services, I have again advocated very strongly that I would love to see a headspace service offered from the Belgrave health hub; mental health issues are a huge issue in Australia and, in particular, up in the Dandenong Ranges. We will also see aged and disability services, Inspiro Belgrave services and the Dandenong Ranges Emergency Relief Service. I would like to thank the Mayor of the Shire of Yarra Ranges, Maria McCarthy, for all her support; Lyster Ward Councillor Mike Clarke, who is newly elected and who has been a great support; Inspiro CEO
Karen McPeake, Director of Social and Economic Development Ali Waistie, with whom I have had numerous conversations, and the Dandenong Ranges Emergency Relief Service for all the fantastic work they have done for so long. I still recall, back in the days when Alan Fincher was the mayor of Yarra Ranges—we met on the site; it was one of those projects I never saw get off the ground, but the great news is this project will now be going ahead.

The very interesting thing about these three vital projects for La Trobe is they were sourced from the National Stronger Regions Fund. I am very saddened to hear that the Labor government has come out in opposition to all these vital projects. I just cannot believe it. Why would they oppose these vital projects in my electorate?

Another hugely beneficial funding source for my electorate has been the Dandenong Ranges Environmental and Bushfire Reduction Grants Program. Again, I must thank Greg Hunt, the Minister for the Environment. He understands all too well how important the issue of bushfires is in my electorate; on the other hand, weeds are also a huge issue. People sometimes say weeds cause bushfires; they do not cause bushfires, but if you have a mountain ash or any other sort of gum tree, and you have ivy going up it, during a fire that is like a runner straight up the tree. That is why we need to address the issue of blackberries, and sycamores too, which sadly are all through the forest. This is a fantastic program. This program is unique as it allows works to be done across public and private land by community groups like the 'friends of' organisations and the CFA. When I attended various CFA public meetings, that was a big issue they had. They could look after crown land, but they could never look after private property. This does both.

The first result from round is that 29 projects have been approved. Out of the 29 projects, there are 22 different community groups and organisations coming together to complete works across the Dandenong Ranges. These include: Agribusiness Yarravalle— I know Tony Smith, the member for Casey, did great work with out there; Cardinia Shire Council, CFA Belgrave Heights and South; the Chandler Hill Parkcare Group; the Emerald Tourist Railway Board—they put a great submission in; the Friends of Baluk Willam Nature Conservation Reserve; the Friends of Ferno Creek; the Friends of Harbury; the Friends of Hazel Valley Group in Tecoma; the Friends of Sassafras Creek; the Friends of Sherbrooke Forest; the Holly Hill Community Fireguard group; the Johns Hill Landcare Group; the Macclesfield Fire Brigade, Monbulk Landcare group—again, I know Tony Smith worked with them and the same with the Montrose Environmental Group; the Friends of Selby Conservation Reserve group; the Sherbrooke Community School; the Sherbrooke Lyrebird Study Group; the Southern Dandenongs Landcare Group; the Southern Ranges Environmental Alliance; and StopPitt. This round of grants comes to the very exact figure of $1,033,912. Sadly, the state Labor government have ripped out all their funding for weed management through the Dandenong Ranges, which is not only going to be bad for those trying to look after our beautiful environment; it is also going to create more of a fire danger. I really hope they reconsider that decision. With this project I would like to thank Steve Thuan from the Port Phillip and Westernport Catchment Management Authority for all his hard work in working with all the groups.

I would finally briefly like to talk about a big announcement we had with the opening of headspace at Fountain Gate. I must give the member for Holt, Mr Anthony Byrne, a plug. He has been a tireless worker in preventing youth suicide in his electorate and also in La Trobe.
This is one of those issues we have worked tirelessly together on. The great news was that two weeks before the federal election we had the funding approved. I was so glad to be there at the official opening and see this beautiful premises. I say 'beautiful' because it is a really nice-looking venue which has been opened. That will address issues such as mental health concerns for young people, youth suicide, under-age alcohol consumption, depression and anxiety. It was a great day. I must give Chris Tanti, the headspace CEO, a great mention for all he has done in youth suicide prevention to combat the awful scourge of suicide.

Mr DANBY (Melbourne Ports) (19:06): I rise to note my concern in this debate on the appropriations bills at the plans of the coalition government and the Minister for Arts, Senator Brandis, to strip the Australian Council of half of its funding, moving it to a new program, the National Program for Excellence in the Arts, NEPA. This is to run within the Ministry of the Arts, with the ultimate authority for funding decisions resting with Senator Brandis. As Barry Humphries, now Director of the Adelaide Cabaret Festival, said through his alter ego Sir Les Patterson: 'Sir Les has got a good idea. He said, "Why can't we say that the Australia Council is a sporting body?" If we pretended that it was there for the promotion of football and cricket, the government would give it even more money.'

Since its inception, the Australia Council has supported Australian arts and arts organisations with two guiding principles: the pursuit of artistic excellence based on peer assessment and that funding decisions be made at arm's length from the government. All previous governments have long been committed to these principles, and we will continue to be in the next government. Senator Brandis is a cultured man, but neither Sir Les Patterson nor Lorenzo Medici are appropriate models for arts funding in Australia in the current era.

In 2013 the then Labor government legislated to deliver key recommendations of a 2012 review of the Australia Council. Importantly—and I would wish my colleagues across the aisle to hear this—the reforms that Labor enacted took place after extensive dialogue and in conjunction with the arts sector. In contrast, at Senate estimates last week Senator Brandis admitted he had not consulted anyone in the arts community before making the announcement. The Chair of the Australia Council, Rupert Myer, was only told of the impending cuts—that half of his funds would be cut—late in the afternoon of budget day. For a budget that was supposed to be about no surprises, perhaps Mr Myer and Chief Executive Officer of the Australia Council, Tony Grybowski, found this something of a surprise.

Labor has long had a dedication to the arts. One of the greatest achievements of former Prime Minister Gough Whitlam was on Australia Day 1973, in founding the interim Arts Council, which later became the Australia Council and incorporated and streamlined the roles of many other arts bodies. Within the council, there were seven specialist boards representing literature, music, theatre, crafts, Aboriginal arts, film and television, and visual arts. During the Gillard government I had the honour of being Parliamentary Secretary for the Arts. Indeed, I moved the second reading for a major piece of legislation remodelling the Australia Council so that its organisation would not be siloed and so that interaction would occur more easily.

As a result, I fear, of the minister's consolidation of power, the Australia Council suspended the grants process for the six-year funding program for many arts organisations before any money was awarded. There is a real sting in this cut to the Australia Council. Funding arrangements between the Australia Council and state and federal government bodies
mean that funds to the 29 major art companies are quarantined. This means that the cuts to the
Australia Council budget will disproportionately affect hundreds of small to medium arts
companies. It is these companies that will be most dramatically affected by the stripping away
of the $100 million of arts council funds. They are, in particular, the grassroots of the arts
community which grow all of the future creativity of arts activity around Australia.

Amid all of the ambiguities over the council's functions, Senator Brandis has revealed he
will award projects that have already received or been promised private funding. While the
bigger companies will find it easy to attract philanthropic investment, the smaller ones will
struggle to do so. They will be more likely to go to the wall because of these changes.
Ironically, it is the helping hand that the Australia Council provides that enables some of these
small companies to be noticed and to obtain private funding. Therefore, whether it is intended
or unintended, Senator Brandis is cutting this process off at the knees.

The ministry for the arts will now be scrambling to set up a bureaucratic infrastructure to
handle the applications for funding that will be pouring in. Beyond establishing the NPEA,
the ongoing maintenance and assessment of applications will add a considerable burden to a
Public Service already cut to the bone. For a government so obsessed with the efficiency of
the Public Service, it is ironic that the Minister for the Arts will be pushing what is effectively
a doubling up of work, because the Australia Council already does that work.

The true danger of this move is that there will be ministerial discretion over what arts in
Australia is funded. As I said before, this may have been appropriate in centuries past with
Lorenzo de Medici or in the imagination of Barry Humphries with Sir Les Patterson—but the
whole idea of noninterference in the arts was to have arms-length funding and assessment by
one's peers. Some in the media have questioned Senator Brandis's role as an arbiter of
excellence in the arts. They have a good point, but I think the problem is deeper. To ensure
that political interference does not affect the arts in Australia, the Australia Council supports
art based on peer assessment, as I said, at arm's length from government. The council
determines a pool of peers who measure an application for funds against eligibility criteria
before coming together to discuss proposals. It is confidential, it shuts out political
interference and, to date, including during the 11 long years of the Howard government, it has
worked. What is to stop Senator Brandis deciding that arts projects to be funded just happen
to be in marginal seats or just happen to be connected to people connected with the Liberal
Party? It is the old song—'I dance with the man who danced with the Prince of Wales.' Who
will keep the senator accountable?

I observed an interesting anecdote in The Guardian last week. Its columnist wrote:
One of my sources directed me to examine the Twitter feeds of the arts companies to determine
reactions to the changes. "The most you'll get is a 'wow', or an expression of shock," the source said.
"Amidst this kind of uncertainty, no company can afford the risk of making criticism public."
It is a sad fact that the Minister for the Arts, who is also this country's Attorney-General and a
fierce defender of free speech, has caused the arts sector to be so afraid of their own voices
that they are not saying anything for fear of losing more funding. That is quite a legacy! I
commend the Australia Council for its courage in at least issuing a press release saying to arts
organisations across this country that the six-year funding round will be abandoned and that it
is totally affected by both this cut and the split and double bureaucracy that has been created.
I turn now from this unfair budget's effect on the arts community nationally to other disproportionate impacts in my state of Victoria. Over the next five years Victoria is slated to receive just eight per cent of the $19.8 billion the Abbott government will invest in road and rail infrastructure. Compare that to the 39 per cent share that New South Wales will receive. Indeed, in the coming years Victoria's share of the Commonwealth's National Partnership Payment scheme will drop to just 12 per cent, despite the fact that my state has a quarter of Australia's population. Is it because Victorian cabinet ministers, such as the members for Kooyong, Menzies and Goldstein, are not able to stand up to their Sydney based colleagues who seem to run this government? Or is Victoria being punished for being the only state to elect more Labor than coalition MPs? The Age—a newspaper I do not cite very often—did say that Victoria will get 19 per cent of the Commonwealth National Partnership payments and this will drop to 12 per cent over the next four years—less than half of Victoria's population share. I think the way Victoria is being treated is a very inequitable. The figures are indisputable, particularly in infrastructure. I realise we are in the middle of the political stoush that will eventually be resolved, but there is no other conclusion one can come to than that Victoria is being punished for electing a government that is unacceptable to the current federal government.

Let me turn to the last area I want to identify, and that is claims made by the foreign minister last week in response to the intense questioning from the shadow Attorney-General that somehow during the previous Labor government expenditure on national security was diminished and the opposition was somehow unsupportive of the safety of all Australians. Nothing could be further from the truth. As we all know, in the last three tranches of national security legislation—including with some intense debates on our own side—we have supported the government to protect Australian people on every occasion and that includes not only in legislation but also in expenditure on non-Defence national security. If you examine expenditure by the Howard government from, say, 2001 to 2014 expenditure on non-Defence national security it goes, in the billions of dollars, from about three in 2001 to seven when Labor finished office and it has remained at that high level under the current government, although I note that it is projected to decline in 2017-18 to six and a half. I am not going to quibble with members of the coalition about what might happen in the future, but all I would say is: over the years, between 2001 and 2007, when the Howard government was in office, there was a slow increase of expenditure in this area. It remained high when Prime Minister Rudd was elected and went to greater heights when Prime Minister Gillard was elected. So the claim that Labor is not interested in legislatively or financially supporting Australian national security is plainly false.

The review of Australia's counter-terrorism machinery produced a chart that is available from the Department of Prime Minister and Cabinet in their January 2015 report, and it is clear that we were mindful of expenditure in this area because circumstances demanded the increase. I do not think it serves either political party to say that one is more patriotic than the other, if there is no evidence of it. So, both in legislation and in expenditure, Labor has been responsible and supported the government. It is regrettable for a glass-jawed Foreign Minister to be unable to answer questions about what the Attorney-General should have done with national security and to say that we were not spending sufficient money when we were in office or that we did not support them on legislation.
Since we have time in these debates to reflect on things, I might say that the foreign minister and the Attorney-General do not understand these things. That piece of paper from Monis could have been very important for a professional intelligence officer if he had evaluated it. Who knows what other information they had? This might have indicated that this person had become very active when he suggested that he wanted to be in contact with the head of Daesh.

Not everyone reacts like the Attorney-General's office did. I am not saying the Attorney-General himself. I am sure that if he had seen the correspondence he would have referred it on directly to the security services, not just to his department. I received a letter from a convicted terrorist some years ago. I was alarmed because I thought the person sounded very emboldened. I did not understand why he was writing to me. I not only sent it on to ASIO; I also rang the director-general. I came to the view that the security services found this piece of correspondence a particularly important part of the picture with this individual. That is why all of us, from the highest to the lowest, have a responsibility when these matters come before us to refer these matters directly on straightaway to the appropriate authorities.

It is not good enough to say that former Attorney-General McClelland received a piece of correspondence. The difference is the situation. The security alert was at the highest level it has ever been and it should have been referred. The foreign minister should not be so glass jawed about it.

Mr TUDGE (Aston—Parliamentary Secretary to the Prime Minister) (19:21): In rising to speak to the Appropriation Bill (No. 1) 2015-2016 this evening I would like to touch on three or four issues from the budget and then briefly mention the ice epidemic which is occurring in my electorate, as it is across the entire country, and some of the things which we are doing in relation to that. If I could start by talking about the aggregate budget and what we are trying to achieve. Let me touch on two or three things. First and foremost, we have to get control of Labor's debt and deficit disaster. This budget continues the work of last year's budget in terms of getting control of the spending and providing a very clear pathway back to surplus.

When you look at the macro figures of this budget, the budget deficit reduces each and every year from $35.1 billion in 2015-16 to $6.9 million in 2018-19. We do that in part because we have been very disciplined on the spending side, keeping spending down to 1.5 per cent, whereas we inherited spending growth at 3.7 per cent, real growth, which of course is just completely unsustainable. That is the most important macro measure, if you like—getting control of Labor's debt and deficit disaster. That is so important because really this is about the future generations. If we do not get on top of the debt and deficit today then it will be our children and our grandchildren that will be having to pay it back. That was Labor's legacy. They set up a tremendous debt trajectory and we are getting firmly on top of this in this budget, building on last year's budget work.

The second point I would like to raise from this year's budget is something very important for all Australians, and it is particularly important in my electorate—that is, small business support. There are 11,000 small businesses in my electorate, which is a huge number of small businesses. They are the backbone of our local economy. Amongst those, about a third are business services, a fifth are in construction, a further fifth are in distribution services and about a 10th are manufacturing businesses. In all cases, those business owners work hard and they frequently mortgage their house in order to get loans to keep their business afloat. They
are typically incredibly proud about the services they offer and about the employees that they can take on and provide for.

What this budget initiative does—and this is the centrepiece of the federal budget—is to provide a turbo boost for these small businesses, and it does it in two ways: firstly, by providing them with a tax cut of 1.5 per cent, which occurs whether you are an incorporated business or an unincorporated business; and, secondly, by providing an instant asset write-off for every purchase up to $20,000, and that is effective immediately. What that means is that businesses can go out today, make a purchase and then immediately write that off against this year's tax, effectively reducing their tax and increasing their cash flow. What that will do is provide a real stimulus for those small businesses to go and spend money to invest, to grow and to employ people locally. That is what I think is so positive about this particular budget measure: it really provides a stimulus for the small business sector, which is at the heart of our overall economy in my seat of Aston and, indeed, across the nation. I hope that the Labor Party will support that initiative. We do need to get legislation through the parliament, and I trust that they will back that initiative, because it is so important.

I touch on the families package. Small business was the centrepiece. The families package was also very important, and Minister Morrison oversaw this. In essence, it is providing additional support for those parents who want to go back to the paid workforce. It does this by providing additional assistance for the childcare sector. The effect of this particular measure is that, on average, low- and middle-income families will be about $1,500 a year better off if they are using the childcare system. What it does is to provide just that extra incentive, should they choose to exercise it, to get back into the paid workforce, because they can afford the childcare system. You would know, Mr Deputy Speaker, as I do, that so many families sit around the kitchen table and decide that one of the parents will not go back to work, because they weigh up what they will earn versus what the costs of child care are. This particular measure tilts the balance in favour of providing the opportunity to go back to the workforce should they choose to do so.

Finally in relation to the budget, I would raise the issue of infrastructure. This is very dear to all of our hearts, and it is particularly important in a state like Victoria and a city like Melbourne. Melbourne is growing by 100,000 people each and every year. It is by far the fastest growing city in Australia. What that means is that, unless we are building infrastructure to keep up with that, the road and rail systems come to a standstill. We have been seeing that over the years. Increasingly Melbourne's traffic has been slowing down and congestion has been getting worse. What we had, though, was a huge infrastructure project to address that particular congestion issue, and it was called the East West Link. It was put on the agenda under the Brumby government, planned for under the Baillieu government and then funded under the Napthine government, and it was all ready to go, with contracts signed. And, of course, we know what Daniel Andrews did to that: he cancelled that contract. He spent $640 million in the process not to build that road, and it effectively means that we do not have a single large infrastructure project in Melbourne at the moment. It is the only city in Australia that does not have a big infrastructure project underway, and it is the city which has the fastest growth by a considerable margin. What we have done in this budget is to say that there is $3 billion quarantined for the East West Link should a Victorian government choose to build it, and a Victorian government will build it, because it must be built, because it will
create 7,000 jobs, end the Hoddle Street bottleneck and finally make a further connection from the eastern side of the city to the western side of the city, a project which every single transport plan has suggested.

Let me finally mention a further topic which is not directly budget related but is nevertheless incredibly important. It is an important one for all members of this House—that is, the ice epidemic and how we should be addressing this and thinking about it. Every single member of this House has probably come across families that have suffered from the consequences of ice. We know it is an absolute epidemic in Victoria and in the nation—and it is increasingly a problem in my electorate in Victoria. The rate of ice use as the main form of drug for amphetamine users has doubled in the last 12 months alone, from 22 per cent in 2010 to 50 per cent in 2013. Those using ice are doing it more frequently, with people using it at least monthly doubling from 12 per cent in 2010 to 25 per cent in 2013—around 90,000 Australians aged 14 and over. This drug is an insidious drug. It is killing our young people and it absolutely destroys families. We know that the ice addiction itself can cause all sorts of psychoses and long-term mental health issues. It makes people aggressive. It considerably increases the risk of stroke and heart failure. Offences involving ice now make up 16 per cent of all drug crime compared with only three per cent five years ago. This is an epidemic which we must get on top of. I will not say it is the epicentre, but one of the biggest problem areas in the outer east of Melbourne is the Knox municipality, which basically has the same boundaries as my federal electorate of Aston. Twice as many drug offences occurred in Knox compared to the adjacent municipality of Maroondah. Charges from possessing drug manufacturing equipment in Knox have grown from zero to 20 over just the last few years. It is an incredible drug. There were 687 drug offences recorded in Knox last year—more than twice as many as in Maroondah.

We have a national task force which is looking into this problem. It is headed up by the former Victorian police commissioner Ken Lay, who is a very highly regarded figure. He is consulting across the nation to look into this problem and to get ideas as to what we can do nationally, what we can be done at a state level and what can be done locally and amongst communities. I will be hosting an ice forum in my electorate in the coming weeks in order to gather the evidence and information from local people in my community. Attending that forum will be political representatives, experts in the field and people who have been affected by this, as well as people who are concerned about its incidences and believe that they have a contribution to make. I have already received an enormous amount of local feedback in relation to this problem largely from emails, from responses to my newsletters and from Facebook. Broadly the themes which people put through, at least from my electorate, are very consistent in relation to this problem—for example, they say we must tackle the supply of ice, particularly through stronger penalties for suppliers. Many people made that comment. There was a strong view that we need to consult very broadly, including with ice users themselves, as we develop our strategy. The third theme which came out was that we need additional funding for rehabilitation, for prevention services and for early education services in order to be able to ensure that people are fully aware of what the problems are, and then to be able to seek help very quickly should they find themselves in difficulty. I look forward to this forum, which we will be posting in a few weeks time. I think this will be a very good way of eliciting further feedback from our local community. That feedback will be then be fed into the National Ice Taskforce. I know of very few people in our local community who are not
concerned about this drug. They have either seen or heard of its effects, and it is something that as a nation we are taking very, very seriously and something at the local level that I am taking seriously also.

Mr FITZGIBBON (Hunter) (19:35): I rise to speak on the Appropriation Bill (No. 1) 2015-2016. A Commonwealth budget is an account of what any government intends to raise in the course of the following four years and, of course, what it intends to spend. Axiomatically, the 2015 budget is as much about Tony Abbott's first budget as it is about his second. In other words, this is year 2 of the Prime Minister's budget effort. In the absence of any change in year 1, we find that his second budget is very much a function of his first budget.

I make that point because, while this budget has essentially been rebranded due to lessons learnt from the way in which the first budget was badly sold, it is essentially the same budget. It is the same budget, because all the nastiest cuts that were included in the first budget remain in the second budget. Sure, there are changes, which are welcome—for example, the $7 GP co-payment is no longer there. But the freeze on the indexation of rebates to GPs is still there, and the people who will be most affected by that freeze are those with the least ability to pay. Changes to the PBS system, which will impact on low-income earners the greatest, are still there. The reintroduction of fuel tax excise indexation is still there, and those with the least ability to pay will pay.

The big one is the $80 billion worth of cuts to the income of state and territory governments—income which they in turn use to fund the all-important education and health systems in their jurisdictions. They will hurt very, very much. Of course, we do not see the impact immediately. It may take years before we start to feel them, but they will come. Kevin Rudd, when he was Prime Minister, took a greater responsibility for the funding of the state hospital systems because it was very clear the states' ability to fund those systems to a standard we have come to expect in Australia was coming to an end. The then Prime Minister did not give over the extra money because he felt like it or because he wanted to or, indeed, because it might make him popular. He handed over the additional money by necessity, in the recognition that in the absence of that additional money our public health system would eventually grind to a halt. These cuts will, if not grind them to a halt, almost certainly lead to a significant deterioration in the experiences of people who attend our public health system for assistance.

The pension cuts as they were presented in the first budget are not there, but another method has been found to cut into the pension payments of many Australians. There were cuts to a range of not-for-profit groups around our country, who are doing good work in our community. The member for Aston was talking about the scourge of the drug ice. Yes, the Prime Minister has established a task force. I have no criticism of the task force. I wish it well. I hope and trust it will be able to do something off the back of its community consultation and other work to address this scourge. But what the member for Aston does not appreciate is that many of the groups which had their Commonwealth funding cut in the Prime Minister's first budget were the very groups which work in our communities to help people who are facing drug addiction problems and to support those around them, including their children. For example, there is a grandparent's group in my electorate, in Maitland, and they are there to care for grandchildren who unfortunately have suffered the consequence of
parents who have difficulties and challenges—typically drug-addicted parents. They were getting a modest amount of money from the Commonwealth to cover the administrative costs of their program—money they probably cannot survive without. That money went in the first budget and has not been restored in the second. If the member for Aston really wants to help us deal with the ice problems, and of course other drug problems in our communities, he might want to reflect on that.

There have been massive budget cuts for Landcare groups—hundreds of thousands of dollars cut in the first budget and not restored in the second budget. The list goes on and on. There are cuts to research and development—to our CRCs, to the CSIRO, to the Rural Industries Research and Development Corporation. None of that has been restored. CRCs will soon fold because the Abbott government, unlike every other government, did not continue their funding into the next round. It is all gone.

This all goes to jobs. The best thing you can do to help someone avoid going into drug addiction and dependence on drugs and all the social fallout from that is get them into work. To do that you need a strong economy, which we do not have. It is funny—before the election, Tony Abbott said our economic challenges had nothing to do with the global environment; it was all to do with the fiscal mismanagement of the then Labor government. There was no recognition of the global financial crisis and the fact that we were one of only a very few Western economies to come through the GFC without falling into recession. Now, after the election, it is all about the global economy and nothing to do with the current Prime Minister and the current Treasurer. That is wrong. We know in this budget that unemployment is on the rise and, sadly, it is projected to continue to rise.

As complex as the national economy is, there is a pretty simple explanation for that. Sure, iron ore prices have fallen dramatically, but that was happening before the Prime Minister was elected. I genuinely believe a major contributor is the way in which this Prime Minister and his Treasurer have talked the economy down over their 20-month period. You can see consumer confidence plummeting as a result, and that is not a way to generate employment in a slowing economy. Now we see, in this budget, the narrative has changed: ‘Now we need fiscal stimulus; there is no budget emergency any longer; there is no debt crisis—now we are free to spend some money to stimulate the economy.’ This is the problem with this government—it lacks an economic narrative. It lacks the capacity to pursue structural reform. We all agree with social policy reform. Labor governments in the past have done excellent work in reforming social policy—for example, the way we paid pensions and other benefits in 1901 differs from the way we pay them in 2015. Society changes dramatically—our demographics change, our population changes, our age profile changes. Social policy is an area that is constantly in need of adjustment. But this is not adjustment. This is a government that has gone in search of easy, quick savings measures not affecting those with the capacity to pay, not reflecting the fact that some people have come out of a situation where they might not have needed as much government support as previously was the case—they went right to the bottom, to pensioners, the unemployed and those who are relying on allowances like Family Tax Benefit B to make ends meet on a weekly basis. That is not structural reform—that is just lazy policy change designed to make up for the inadequacies of this government's economic approach.
Unemployment matters in my electorate very much. I like the old Neville Wran phrase—there are only two issues in politics: jobs, jobs and jobs. We have a very diverse electorate in Hunter—a whole range of agricultural pursuits such as dairy, beef, grains, horticulture and viticulture, for which we are most famous. We also have within our boundaries the horse capital of Australia, we have a huge services sector and we have a very large manufacturing centre—albeit a lot of that manufacturing is tied to the coalmining industry.

In all the time that I have been in politics, both local and federal, I have dealt with land use conflicts, and we have plenty of them in the valley. Coalmining is huge—it is a huge employer and a huge contributor to economic output—and, of course, it has lived side by side in relative harmony with viticulture, thoroughbred breeding and other agricultural pursuits for many years. That relationship got a little bit tougher when through the mining boom coalmining expanded at a rapid rate and in doing so came closer and closer to sensitive sustainable industries like thoroughbred breeding, agriculture and viticulture more generally. These are big challenges but, as diverse as our economy is, it is coalmining that puts the icing on the cake for us. It is coalmining that gives communities like Muswellbrook a median weekly income second only to beachside Merewether in Newcastle. It is coalmining that caused our unemployment rate to drop from, when I was first elected, 13½ per cent to at one stage 3.9 per cent. We could never hope to do that without coalmining. It is the decline in the boom, the move on from the investment phase of the boom, which is causing unemployment now to rise again towards double-digit figures. I make an appeal to people: surely in this 21st century we have the wit to ensure that we can protect our sustainable industries while at the same time continuing to rely heavily on the coalmining industry to put the cream on the cake, or in this case to keep the cream on the cake.

I go to school presentations and look out into the crowd at all the parents, and a very large slice of them are wearing the typical fluoro-type uniforms worn in coal mines. I go to the pubs and the clubs and the supermarkets and I see them everywhere, and I often ask myself what sort of economy we would have without them. Some might say we can replace them. I am happy to hear that argument, but I have not heard any bright ideas yet.

The frustrating thing for me is that this is largely the domain of the state government. I am not going to be generally critical of the state government, but I am increasingly concerned that state governments are moving towards these blanket bans on coal seam gas resources and coalmining resources. We should never put blanket bans on resource projects. We should treat every case and project on its merits. Some will be developed at no expense to our sustainable industries—and I should say that sustainable industries take priority, because hopefully they will be with us for thousands of years while some of these projects will be with us for maybe 100 years, if that. But there are projects that can be sustainably developed without a threat to other industries, and we should always ensure that these things are treated on merit.

It takes me to an issue that is fairly close to my heart these days, and that is the capacity of the Commonwealth to intervene in these projects. I think it is good to have a second referee, if you like. Once a project runs the gauntlet of the state government consideration process and approvals processes, the EPBC allows the Commonwealth to take a second look if there are issues around flora, fauna and, since the initiative taken by the former Labor government, now water. I think that helps us make the industry more sustainable because it gives a guarantee to the broader community that there are checks and balances in place.
I am concerned that this government, the Abbott government, wants to send those rights and that role back to the very state governments making the first decision in the first place. I say: do not do that. Keep the Commonwealth involved, and in the case of water keep the scientific panel involved. Let's build community support, important support, for our resource industries by being able to tell people: 'Don't worry. It's not just a matter for the New South Wales government in my case, or state governments generally, but indeed there is a second referee on the field, the federal environment minister.' I am hopeful that, if we build that confidence again in our local communities, we will in turn build greater levels of support for the coal and coal seam gas industries where they are appropriate, and that is going to be so important to employment in my electorate.

Mr HOWARTH (Petrie) (19:50): It is great to be able to talk a little bit about some of the benefits for my electorate of Petrie in Queensland and for the whole nation that are being delivered through packages in this budget of 2015-16. There many opportunities not just for the people in my electorate of Petrie but for all Australians. I want quickly to touch on the budget position; I want to touch on families, the environment, small business, domestic violence—there are loads of issues—and projects in my electorate.

I am pleased to say that there is a plan to bring the budget back to surplus. I got involved in the 2013 election because I was terribly disappointed after many years of Labor's appalling financial mismanagement. It is very important that there is a clear plan to bring the budget back to surplus and that, as the Commonwealth government, we spend less than what we earn each year. At the election, the coalition promised to get the budget back under control. We promised to stop the boats, to scrap the job-destroying carbon tax and mining tax, to end the waste of taxpayer money and to build the roads of the 21st century.

We have kept those pledges and we are doing a lot more in this year's budget. I speak directly to families—families in my electorate—in saying that we are committed to supporting you by making child care simpler, more affordable, more flexible and more accessible. As a father of three sons, I know that having children is a blessing, but I also understand that families are faced with costs when parents want to get back into the workforce. This year's budget sees an additional $3.5 billion invested over five years to establish a new and simpler childcare subsidy from 17 July. The subsidy will assist parents in meeting the costs of child care if they are working, looking for work, training, studying or volunteering. This is very important for mothers, in particular, who want to get back into the workforce. The measures in this year's budget will help parents who are juggling that work and family life balance.

We know that every person who wants to get back into the workforce is a benefit to the government, particularly if they are on Newstart. If they come off Newstart or welfare and are no longer reliant on taxpayers' funding, that is a bid advantage to all taxpayers. Families with incomes of between $65,000 and $170,000 a year will be $1500 a year better off because of the Families Package that the Abbott government has introduced in this year's budget. All parents want the best for their children. It is hard to stay positive, I guess, if you are going back to work and not seeing a great financial reward, and that is where this package will help those families wanting to get back into the workforce. The measures in this year's budget will help parents who are juggling that work and family life balance.

Of course, I also want to acknowledge the pensioners in my electorate of Petrie. As I get around, I talk to a lot of seniors and I know that pensioners and seniors have contributed a lot
to this nation over the decades. I am sure members on both sides of the House would agree that we live in the best country in the world—we really do—and a lot of that is due to the legacy that senior Australians have given us. I want to thank them for their contribution as a group and as individuals. I know that many of them also volunteer, and that is worth billions to the economy each year.

The age pension is the government's biggest expense. At something like $44 billion a year, it represents more than 10 per cent of all government spending. But it is an important safety net for many Australians, which is why we need to make sure it is sustainable as our population ages. Since the Abbott government was elected, pensions have continued to rise—and they will continue to rise twice yearly at the higher rate. For individual pensioners, there has been something like a $1,200-a-year increase from September 2013 to where we are now. For couples that are on the full pension, there has been a $2,000 increase since September 2013. I am very pleased to say that. The age pension will continue to rise twice a year, this year and every year, at the highest available indexation rate. We are also increasing the number of assets someone can have at the lower level, which will see a higher pension of around $30 a fortnight for some 170,000 pensioners around Australia, including 50,000 pensioners who will go on to a full pension.

I want to particularly acknowledge the Minister for Social Services, Scott Morrison, who consulted widely before this year's budget. I thank him for that. The families and pensioners package that we have delivered is great. I also want to particularly thank him for the support given to a group in my electorate of Petrie, Encircle, that provides domestic violence services and support to victims. It also works with people who inflict domestic violence. I have no tolerance for people who do that. It is an absolute disgrace. We know that two women a week are killed in this country, through murder or manslaughter, because of domestic violence. Frankly, it is a national disgrace. I know there is bipartisan support to see that end. I want to thank the Minister for Social Services for ensuring that Encircle has adequate funding for the services that it provides in the Moreton Bay Regional Council area.

I also want to thank the Treasurer and the Prime Minister for consulting widely on this year's budget. It is a great budget, I am very pleased to say. There are fantastic opportunities for small businesses in my electorate of Petrie and right around the country. There are more than 3,000 small businesses in my electorate and more than two million nationwide. The budget's small business package is the biggest small business initiative in our nation's history. Local small businesses will have the lowest company tax rate for public and private companies since 1967. It will help local employers create jobs. That is what we want to see. We want to see more local jobs created through private enterprise to assist the unemployed, particularly unemployed youth and older Australians, build skills and get back into work.

The company tax rate will be cut for up to 780,000 incorporated businesses with a turnover of less than $2 million. It will go from 30c in the dollar to 28.5c in the dollar. There will also be, from July 2015, a five per cent tax discount for over 1.5 million sole traders, trusts and partnership structures which are unincorporated businesses with an annual turnover of up to $2 million capped at $1,000 through their end-of-year tax return. From right now, small businesses with a turnover below $2 million can claim an immediate tax deduction for tax purposes for every asset they acquire that is valued up to $20,000.
I really want to thank the Minister for Small Business for listening. I acknowledge that the Labor Party implemented a small business tax write-off. But, unfortunately, it was linked to the mining tax, so it was not raising any money. I said to the minister, 'One of the best things that we can do is reinstate a serious instant tax write-off for small business.' Quite frankly, I was shocked that, on budget night, that went up to $20,000 for each small business. It really is great for small business. I was very pleased to hear in question time today that the opposition will support that measure through the Senate, because it will make a big difference for small businesses in my electorate and right around the nation.

So, what does that mean for small businesses? It means that right now they can go out and buy a new vehicle—perhaps at $19,900; you will get a HiLux ute for that—and that cost can be instantly written off before the end of this financial year. It means that they can reward their staff. They might want a new coffee machine, for $3,000, to look after the staff in their small business. They can buy that now and have an instant tax write-off on it. It means that if small businesses in the electorate of Petrie want to install solar panels on their roof—

Debate interrupted.

**BUSINESS**

Rearrangement

**Mr HOWARTH** (Petrie) (20:00): by leave—I move:

That consideration of government business orders of the day Nos 2 to 5 be postponed until a later hour this day.

Question agreed to.

**GRIEVANCE DEBATE**

Debate resumed.

**The DEPUTY SPEAKER** (Ms Landry): The question is:

That grievances be noted.

**Budget**

**Mr CHAMPION** (Wakefield) (20:01): I was sorry the member for Petrie was interrupted! He was indulging in this government's favourite pastime of Orwellian bravado and spin about this budget. We have heard the Prime Minister engage in that. Every government takes on the character of its Prime Minister, and the character of this government is one of bravado, puffing out your chest and beating it, and carrying on like a pork chop. Every front bar across the country has got a character like that: they talk a good game but, when you look at the detail of what they are saying, it is another thing.

On 3 March this year, the Prime Minister said, in an answer in question time:

We are determined this government will be, as the former Howard government was, the best friend that Medicare has ever had.

Of course, we know from the last budget and from this budget that they are not the best friend that Medicare ever had. We know that they are very far from it. We had $57 billion worth of cuts to hospitals in the last budget. There was the $7 co-payment. There were four or five versions of that; I cannot remember. The member for Petrie could inform me how many backflips there were on the GP tax. We know that the co-payment, the GP tax, was going to
stop a million visits to the GP in its first year of operation, and half a million every year after that—an extraordinary thing. And they wonder why they had a problem with last year's budget! There were the $57 billion worth of cuts to health and education, of course. But we did not really ever get to that. People never got past the co-payment, because they understood what a damaging thing that was. Dr Bruce Groves, a doctor in my electorate—he used to my doctor—wrote to me about the GP tax. He had a 30 per cent drop in attendance just on the announcement of that—a 30 per cent drop in attendance.

What do we have in this year's budget? We have a co-payment by stealth. On page 13 of The Sydney Morning Herald on 14 May, in an article headed "Co-payment by stealth" could push up cost of GP trips, says Owler', the Australian Medical Association president, Dr Brian Owler, talked about the fact that the rebate cuts that are inherent in this year's budget, which are a follow-on from last year's budget, will implement a 'co-payment by stealth'. Again, behind the Prime Minister's language and behind the health minister's language—and behind every backbencher getting up in this place and saying that they are the best friend that Medicare ever had—is this sort of Orwellian bravado of saying black is white, and day is night, and the sky is—whatever the opposite to blue is, Deputy Speaker! That is what is behind this government.

We find an ad campaign on the drug ice, and we see backbenchers out there in their electorates having forums, and some of them making quite interesting claims in the media. They are probably worthwhile things to do; nobody likes methamphetamine and these drugs that have very serious health effects. But what do we actually find in the budget? What do we find behind these forums and behind these ad campaigns? What we find in the budget is—behind the $2 billion worth of cuts in flexible funds; in dental cuts, and preventative health programs—we find $600 million worth of cuts to funding for tackling drug and alcohol abuse, chronic diseases, communicable diseases, and rural health issues. We have backbenchers out there talking about illicit drugs, running ad campaigns and running forums, and what do we find out in today's estimates hearings? When the officials were pressed this morning, we found out that there was a $7 million cut to the Substance Misuse and Prevention And Service Improvement Grants Fund and a further $1.2 million taken from the Substance Misuse Service Delivery Grants Fund. These are the funds that actually treat people in various community services and in health services across the nation. What we have here is a sort of breathtaking hypocrisy from the government—they think that they are going to be able to go around the country raising awareness, while simultaneously cutting services in their budget. I mean it is extraordinary—an extraordinary way of thinking and an extraordinary chutzpah on the government's part. It is extraordinary, Orwellian bravado to be able to go out there and say you are completely in favour of dealing with an issue while cutting the very mechanisms to do it!

It is the same in rural medicine: in the last budget we saw the abolition of Health Workforce Australia, which did health workforce planning; not just for rural areas but around the country. That was very important work. There is still a dental report out there—I tried to FOI it, but it has not made it back to us—that I think, eventually, got tabled. But that was very important work, and what did this government do? They have shuffled that out the door. We had about $70 million worth of cuts to rural workforce programs and scholarship programs in this year's budget, and yet what do we hear from the government? We have a seen a lot of
rosy press releases but when you actually dig down to the detail, what you find is compounding cuts over time which desperately affect the way our rural workforces operate, the way regional cities might be able to get doctors, and the way hospitals work.

Again, in these budgets we have seen a confirmation of $57 billion worth of cuts to state hospitals. We know that the government uses this Orwellian language—'the best friend that Medicare ever had'. I do not want remind members opposite but they make all these commitments—and I have got the document here: 'our plan', 'real solutions for all Australians', 'the direction'—and I always like this bit—'values and policy priorities of the next coalition government'. And I look there under 'delivering better health services', which is on page 39 of that document; I will read the subheadings: 'improving the performance of public hospitals at the local levels'—which is all about putting boards in local hospitals; 'improving mental health services', 'funding diabetes research', 'improving access to medicines', 'improving private health insurance'—and they say that they will 'restore private health insurance rebates as soon as they possibly can'—and 'bringing dental into Medicare'.

Well, we know what they have done. Never mind the glaring omissions; there is nothing in here about the $7 GP tax, there is nothing in here about the vast cuts to health and education; there are just things like 'bringing dental into Medicare'—and this year, in these cuts, they hack into the Child Dental Benefits Schedule!

How can you on the one hand say in your policy platform that you are going to improve dental and then on the other, in your second budget, after you have hacked into public hospitals and into the doctors, say, 'By the way, we're going to hack into child dental benefits, important things that families rely upon'?

I suppose that this is this government's MO, and I do not think working families across the country will fall for it, any more than they will fall for the glitz, the glam and the PR machine that you can hear grinding away beneath the surface of the backbench: 'Get out there and give the budget a whirl.' On the other hand, we have a divided cabinet and a divided party room. One lot of backbenchers are writing about one view of national security. We had Senator Cory Bernardi on ABC News tonight, just before I started my speech, talking about the creeping and Orwellian expansion of government powers and his concern about that, a pretty brave thing for the senator to do.

So what we have here is a government that has wedged itself on national security and that has engaged in Orwellian bravado in health. There are so many other areas of government policy that are subject to this Orwellian bravado of saying one thing and doing another. It is not good enough, and the working people of Australia will find out about this budget just as they found out about the other one. They will work out its tenor by what it does in the community, and they will inevitably be disappointed by this government.

**Western Australia: Property Rights**

**Mr RANDALL (Canning) (20:11):** I wish to again bring to the attention of the House the unjust and unfair situation of a constituent in Canning, Mr Peter Swift of Waroona, who was accused by the Department of Environment and Conservation, DEC, in 2010 of clearing environmentally sensitive areas of land on his property, to be labelled as contentious areas, CA, between November 2007 and December 2009. His property is located on Bunnings Log Road, Frankland River, in the shire of Cranbrook.
On a number of occasions I have made statements in relation to Mr Swift's innocence in this matter, so I will not redebate the issue today. What is known from my previous statements is that I have made long and sustained approaches about Mr Swift's innocence to the Premier of Western Australia and the then environment minister of Western Australia, Bill Marmion. I have never asked Mr Marmion to have this case aborted. My entreaties to him were that, as the minister responsible, he ask his department to be certain of the evidence that they had against Mr Swift before they began the long, tortuous, demoralising and expensive prosecution of him. In other words, I had outlined in detail that Mr Swift had much support from neighbours and other locals to say that he had not cleared this land as alleged by DEC and his prosecutors. In the most egregious Pontius Pilate manner, the then minister, Bill Marmion, continually washed his hands of this matter and allowed his department to run a vexatious prosecution of this humble mechanic from Waroona.

I have said in my previous statement that two rogue officers from DEC had made it their intention to prove the case against Mr Swift, well knowing that their evidence was unreliable and flimsy at best. In other words, they were hell bent on getting a prosecution no matter what the repercussions were for this innocent man. These two rogue officers were Gillian Stryke, an employee of DEC for seven years, and Mr Craig Jacques, who has been an employee of DEC since 2006 and, before that, had been with the Waters and Rivers Commission since 1996. Ms Stryke claimed that her observations were that vegetative native materials had been put in windrows for a while, but she could not say exactly how long. In the transcript of the magistrate's summary, Ms Stryke said that she could not give an accurate estimation of how long the material had been in the windrows and piles. Magistrate Hamilton, the presiding magistrate, observed Ms Stryke in cross-examination to be extremely defensive, and at one point even counsel made a comment on this.

The prosecution's case is based on the alleged fact that Peter Swift cleared the CA of bushland between the dates 2007 and 2009. Mr Swift has always strenuously denied this. The most serious allegations brought against Mr Swift were by the highly vindictive Craig Jacques, who said that he had visited the property with Ms Stryke in 2010. In evidence during the trial, he denied having formed the view that the accused had performed the clearing prior to his inspection but, somewhat confusingly, he said that when he interviewed the accused he knew he had done the clearing. The prosecution case largely relies on aerial photographs, satellite images and hand-held photography. Interestingly, during Mr Jacques's testimony he agreed to the dangers in drawing conclusions from these three forms of images. To support the prosecution's case, Jacques had enlisted the support of Mr Richard Van Dongen. He said he did work for Jacques as an aerial cartographer using remote images. He denied enhancing any images, and the magistrate believed that Van Dongen gave balanced evidence at trial.

The court case also heard from Mr Noel Phillips, the previous owner of the property for 35 years. He denied clearing any vegetation within the CA. However, confusingly, he then gave evidence that he had permission to clear anything that was 30 metres from a waterline. He believed that he had a clearing permit until such time as he sold the property. He confirmed that he had two bulldozers, a D7 and a D8. He also said that in 1993 a pine plantation was established on his property. He stated that CALM had requested him to install a drain and a road as a result of this plantation. The magistrate observed that Mr Phillips had been a somewhat reluctant witness and impatient by the process, particularly of cross-examination.
Further, the magistrate observed, 'I have some difficulties in relation to credibility when it comes to Mr Phillips's evidence.'

The defence relied on Mr Swift's next-door neighbour, who lived there for 30 years, Mr Glynn Bevan. Mr Bevan said that, as a neighbour, he was in constant observation of the property. Further to that, he said that he sometimes visited the property up to three times a day, depending on the season and the farming activity. He testified that the drain in question had been commissioned by a government department in the early 1990s to ensure run-off from the area. In court, he gave evidence that he had never seen Mr Swift carry out any clearing in the CA. However, he had seen clearing in the CA by Mr Phillips in the early 1990s. In fact, he stated that he had visited Mr Phillips on the property, who was working two bulldozers at one time within the CA. The magistrate observed, 'I have no doubt he was a witness of truth to the best of his recollection.' The magistrate noted Mr Bevan's evidence in relation to Mr Noel Phillips's clearing patterns when Bevan stated that 'Phillips cleared everything until he found the best bits.'

Mr Christopher John, who has an honours degree in agricultural science, is a highly credentialed environmental consultant. He gave evidence that the vegetation in question alleged to have been part of a clearing operation was relatively old. He estimated the windrows to be up to five to 10 years old. If we rely on the dates that the prosecution alleges the clearing to have occurred, we can draw the conclusion that Mr Swift had not done the work as claimed by DEC. That is, even at five years, this clearing was done before Mr Swift bought the property in 2007.

Ms Elliott, who was counsel for the state, then decided to proceed with a tangential argument that, if Mr Swift maintained the drain within the CA with a Pederick rake, this would amount to clearing for the purposes of the act. She suggested that, if the court were to accept that this had occurred within the relevant period, then the prosecution's case would be proved. In other words, maintaining the integrity of the drain would amount to clearing the alleged area. The magistrate noted that this created a farcical situation that could only be envisioned by Sir Humphrey Appleby. Essentially the prosecution relied on a comparison of aerial photographs, satellite images and their extrapolations. The defence counsel relied on the evidence of local neighbours, agricultural scientists and Mr Swift himself.

In summing up, the magistrate believed that 'unexplained inconsistencies simply go to the vexed question of reliability of the evidence presented by the prosecution'. Given that 'beyond reasonable doubt' is the requisite standard in such cases, the magistrate believed that 'Mr Swift discharged the onus on him to the requisite standard.' In other words, he did not clear the land but rather maintained it to the standard that the law required. On this basis, Magistrate Hamilton found Peter Swift not guilty.

Subsequent to Mr Swift's trial, it is very clear that this has been a physically, mentally and emotionally draining exercise for somebody who has always claimed his innocence. This exercise has cost Mr Swift more than $2 million, as mentioned in his statement of claim by his lawyers at Integra Legal. The court offered him the eventual maximum amount of costs that they could, which was $15,000. As you can see, this is woefully inadequate compared to the financial costs this man has endured.

The Attorney-General, the Hon. Michael Mischin, has responded to an ex gratia payment sought by Mr Swift from the state government on the basis of this vexatious prosecution by
Mr Jacques and the DEC. The Attorney-General has deemed not to provide an ex gratia payment, which is his right. However, I contend that in these circumstances this is a callous, parsimonious and, in my opinion, disgraceful decision made in the circumstances of an honest man like Mr Swift. The DEC, led by Mr Jacques and Ms Stryke, clearly sought to destroy Mr Swift. They were aided and abetted by a weak and insipid then environmental minister, Bill Marmion. It is obvious that Mr Marmion chooses not to make decisions as a minister of the Crown but allows his department to make decisions for him. As representatives for the people, and ministers presiding in these positions, we are expected to be the bulwark between the people and those who would seek to destroy them, such as in this case—the government department, the DEC.

Mr Swift is not only in a tenuous financial position and about to lose his house and his farm to his financial lender, the police and nurses credit union; he is also in a highly fragile emotional condition. Should anything unfortunate occur that would place Mr Swift's life in danger, I would hold Bill Marmion totally responsible for Mr Swift's welfare because of his ineptitude and incompetence in this matter. Mr Swift has been on suicide watch several times, as was explained to Premier Colin Barnett by Peter Swift's sister, Jenny. This is the worst case of injustice that I have seen in my role as a political representative in my 16½ years in this federal parliament. Government is meant to be a model litigant and should be held to a high standard of account when their actions form an injustice as substantial as the one in the case of Mr Swift. Mr Swift's only crime was to purchase a lifestyle block and proceed to care for it, look after it and maintain it. I seek leave to table the documents which support my speech.

Leave granted.

**Lingiari Electorate: Budget**

Mr SNOWDON (Lingiari) (20:21): I want to grieve about a number of issues this evening, the first of which is the 2014-15 budget decision to freeze financial assistance grants to local government councils at 2013-14 levels. This will have an enormous impact on my own electorate of Lingiari, with over $11 million over three years being taken out of the budgets of local government councils, including amounts such as $424,000 from the East Arnhem Regional Council, $480,000 from the Barkly Regional Council in Tennant Creek and $159,000 from my own council in Alice Springs, which has just recently published its draft budget. To maintain its existing services, it will have to increase rates and charges for community services. A substantial part of this great increase is due to the cuts that result from this government freeze. Every time people in Alice Springs go to the dump or register a pet or put their bin out for weekly collection, they can thank the Abbott government for the extra they pay for these services. I am sure they will remember this when their rate notices arrive in the mail. The Australian Local Government Association has its annual meeting in Canberra in two weeks. Government members and senators will have to explain to local councils in their electorates why local government communities are not benefiting from the actions of this government.

The next matter I want to talk to about is the Barunga Festival, which is having its funding smashed. This coming week marks the 30th anniversary of perhaps Australia's most famous Indigenous arts, cultural and sporting festival, the Barunga Festival, which has been held annually since 1985. I have attended many of those celebrations. Recently the Minister for Indigenous Affairs, Senator Nigel Scullion, has threatened its longevity and future by denying...
it funding under the Indigenous Advancement Strategy. Senator Scullion has said he will not support the festival unless it is shifted to the school holidays. A spokesman for the minister has said:

The Minister remains firm in his belief that festival funding should be prioritised to events hosted during school holidays so that festivals do not disrupt children's school attendance.

Barunga Festival organisers say that Minister Scullion misses the point and does not understand what happens at Barunga. It is an educational activity, and kids come for school camps from surrounding communities with their teachers to learn, participate and engage with other students. Every year, as long as I can remember, Barunga has made a vibrant and well-thought-out kids program that engaged children in the arts, culture, sporting activities and equally important cross-cultural programs. In recent years Barunga Community Education Centre has run a very successful and innovative Jawoyn junior rangers program, where schoolchildren were trained as tourist guides and guided visitors around the festival and their community. Last year they successfully raised $2,000.

Aboriginal children learn most from their elders, families and peers. Events like Barunga promote self-esteem, provide high-motivation learning opportunities and generally enrich Australian culture. The festival promotes Aboriginal people and culture and says strongly to the Australian community, especially children, 'You are part of Australian society and your culture is valued and important.

Minister Scullion's attack on Barunga endangers the continued existence of this festival. Entry prices have to be increased to such an extent that many remote Indigenous communities will find it hard to afford to attend—$60 for an adult—and without Aboriginal artists, cultural practitioners and sports persons you just do not have a festival. It is not too late, Minister Scullion—recant and fund the Barunga Festival appropriately.

The third matter I want to talk about is arts funding. The announcement in the federal budget that the Minister for the Arts, Senator George Brandis, has taken $105 million from Australia Council arts funding has severe ramifications for Territory arts organisations, and others around Australia. Nearly all Territory arts organisations rely on federal funding from the Australia Council for the Arts, an independent body that supposedly decides where funding goes according to artistic merit, not the political whim of the minister. The minister will now decide where the $105 million is spent. Long-running NT arts organisations will all be affected. They met on the weekend to discuss their concerns. Most of these and many other Territory arts organisations have been told that they must apply for annual funding through an arts grant scheme rather than receive dollars through triennial and in some case six-yearly funding cycles. The previous scheme allowed arts organisations to plan ahead and, more importantly, employ artists.

Organisations impacted upon in my electorate include Browns Mart in Darwin, Tracks Dance out of Darwin and Barkly Regional Arts, all very successful regional organisations encouraging talent, organising festivals and other events and properly carrying out the remit that the Northern Territory community requires of them—that is, to provide good access to art, including performance art, throughout the Northern Territory. I have to declare an interest in this, because one of my daughters is a dancer with Independent Artist. She is a contemporary dancer, a graduate of the Victorian College of the Arts. I was told last year there are only 38 full-time contemporary dance positions in this country. When you
contemplate the effort that goes into training to be a dancer and the need to find employment, the independent arts movement, of which she is a member, finds it extremely difficult when the purse is closed, as it has been closed by the minister. My daughter Frankie sent me this note:

Abolishing things like the Art Start program and the creative communities initiatives means there is no money available to early career artists to continue research and development or to inject art into communities.

Which essentially means you're cutting off the lifeblood of the arts. If there is no support for the next generation there is no one to continue on the development, reinvention and evolution of artistic forms, which essentially means they will die.

The New Measures or whatever it is recently just announced its first allocation to The Australian Ballet. This is an organisation that is one of THE most heavily funded in Australia not only via government money but also corporate sponsorship and philanthropy.

She points out the independent artists just cannot compete, and goes on:

And if this is what we can expect, if the money is being funnelled from (the minister's) piggy bank directly to companies like this who have received NO cuts to their already substantial funding—there is NO hope for the independent, small and medium sector.

She says the minister has absolutely has no idea. She continues:

We will not be competitive or interesting on a global scale so our reputation as a fertile and interesting breeding ground for the arts will disappear. The small amount of international artists who make it here will stop coming. We will isolate ourselves and thus the evolution, sharing and conversation that is imperative to artists will cease. We will regress into a cultural no-mans land. And all the artists will leave.

It seems the injection into small business, this "HAVE A GO" tag line does not apply to the thousands of artists who have been having a go, tirelessly, for decades.

It is a dark time in a country that has the opportunity, space and resources to support a thriving cultural community.

Or to put it more poetically,

Austerity measures
Prosperity tethers
strip the world of its beauty
A bird without feathers
The state of the art is not state of the art
Hands out of pockets
This is state VERSUS art.

Grains Research and Development Corporation
Goods and Services Tax
Youth Allowance

Mr WILSON (O'Connor) (20:30): I rise today to speak on a number of issues that are very important to my electorate of O'Connor, my state of Western Australia and also regional Australia. The first issue I would like to raise is the news reports that Minister for Agriculture Joyce is proposing to move the Grains Research and Development Corporation from its

FEDERATION CHAMBER
headquarters here in Canberra to Wagga Wagga, which just happens to sit in the electorate of Riverina. I believe the Muresk Institute in Northam would be an ideal headquarters for the GRDC, with its administrative, agricultural education and research potential and close proximity to grain growers. I also believe that the Western Australian government is proposing an incentive package to assist in any move that might take place and any costs involved with that move.

If the GRDC is going to be decentralised then Western Australia, the state that contributes the highest GRDC levies in the nation, would be the most sensible location for that facility. WA growers contribute up to 40 per cent of the GRDC’s annual levy revenue in some years but receive only 27 per cent back for Western Australian specific projects. I am concerned that the Wagga Wagga location would further disenchant growers in Western Australia, who are already concerned that our state is not getting its full share of the research and development investment.

The view of many growers is that the GRDC is already too focused on the east coast and that this would be reinforced by any move of the headquarters to country New South Wales. While I understand why the federal agriculture minister has pushed for decentralisation, in a national body such as the GRDC it is going to be very hard to find a site that is going to keep everybody happy. The question of who pays for the move should not be answered with grower contributed levy funds from the GRDC. The notion that growers who have contributed a research and development levy should be forced to pay for a politically inspired decision to move the headquarters is ridiculous, and I think there will be very heavy push-back from growers.

The media has reported that the GRDC has a lease on the Canberra site, where it is currently based, that runs out to 2024. The rent is as much as $1.1 million per year. This is a very high cost for rent, and obviously rent would be much cheaper out in the regions, particularly at Muresk. The minister has indicated in a letter to the GRDC that the cost of the move is estimated to be $31.2 million. I would like to see more information on the cost of this move and whether savings would be made in the future, because ultimately a large proportion of this cost is going to be borne by WA growers. Minister Joyce has indicated that he welcomes suggestions of alternative places for the centre, and I am pleased to put on the record my strong view that, if the GRDC is going to move out of Canberra, WA is the best location. Western Australia’s grain industry is worth over $4 billion to the state economy, and the state hosts the Australian Export Grains Innovation Centre.

Another matter that I would like to discuss is the ongoing issue of GST inequity for Western Australia. I absolutely welcome the federal government’s announcement of a $499 million payment for road infrastructure in Western Australia. I want to emphasise that road infrastructure spending was already committed to and funded by the Western Australian government in the 2015-16 financial year. So, effectively, this $499 million payment frees up $499 million from the Western Australia government to spend as it will. The state government has received this federal government handout, with no strings attached from this year. However, it has been acknowledged that economic reform is required in Western Australia moving forward. The situation that Western Australia faces is still unfair, and I will continue to fight with my colleagues—I am sure the member for Swan, who is here tonight,
will join me in this—in the House and in the Senate for a 50 per cent floor in the GST distribution.

Western Australia is set to receive less than $2 billion in GST revenue in the next financial year compared to South Australia—a state with less population than WA—which will receive $5.5 billion. New South Wales will receive over $17 billion, while Queensland and Victoria will both receive around $13 billion. I fully support the notion that all Australians should have an equal education, equal health and equal services. However, I do not support poor fiscal management by other states. This is, quite frankly, unfair. A Western Australian who goes out for dinner will not only pay more for their meal than their interstate counterpart; they will also have to live with the fact that the majority of the extra money they will pay will not go towards projects within their own state.

Unlike New South Wales, South Australia, Victoria and Queensland, Western Australia is not receiving billions of dollars in pokie revenue. In addition Western Australia's iron ore revenue is not only counted in the GST distribution revenue, but is starting to fall dramatically. It is unsustainable that other states have been reported for inadequately managing their finances, while receiving the bulk of WA's GST revenue. When Western Australians hear about the hundreds of millions of dollars being wasted in Victoria not to build the East West Link or the South Australian Treasurer introducing yet more taxes in his state despite the GST windfall, their blood does boil.

Every state in the nation has benefited from Western Australia's iron ore production and, while it is true that WA benefited from the GST system when financial times were tough, during that period never did another state's share of the GST fall below 80 cents in the dollar. I am pleased that Prime Minister Tony Abbott and federal Treasurer Joe Hockey have recognised that Western Australia's situation is unreasonable. The half billion dollar funding announced to our state for road infrastructure proves just that. However, it is up to the states to show some maturity, fiscal management and fairness to ensure that Western Australia has the opportunity to receive its fair share of the GST.

The third important issue that I would like to raise is Youth Allowance and how rural and regional students are disadvantaged compared to their city counterparts. The coalition government has recently announced positive changes to the Youth Allowance that will benefit people in my electorate. From 1 July 2016, the family asset test and the family means test will be removed from the Youth Allowance parental income test. The changes will mean that farming families will not have farm assets counted towards the test for their children accessing Youth Allowance. Another part of the change is that all Family Tax Benefit children in the family pool will be included in income-testing arrangements. These changes are great for rural and regional families and specifically for students aiming for dependent Youth Allowance.

As more students achieve dependent Youth Allowance status, they will not have to take the gap year which will lower university deferral rates. However, the job is not done. I would like to see reduction in the Youth Allowance waiting period from 18 months to less than 14 months at least. This would allow each student in my electorate to start university after a one-year gap rather than a two-year gap. The current 18-month waiting period means many students in my electorate are disadvantaged. Instead of taking a one-year gap to qualify for the allowance they either have to wait two years or start university without the allowance. If a
student finishes school in late November, that student is looking at late May before qualifying for Youth Allowance. Without a job in the city this makes starting university in late February almost impossible. I often receive calls from parents of children who are struggling to make ends meet while studying in the city and waiting for the allowance. In one instance a student had started university after one year but he was down to his last $150 while he waited Centrelink’s approval for Youth Allowance.

I commend the students in my electorate who do the hard work to attend university, despite being disadvantaged. A city student has the option of living at home with their parents while studying at the university; they may also be able to work in the same part-time job that they had at school. A country student has to move to the city, find a new job—ideally, a reasonably paying one—to support themselves because they are not living at home. The country student has to move out of home for the first time and move to the city, sometimes hundreds of kilometres from their home, and then pay to make ends meet in that city. Covering the costs of rent, food and travel back home is a lot to ask students who cannot work in their hometown. Reducing the Youth Allowance waiting period will ensure that regional and rural students in my electorate are only one year behind students who come from the city. For as long as it takes, I will continue to fight for a reduction in this Youth Allowance waiting period to ensure that country students can further their education without being disadvantaged.

**Indigenous Affairs**

Mr THISTLETHWAITE (Kingsford Smith) (20:38): From 27 May until 3 June is National Reconciliation Week. We are in the midst of this important recognition of the contribution of Aboriginal and Torres Strait Islander peoples to Australian society and culture. Of course, 27 May is the anniversary of the 1967 referendum, which saw 90 per cent of Australians vote to give the Commonwealth the power to make laws for Aboriginal and Torres Strait Islander peoples and to recognise them in the census. Through this, the people of Australia deleted section 127 from our Constitution, which stated that Aborigines were not to be counted in the reckoning of the Australian population. To date, this has been our nation’s most successful referendum with 90 per cent of Australians voting in almost every state to remove those discriminatory provisions. The question succeeded in all six states.

Wednesday, 3 June will be the anniversary of the handing down in 1992 of the Mabo decision by the High Court of Australia. This decision, of course, overruled the notion of terra nullius—the British convention that the land of Australia was not populated, settled or inhabited by the Aboriginal people prior to British colonisation. Legal recognition of Indigenous land rights and, eventually, native title was granted to the Aboriginal people. It was the Keating government, in the wake of the 1992 Mabo decision, that legislated for Mabo, its principles and the notion of native title. I can recall following that particular debate in Australian politics as a university student. The vehement opposition to the notion of native title, from the conservative side of politics in Australia—particularly from the National Party and the National Farmers Federation—was, I think, absurd. It is pleasing to see that the notion of native title is now well accepted and well constituted in Australian law and Australian society.

Moving on from 1992, we saw further progress in 2008 with the apology to the stolen generation, which was made by the then Prime Minister Kevin Rudd, and the difference that that made in terms of the position of Aboriginal and Torres Strait Islander people in Australia.
Finally recognising, through our nation's parliament, and saying sorry for the historic wrong that was done to Aboriginal and Torres Strait Islander people who were forcibly taken from their families through government policy, was an important step forward for our nation and an important part of the healing process. In the wake of that, the Labor government developed the notion of closing the gap—a gap which, unfortunately, is still too wide in our society. Many Aboriginal and Torres Strait Islander people lag behind the rest of the Australian population in a number of important indicators. We do need to focus and have more work on that, if we are to be successful there.

The former Labor Gillard government also took the first step in the important approach to recognition of Aboriginal and Torres Strait Islander people in our Constitution by constituting an inquiry and an expert panel to look into the notion of recognising Indigenous Australians in our nation's principal document. On National Reconciliation Week, it is important that we highlight how important constitutional recognition of Aboriginal and Torres Strait Islander people is to Indigenous Australians, and how important it is that we work, and do more, to close the gap when it comes to life expectancy, rates of incarceration, and education and health outcomes for Aboriginal and Torres Strait Islander people. It is also important that we highlight the Abbott government's cuts to Indigenous health and legal services, and the detrimental effects that they are having on the Aboriginal population in Australia.

In terms of constitutional recognition, the Gillard government, in 2010, established the expert panel. The expert panel spent over 12 months working with Australians, publishing a discussion paper and conducting 84 public consultations throughout the country on the best way to recognise the contribution, heritage and culture of Aboriginal Australians in our nation's principal document from Federation. In January 2012, the expert panel published their report. They made a number of important recommendations, including that section 25 of the Constitution be repealed and that section 51(xxvi) also be repealed. They also recommended the insertion of a new section 51A which recognises: the contribution of Aboriginal and Torres Strait Islander peoples to Australia; acknowledges their continuing relationship with the traditional lands and waters; respects their continuing culture, language, heritage and peoples; and acknowledges the need to secure the advancement of Aboriginal and Torres Strait Islander peoples. This, of course, spawned the RECOGNISE movement. I want to congratulate all of those associated with RECOGNISE for the wonderful work that they have been doing to highlight the importance of constitutional recognition to Australia's maturity and to recognising the contribution of Aboriginal and Torres Strait Islander people.

In the wake of that report, the parliament established a joint select committee to work in a multipartisan manner on the process of getting us to a referendum on Aboriginal and Torres Strait Islander recognition in our Constitution. I think momentum on that halted a little bit during the earlier times of the Abbott government, but in this Reconciliation Week I think it is time that we do try and reignite passion for constitutional recognition. The joint committee—which has been wonderfully chaired by Ken Wyatt—published an interim report in July 2014 and a progress report in October 2014.

The first recommendation of the October 2014 report is that both houses of parliament, the House and the Senate, set aside a full day of sittings to concurrently debate the recommendations of the joint select committee as set out in the report and to focus the mind of the parliament, and the people of Australia through the parliament, on this important issue.
The joint select committee also made some recommendations in respect of the expert panel—I will not go into those.

I think constitutional recognition is important. It is widely accepted that Aboriginal and Torres Strait Islanders have the longest continuing culture and connection with this land in the world, and that is something that Australians should be proud of. That is something that we should be celebrating. We certainly should be recognising that in our nation's founding document, our Constitution. When you think about that connection with the land that the Aboriginal people have had with the Australian continent for so long, it is almost unbelievable that we do not recognise that—because other nations do and other nations are very proud of the role that their indigenous people have played in the development of their homelands. I point of course to New Zealand, with the Treaty of Waitangi, and also to the United States and indeed Canada.

Recognition that Australia was settled by the Aboriginal people prior to colonisation is very, very important. In my community, many of our suburbs and our beaches are named after significant figures in Aboriginal heritage and history and derive their names from Aboriginal cultural and language—testament to the fact that Australia was settled prior to British colonisation.

In conclusion, can I recognise a number of local events, including the corroboree that took place in Coogee, and thank Randwick City Council, Youth Off The Streets and the Soldiers' Settlement Public School for celebrating Reconciliation Week in our community and highlighting the importance of Indigenous culture and recognition.

City of South Perth

Mr IRONS (Swan) (20:48): I rise to speak in this grievance debate about the City of South Perth planning process and the fact that it has been hijacked by the CEO and the planning officers who work in the City of South Perth. There are plenty of residents in my electorate who live in South Perth who are seriously aggrieved by unfair, contradictory and illogical planning practices that are being implemented not just in my electorate but across the state of Western Australia. I highlight this case of South Perth as I think it is a classic example of officers who work for a local council not caring and not even having any thoughts of consideration for the residents who pay their wages and who pay rates through the councils.

All members in this place have probably been contacted by their fair share of frustrated constituents because they cannot get planning approval by their local government authorities for relatively minor changes to their homes, such as carports or sheds, because they do not meet the specific guidelines which are outlined in the city's town planning scheme. Yet what we are seeing in my home of Western Australia is large-scale developments which completely contradict these schemes being given the rubber stamp of approval.

I highlight to the House that this is not the result of these local government authorities; it is a result of the changes to the planning approval processes that were implemented by the WA state government in 2011. I guess the minister of the day, John Day, would not have thought that he would create such a monster and such a terrible process, which leaves residents and ratepayers at the whim of people who do not even live in the same area making decisions about how their lifestyle will be changed.
The objective of the development assessment panel, or DAP, structure was to have applications considered by independent panel experts with technical expertise and elected local government representatives, either on a mandatory basis for large-scale developments or on an opt-in basis by applicants. Unfortunately, when you start to look a bit closer at the DAP approval process, that word 'scrutiny' seems to have completely fallen by the wayside, with these so-called independent panels being nothing more than a rubber stamp for urban infill and for development approvals. I might be corrected, but through the DAP process not one project has been overturned—not one project. So it is just a rubber stamp.

It does not seem to matter whether these developments contradict local government planning schemes or whether they fly in the face of community sentiment; they will still be approved. Of course, if they are not approved the first time, the decision will keep being appealed by the developer all the way to the State Administrative Tribunal, or SAT, until it is approved. But that is part of the process, and I do not blame the developers for using that process. Unsurprisingly, residents do not get this same luxury. If an application is approved by a DAP, residents cannot appeal this decision to SAT or by any other means. They become simply voiceless.

This begs the question: what is the purpose of local government councils if not to represent their ratepayers? I must declare that my wife, Cheryle Irons, is on the South Perth City Council and the particular project I am talking about is actually in her ward, but as I go through this you will see that the process is deeply flawed. As I said, how can councils appropriately represent their ratepayers if all the decisions made on large-scale developments which have the ability to alter the entire character of an area are taken out of their hands? In the case of DAPs, not only is the decision taken out of the council's hands but a decision is not even really required. It is just a front, because, as I have said, that rubber stamp which says 'APPROVED' in big capital letters is going to be pulled out by a DAP for every project.

Let's go back to this carport example I mentioned earlier, because I believe it illustrates the lack of common sense we are regularly seeing in WA when it comes to planning approval processes. In my electorate of Swan, the City of South Perth is one of the local government authorities and the one I am talking about at the moment, and I have been a ratepayer there for over 20 years. To have a carport built, all manner of planning guidelines must be met in order to meet the city's town planning scheme requirements, such as having it set back approximately two metres and appropriate streetscaping. So I am sure members can understand ratepayers' frustration and disbelief when, just last week, a DAP approved a high-rise development on Mill Point Road, on the City of South Perth peninsula, which completely contradicts the city's town planning scheme. It is in complete contradiction, because on this peninsula the maximum building height that has ever been approved is eight storeys, and these buildings have always been required to be set back and have appropriate streetscaping to match the suburban, leafy character of the area. It is also a radical shift in planning policy that the community was barely consulted, if at all. In fact, only those in residences which immediately abutted the development were consulted, despite the development effectively changing the entire streetscape for local residents.

I must say that this approval is not just the result of the DAP process being nothing more than a rubber stamp, though. It is also the result of poor decision making by the city's planning officers, who introduced an amendment to the city scheme which allowed this
peninsula and all areas within what the city refers to as the train station precinct to be deemed a special control area. I highlight that the community also opposes the train station and there is no funding for it, but the CEO and planning officers of South Perth are pushing ahead, saying, 'If we build and create traffic jams and high density, they will build a train station.' It is an absolute debacle of a planning system. This part of Mill Point Road should never have been included in the station precinct, considering that it is more than a kilometre from the proposed train station and outside the planning scheme guidelines. I also highlight that this particular amendment was made with not one council member being made aware of the changes, even though these are people who were elected to represent the ratepayers, not these planning officers who are making these decisions and effectively destroying the fabric of the area. This amendment has effectively created a loophole which allows a large-scale high-rise development to be built which, as one of the city of South Perth residents has highlighted, represents a complete change in and challenge to the community expectations which are rightfully based on a raft of planning documents, policies and implementation over the years.

What the South Perth area is seeing is a suburb transformed—from having all buildings with a maximum height of eight stories to this development, recently approved by a DAP on the peninsula despite considerable community opposition and opposition by the city’s mayor and councillors. This development has gone from a 25-metre high building, which was what was approved, to a 99-metre high building. Can you imagine a 99-metre high building in the middle of a whole peninsula full of eight-storey buildings? It is an absolute debacle.

Despite even a carport being required to have a setback and streetscaping to get approval in this area, apparently this is no longer a requirement when pro-development planning officers, the CEO and the DAP members are the ones calling the shots. Traffic congestion apparently is not a consideration either. It is unbelievable to think that these DAP members and the city’s planning officers, along with the CEO, do not think these developments will cause traffic congestion for local residents, when this 29-storey development alone will have 294 apartments and more than 11,900 square metres of commercial office and retail space.

As another South Perth resident said to me: 'The pro-development lobby has exploited loose language in the amended town planning scheme for their own vested interests. With more megatowers and the JDAP unwilling to listen to local community concerns, it is scary to think of what is to follow on this peninsula.' It is scary indeed, particularly when it is clear that the planning officers and the JDAP have not listened to residents at all, with more than 450 residents signing a petition which called for a special electors' meeting prior to this approval. Close to 300 residents attended this meeting to show their united opposition to the development. But even this residents' no-confidence motion in the city's officers' ability to make appropriate planning decisions did not stop them recommending the development for approval.

Of course, it is difficult for the city's planning officers to recommend that a development such as this be rejected when the CEO is fully supportive of this type of development. The officers of the council forget who pays their wages and, I think, so does the CEO. It is clear that the community's wishes are being completely disregarded by the DAP process which illogically supports developers and pro-development planning officers over the community. Last week in the west Eric Lumsden, who is the head of the planning department in Western Australia—and who is a Labor appointee, kept there by the West Australian government—
was still implementing the Labor ideology of low housing costs and high density in areas that already have high infill and high density. It is an absolute disgrace that he thinks it is only a vocal minority who are opposed to these changes. He should get out in the street—go down to see and talk to people in South Perth and see how his ideology and his ideas of using the Labor policy of high-density infill is going to affect their lifestyles.

People who do not live in this area should not be allowed to overrule the wishes of the residents, and they should not be allowed to turn a suburban area into a concrete jungle, which is exactly what the council and the council officers are doing in south Perth. Stricter guidelines and controls need to be implemented by councils, not just in South Perth but in Western Australia, to ensure that local community wishes are being reflected and the character of an area is not being altered, or in some cases destroyed, on a developer's whim—particularly when a company is not located in the country or the state, let alone in the community being affected.

The people of South Perth do not want this large-scale urban infill and they do not want the character of their neighbourhood ruined. It is time the DAP were reviewed by the state government. It is time the community's wishes were once again represented and reflected, because if this does not happen we will not have a community at all.

Debate adjourned.

**ADJOURNMENT**

Mr IRONS (Swan) (20:58): I move:

That the Federation Chamber do now adjourn.

Question agreed to.

Federation Chamber adjourned at 20:59
QUESTIONS IN WRITING

Wellard Rural Exports Pty Ltd

(Question No. 729)

Mr Kelvin Thomson asked the Minister for Agriculture, in writing, on 25 February 2015:

Can he explain why I have not received replies to two letters I have written to his department, one dated 8 August 2014 seeking progress on the investigation into the actions of departmental officers and employees of Wellard Rural Exports Pty Ltd in respect of its handling of a shipment of Australian sheep to Pakistan, and another dated 6 January 2015 asking if charges in respect of this matter will be laid.

Mr Joyce: The answer to the honourable member's question is as follows:

The Department of Agriculture (the department) apologises for the delay in responding to this correspondence. The department conducted a thorough search for the two letters in question, however there is no evidence of the department receiving the correspondence. Copies of the letters were ultimately sourced from the Table Office on 15 April 2015. A response to these letters was sent to the Hon Kelvin Thomson MP on 22 May 2015.

Food Imports

(Question No. 739)

Mr Zappia asked the Minister for Agriculture, in writing, on 26 February 2015:

What proportion (as a percentage) of all food imports are (a) inspected, and (b) tested.

Mr Joyce: The answer to the honourable member's question is as follows:

For the period between 1 July 2013 and 30 June 2014:

(a) 46.9 per cent of all lines of food imported to Australia were held by the department for assessment. 14.8 per cent of all lines of food imported were physically inspected.

(b) 3.5 per cent of all lines of food imported were tested.

Based on a review of inspection data, these figures are comparable with the previous year.

Australian Beef Exports

(Question No. 748)

Mr Fitzgibbon asked the Minister for Agriculture, in writing, on 5 March 2015:

(1) What import restrictions has the Russian Federation imposed on all categories of Australian beef exports on the basis of (a) quarantine, and/or (b) general sections, and are these import restrictions imposed on New Zealand beef exports.

(2) What representations has the Government made in order to lift Australian beef export restrictions imposed by the Russian Federation.

Mr Joyce: The answer to the honourable member's question is as follows:

(1) (a) From April 2014, the Russian Federation temporarily suspended imports of Australian beef due to their concerns over trenbolone (a hormonal growth promotant - HGP). The department does not have information on any quarantine restrictions that the Russian Federation may have applied to New Zealand beef exports.

(b) On 6 August 2014, Russia issued a Presidential Decree which imposed a one-year ban on imports of beef (amongst other agricultural commodities) in retaliation to international sanctions enforced following events in Ukraine. These sanctions apply to Australia, the United States of America, the European Union, Norway and Canada; however they do not apply to New Zealand.
(2) The department implemented new measures from 20 December 2013 to ensure beef exports to Russia are free from HGPs. These measures required the implementation of strengthened HGP-free sourcing programs at all establishments exporting beef to the Russian Federation and intensive verification activities by the department. The department has written to Russian authorities on multiple occasions, most recently in January 2015, to clarify and resolve this matter. The department is currently awaiting a response.

The department is continuing to work with like-minded countries affected by the Presidential Decree to seek opportunities for trade to be restored. The department has provided a significant amount of technical information to Russian authorities to seek the early restoration of trade. The department is currently awaiting a response.