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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

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

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

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

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<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
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**PARTY ABBREVIATIONS**

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

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
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The SPEAKER (Hon. Bronwyn Bishop) took the chair at 12:00, made an acknowledgement of country and read prayers.

BILLS

International Tax Agreements Amendment Bill 2014

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (12:01):

by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Australian Citizenship Amendment (Intercountry Adoption) Bill 2014

Second Reading

Debate resumed.

Mr HUTCHINSON (Lyons) (12:02): I will be brief. In my contribution yesterday evening, I neglected to talk particularly much about the bill itself. I gave examples of two families, both of whom had been through a process that had involved enormous personal commitment, and they had very different experiences going through the process. I thought it was worthwhile bringing the local context to what is a really important bill before the House.

The Australian Citizenship Amendment (Intercountry Adoption) Bill 2014 amends the Australian Citizenship Act 2007 to facilitate the grant of Australian citizenship to children adopted by Australian citizens through bilateral adoption arrangements between Australia and countries not party to the Hague convention on intercountry adoption. The purpose is to create an entitlement to citizenship for children adopted under bilateral arrangements, equivalent to the entitlement currently provided for children adopted under Hague convention arrangements.

Following the 2013 election, the Abbott government moved quickly to investigate the possible improvement of Australia's intercountry adoption program, with Prime Minister Tony Abbott announcing on 19 December last year that he would establish an interdepartmental committee on intercountry adoption to report back to him in March this year. It was to have options for implementing reform within Australia over the next 12 months. The committee's report identified a range of impediments to intercountry adoption, including the lack of nationally consistent state and territory regulation, prohibitive fees,
waiting times and the standard post-adoption support services, some of which I highlighted in the examples that I gave before nine o'clock last night.

Among the committee's more significant recommendations was a proposal for a new national intercountry adoption service to apply to all Australians wanting to adopt a child from overseas. This is an important bill. As I mentioned last night, the member for Mallee highlighted that this is really about family. There is nothing more important than family. It involves a real commitment by the families involved. As was discussed, the decisions that are made should always be in the best interests of the child. What could be better for a child than the opportunity to come into a loving family, with parents that in many cases give their all, financially and in so many other ways? So many of us here have had the opportunity that many do not.

It is right and proper that there are checks and balances in place. It is right and proper that there are rigorous procedures that need to be followed. There are opportunities for red tape and other things to be improved upon. There are opportunities for COAG to work more collaboratively where there are discrepancies between state regulations. We can do better, but this is a real opportunity for our country. I certainly wholeheartedly support the bill before the House, as I think both sides do.

The SPEAKER: I thank the member for Lyons for an excellent contribution. It is a matter that is close to my heart as well.

Debate adjourned.

Leave granted for second reading debate to resume at a later hour this day.

Higher Education and Research Reform Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (12:07): There is one political test that no politician can ever afford to fail—the test of education. No parliamentarian, no political party, no government should ever look back and say that they have made our education system worse. Opportunity in education is a pact between generations; it is a solemn promise to pass on an education system that is better than the one you inherited. By its very nature, education is a generational decision. You do not meddle carelessly with one of the great markers of life—and education is indeed one of the great markers in the line of life. In the line of life, education starts very early—what you think you can and cannot do.

Governments can make very big changes to our education system, but they must be undertaken carefully. Remember, education affects people's lives; it affects whole generations. The great Gough Whitlam argued for the best part of a decade about the role of education, before he changed our system. Prime Minister Gillard's great contribution was initiated by a special inquiry first. The best leaders, the real leaders, the genuine article, get involved in the education sector. They argue that position—a position that relies on care, forethought, listening and respect.

But none of the legislation that we are debating today is careful or thoughtful. This government do not know, do not understand, the impact they seek to have on the lives of
Australians. The truants opposite do not understand that education is an irreplaceable, essential ingredient of a tolerant, caring, adaptive, growing economy. For Labor, universities are not just research centres—though their research is crucial. For Labor, universities are not just places of teaching—though we revere our educators. For Labor, universities are the foundation upon which we will build a better Australia. For Labor, education goes beyond mere utility. Education is a catalyst for change; it is the provider of confidence, tolerance and hope; and the opportunity of education is an Australian birthright that belongs to us all.

As Prime Minister Gough Whitlam said 40 years ago, people should be free to choose the kind of education they want, but this choice must be one between systems and courses, not between standards, not between a good education and a bad one, not a choice between an expensive education or a poor one. Forty years after Whitlam Labor brought the great, good dream of a university education within reach of generations of Australians, that dream is now in peril. I and many Labor members have been visiting the universities of Australia. In every state, at every campus, our message has been clear—and I repeat it here today in the house of the Australian people: Labor believes in equality of education. Labor believes in affordable, accessible higher education for all Australians. That is why we will vote against $100,000 degrees. We will vote against the doubling and tripling of university fees. We will vote against a real and compounding interest rate on student debt. We will vote time and time again against this government's cuts to university research. We will never consign the next generation of Australians to a 'debt sentence'. We will not support a system where the cost of university degrees rises faster than the capacity of society to pay for them. We will never tell Australians that the quality of their education depends upon their capacity to pay.

Bob Hawke, Paul Keating and John Dawkins carefully built a sustainable financial future for our university system without imposing up-front fees. This government is trying to tear this remarkable architecture down. The Rudd and Gillard governments extended new opportunities to low-income households and to regional Australia. This government is selling out ordinary Australia and betraying the bush. There are 750,000 students on Australian university campuses today, and one in every four is there because of the previous Labor government. We removed the cap on student places, creating new opportunities for 190,000 Australians. We increased the number of Indigenous students attending university by 26 per cent. We boosted funding for regional universities by 56 per cent. We boosted regional student numbers by 30 per cent. And over 30,000 extra students from low-income families got the chance to go to university because of Labor reforms. We did indeed make record investments in Australia's greatest resource—the creativity and genius of our people.

The University of Western Sydney, which I visited with the Deputy Leader of the Opposition and the member for Greenway, is living proof of the Labor legacy. At UWS, 65 in every 100 of their current domestic students are the first member of their family to go to university. One in four of their domestic students comes from a poor family. One in three of the domestic students there speaks a language other than English at home, representing the best of 140 different nations. Nearly one in every three of their Australian students is mature age—remarkable, gutsy Australians retraining and acquiring skills to adapt to our modern world. They are who we fight for today.

I have been to see La Trobe University's Bendigo campus with Senator Carr and the member for Bendigo, a university giving young people from the bush and regional Victoria...
the chance to get a degree close to home and attracting new people to Bendigo. Between 60 to 80 of every 100 graduates from regional university campuses start work in that region. They make a social contribution to the community that has supported them. They give back what they have received. That is what we are fighting for today, to stop the drain of country people to the city. Regional universities and university towns in the bush add to the fabric of our nation.

This Prime Minister, this shameful Prime Minister who knowingly promised no cuts to education, and this so-called Minister for Education—the great pretender who promised not to increase university fees—have used this budget to ambush the people of Australia with one of the most profound economic and social policy shifts in a generation. There was no green paper to discuss the issue. There was no white paper. No public consultation has occurred under the Dawkins changes. These changes that we oppose today are purely the product of private lobbying, personal ideology and the careers of frustrated student politicians.

Labor is always prepared for a constructive discussion about higher education reform. But you would never start a negotiation with our universities by cutting nearly $6 billion—$6,000 million—from their teaching and research funding. This shameful minister boasts of apparent university support for his proposals. It is support drawn from extortion. He airily and breezily says that because universities are full of smart people they will work out how to deal with these cuts. Why should they? It is as if he thinks the reason they got a PhD was in case they ever had to deal with a neo-Luddite like this impostor. His patrician attack on high-quality public universities threatens the essence of our public higher education system. His two-pronged assault is forcing universities to support rampant deregulation instead of better funding and equity of access. This government is seeking to blackmail our universities and, in doing so, they are robbing a future from a generation of Australians.

Just as the GP tax represents the thin edge of the wedge for this government's destruction of universal Medicare, the introduction of a real and compounding interest rate on student debt threatens our fair and equitable income-contingent student loan system with extinction. When John Dawkins and Bruce Chapman designed the HECS system, they created a piece of public policy genius and art, just like Medicare. Like Medicare, the Australian university system imposes no prohibitive up-front costs, no deterrent. Like Medicare, our efficient higher education system gives us a home-grown source of international competitive advantage. Ours is a classically Australian smart system of manageable student debt and sustainable universities. It lifts the productive capacity of our nation without submitting to the erratic, unfettered forces of a market system.

Like Medicare, this great public policy initiative faces destruction from this government. Tying student debt to the government bond rate will put the burden of student debt back onto families. It is not just future university students who will lose out. Every Australian with a student debt, that is nearly a million people, will have their interest rate retrospectively changed from CPI to the long-term government bond rate. This is a government that rejects the principle of retrospection. It is a great Liberal notion, 'We do not believe in retrospection'—except when it comes to nearly a million students.

As Associate Professor Jeannie Paterson has said, this is like a bank forcing a mortgagee onto a variable loan after they have signed up to fixed interest rates. Australians who have made responsible decisions about how they will manage their lives will have the goalposts
unfairly and dramatically shifted. The people hurt most by these changes will be women who take time out of the workforce to start and raise a family. NATSEM modelling estimates that an increase of just 20 per cent in the cost of degrees, combined with the changes to the interest rate, will mean a woman with a nursing degree is looking at the doubling of her student debt from $23,000 to $46,000. A woman graduate teacher is looking at a debt of $63,000 and 16 years of repayment compared to $32,000 repaid over nine years. A female science graduate will be looking at a near tripling of student debt from $44,000 to $123,000.

The HECS-HELP system also contained a built-in insurance mechanism. Approximately 25 per cent of students start university but do not graduate. They have a student debt but no degree. Tying student debt to CPI protects these people. It means that their debt can never increase in real terms, even if they earn below the repayment threshold for long periods of time. Switching to the government bond rate will mean that people on low incomes, whose debts last longer and accrue more interest, will pay more in absolute terms than the richest graduates.

This is the unfairness of Tony Abbott's Australia, writ large. The less you earn, the more you pay. We know this government cannot begin to imagine what life is like for the people they seek to lecture. They have no idea how 90 per cent of Australians structure their lives. Going to university was easy for the minister, it was easy for his colleagues on the front bench, it was easy for the Prime Minister, so they assume it was easy and is easy for everyone. They know nothing, those who sit opposite, of the sacrifices that families and young Australians make to pursue a university education. They know nothing of the panic, the uncertainty, that they have unleashed on parents and children at open days that have just been conducted across this country.

I say to the government: do not turn your back on young people. Instead, for once—just once—put yourself in the shoes of the people your decisions will affect. Respected commentators have warned that the cost of degrees will hit the same level that international students currently pay. That means that a law degree at the University of Adelaide, like Christopher Pyne's, would cost $126,000. Imagine how much that would balloon if you indexed it at six per cent per year. A student doing a bachelor of arts and a bachelor of laws at Sydney university, like the Prime Minister, would be looking at a cost of $175,000. And if that student chose to spend time abroad after graduating, like our Prime Minister did, and then took some time out of the workforce, maybe pursuing a vocation in the priesthood, like the Prime Minister did, then the interest on their debt would continue to compound. It would go up and up and up. If the government gets its way, ballooning debt and decades of repayment would be the inescapable crushing reality for millions of our fellow Australians.

The Liberal plan for higher costs, higher debt and higher interest rates is a trifecta. It is an attack on our past students, on our present students and on our future students; $100,000 degrees will wipe out the expectations and aspirations of a significant proportion of the population right from the outset. The minister says his proposals are about giving Australians a choice. In once sense he is right: the government's plan to double and triple the cost of university education will certainly force the next generation of Australians to choose—choose between university and a mortgage, choose between higher education and owning a home. The government's plan to ratchet up the interest rate on student debt will force women to choose between starting a family and paying for their degree. The minister, in his well-know

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trademark undergraduate fashion, says, 'I'm not asking students to give up their left kidney.' No, but he is asking young Australians to lower their sights, and in doing so this reckless, cavalier government is jeopardising our nation's future.

They love to talk about productivity, this mob opposite. They are undermining productivity. They love to talk about competitiveness, yet they undermine our nation's competitiveness. It is our productivity and our competitiveness that will determine how Australia fares in the 21st century. Australia can get smarter, or we can get poorer. We will not compete with our region as a supplier of cheap labour. We will not grow and thrive as a crude, low-wage, low-skill economy. There are no winners in this kind of race to the bottom. Labor knows, in its DNA, that the future of Australia, on the doorstep of the fastest-growing region in human history, will be defined by our knowledge economy. In a century of global supply change, it will be the quality of our ideas, the quality of our genius and the quality of our people that will determine our success. It is only upon the expression of education that Australia will fully develop our economic potential, our scientific potential, our artistic potential, our people's potential. But this government's threats of deeper cuts to research will erode the rankings of our universities, and it will grievously injure our third-largest export industry: international education.

It is no wonder that Australia's banks and financial markets are apprehensive about a so-called reform agenda that places at risk an inbound capital market worth billions of dollars every year. With so much of this budget, the government's attacks on university students and their families is not just unfair; it is economically irresponsible. Labor does not believe that Australia has to choose between equity in education and quality of education. They are twins of education—equity of education and quality of education—and neither can exist without the other. But this is the Liberal Party we have come to know so well in the last 12 months. They always seek to profit from the politics of division. Dog whistling is their stock in trade. For months, this cynical minister has been asking the divisive question: why should 60 per cent of taxpayers who do not attend university contribute to the fees of the 40 per cent who do? Let me provide this cynical man with the answer he simply craves: education is not just a private privilege; it is also a public benefit.

University graduates already pay for their education with an economic contribution and a social contribution. It is our doctors who keep us healthy. They went to university. It is our teachers who educate our children. They went to university. Our architects, engineers and town planners, who shape the infrastructure and indeed the face of our nation, went to university. Our scientists, making the discoveries that will determine our future health and prosperity, went to university. This nation that we are privileged to be representing in the parliament is smart enough, generous enough and rich enough to know that the whole nation benefits from a strong, accessible, affordable university system.

And let me tell this minister something else he clearly does not know: there is another reason Australians who did not go to university believe in supporting universities. They do so because they want their kids to go to university. I have never met a parent or a grandparent who did not get the opportunity to go to university and who begrudges their child or grandchild the opportunity to go to university. This divisive man, this divisive minister and his divisive Prime Minister fundamentally underestimate the spirit of Australians when they
say that the 60 per cent who did not go to university do not want the 40 per cent to go to university. You are wrong. You are grievously wrong. You are terribly wrong.

The parents and grandparents who did not go to university want the best for their children. They want their children to grow up in a nation and a society where education and hard work are the rewards—not your postcode but how hard you work. They want to see good marks, not the old-boy tie of the school they went to, to determine opportunity. And parents and grandparents who did not go to university want their kids to get the good jobs. They do not want this mendicant government to stand in the path of their children having a better life than they had. The parents and grandparents of Australia work hard every day. They pay their taxes. They build good communities and they do so so that their children can get a better start in life than they had. And this government has set its face against a natural tendency of all Australians to see this country progress.

Our nation has to choose. The Liberals opposite can vote for $100,000 degrees, a doubling and tripling of university fees, but Labor will always be on the side of students. We will always be on the side of families. We will always be on the side of people who want the great, good dream: that their kids will do better than them. That is the great Australian story. This mob opposite can vote for an unfair two-class education system. We will always vote for the fair go. Liberals can vote for a nation where a university education is the privilege of a few but we will vote for an Australia where the opportunity of education belongs to everyone—town and country, man and woman, mature age and young—regardless of postcode or the wealth of your parent.

On this side of the House we are going to vote for an Australia where it does not matter whether you were born in a commission flat or you live 100 kilometres from the nearest town. You will go to university if you so desire under a Labor government. It does not matter if your children are the children of first-generation migrants or descendants of people who arrived with Arthur Phillip on the First Fleet. We vote for our vision of Australia, an Australia where a child's future is determined by their aspirations and dreams and the hopes and hard work of their parents. We will vote for an Australia where education is a right for all of us and, because of this, we will vote against this legislation. We will vote against it every time it is presented until the defeat of the Abbott government. We will do so with a clear conscience.

We will vote in the knowledge that our Labor generation has kept the faith and when this legislation is defeated, which it surely will be, when these proposals fail, as they surely will, Labor will do what this government is incapable of doing. We will sit down with the universities of Australia. We will reach out to the sector. We will consult with the experts and the teachers, the parents and the students before we release our proposals. Labor believe that the Commonwealth has a role, that it has a responsibility to support our universities. We believe it is a responsibility which must be shared by all. That is why we designed the HECS system. The Labor Party I lead believe in reform. We believe in efficiencies. We believe in productivity. We acknowledge a role for markets but always, ever always, with generous, Australian-style safety nets.

As demand for university places grows, Labor know the challenge is to guarantee the right of access without sacrificing quality. Today on behalf of Labor, I give the Australian people this promise. At the next election, when you look for the how-to-vote cards of the competing parties, you will have competing visions of higher education. Labor will make the next
We are ambitious for this nation. We declare that the game is on for who has the best policy on higher education and we will do so on the basis that when people who care about higher education attend the thousands of polling booths all over Australia, if they care about the dream, aspirations and hope for a smarter, greater nation, they will reach for the Labor how-to-vote card.

We will make the next election a higher education election. We will stand up for young Australians, to give them a voice in the national political debate. We will stand up for mature age Australians, dislocated by economic change, and we will give them a voice in Australian politics. We will keep the pact that we owe the next generation. We will most certainly pass the one political test that no parliament should ever fail. We will pass the test of education.

Mrs ANDREWS (McPherson) (12:35): I am proud to speak in support of the Higher Education and Research Reform Amendment Bill 2014, which effectively will implement the most significant and historic reform of our higher education system in several generations. This is a very comprehensive suite of reforms, necessarily so. Australia's higher education system, while still strong, has begun to fall behind the rest of the world. I take this opportunity to commend the Minister for Education for his leadership and courage in putting together such a significant package designed to stem the decline and to provide the sector with the flexibility it needs to once again lead the world.

This is not the piecemeal approach that has been such a feature of higher education policy in recent years. The fact is, tinkering around the edges has left the sector teetering on the brink, which is why I implore those opposite and the Senate crossbenchers to resist the urge to cherry-pick these reforms. I will talk more about that later.

I would like to start by dispelling a few myths. These reforms are not about cutting funding to the sector: in fact, higher education and research funding will actually grow by over $950 million over the next four years. These reforms do not make higher education less accessible: in fact, these reforms mean more students will have access to higher education loans, with no repayments until they earn a decent wage. And we are actually removing unfair loan fees that used to apply to some students. Most importantly, these reforms will create the greatest scholarship scheme our country has ever seen, allowing more students from disadvantaged backgrounds to access a university education. So this package really is all about increasing equity and fairness.

These reforms are not about restricting numbers of students in supported Commonwealth places. In fact, it is estimated that over 80,000 more students will be supported by 2018.

There is nothing elitist about these reforms, and I take this opportunity to reject out of hand the glib political line that student protesters and, sadly, some members opposite, have used—that this is in some way about university for only the rich. Nothing could be further from the truth. It is a terrible class-warfare tactic that has no basis in reality. I really urge those who persist in this phoney class warfare to stop and listen to what the industry is saying.

The peak representative body, the Group of Eight, which comprises Australia's leading tertiary institutions, has described the reforms as 'logical, coherent, sustainable, equitable and inevitable.' Executive Director of the Group of Eight Mike Gallagher also said:

Unless there is reform we will continue to drift, we will fall behind the emerging universities of Asia and we will fall out of touch with the vital global centres of knowledge.
Professor John Dewar, Vice-Chancellor of La Trobe University said, prior to the budget:

… the reality is that something has to give if universities are to serve the national interest effectively …

A deregulation of fee setting is an obvious next step …

Just last week, Professor Paul Johnson, Vice-Chancellor of the University of Western Australia, said:

The status quo is not feasible as it will over time erode the quality of our education and research activities—not a good position to be in when our nearest Asian competitors are investing so heavily in these areas.

And Universities Australia Chief Executive Belinda Robinson has said that failure of the package to pass in the Senate would condemn the university system to inevitable decline.

Editor of *The Australian* Paul Kelly has said:

In terms of long-run structural reform, this is arguably the single most important budget measure.

And I note that, this morning, the man Labor themselves asked to design their own education reforms, David Gonski, has come out in favour of university deregulation. He has said he believes it will strengthen the sector and make our universities even greater. What is more, he has called on Labor to stop playing politics.

As the Group of Eight's Executive Director Mike Gallagher said of Labor:

It is outrageous that they have washed their hands of responsibility for the mess they created.

As Paul Kelly said:

The nation now faces an extraordinary prospect—the political system, having created an untenable policy structure for universities, threatens to sit on its hands and deny any solution by invoking scares about $100,000 degrees and ideological rejection of fee deregulation.

It is a crazy situation, and I really do implore those in the Labor Party and those in the Palmer United Party and those independents who hold the balance of power in the Senate, to stop, look behind the class-warfare rhetoric, and see why this package of reforms is so vital for higher education.

Education is currently our third-largest export industry, worth around $15 billion a year. But it is a sorry example of the decline in the sector that, in 2009-10, it was worth around $19 billion. Yes: under Labor's watch, our education exports shrunk. We want to build them back up so that we can grow an important export industry. But, most of all, we want to build our education sector back up so that our best and brightest Australian students have access to a world-class education, and so that we have the skilled workforce our nation needs to drive our economic and social success in the future.

That is where the coalition is coming from. That is our motivation: what is in the national interest. And these reforms are undeniably in the national interest.

While much of the debate has centred on deregulation of fees—and certainly that has been central to Labor's big scare—there is so much more in this package, including: expanding the demand-driven Commonwealth funding system for students studying for higher education diplomas, advanced diplomas and associate degrees; extending Commonwealth funding to all Australian higher education students in non-university higher education institutions studying bachelor courses, costing $449.9 million over three years; strengthening the Higher Education Loan Program that sees the taxpayer support all students' tuition fees up-front and ensures that
students only repay their loans once they are earning a decent income—over $50,000 per annum, at present—though we have been careful to ensure that no-one needs to pay a cent upfront; removing all FEE-HELP and VET FEE-HELP loan fees which are currently imposed on some students undertaking higher education and vocational education and training; and securing Australia's place at the forefront of research, with $150 million in 2015-16 for the National Collaborative Research Infrastructure Strategy, $139.5 million to deliver 100 new four-year research positions per year under the Future Fellowships scheme, $26 million to accelerate research in dementia, $42 million to support new research in tropical disease, and $24 million to support the Antarctic Gateway Partnership.

As I mentioned earlier, one of the most exciting aspects of this bill is the opportunities for students from low socioeconomic backgrounds that will open up through the new Commonwealth Scholarships. This will be the greatest scholarship scheme in Australia's history, providing support and incentives for students from disadvantaged backgrounds. It will provide opportunities and assistance to those who need it most. Surely that is something to be supported and applauded.

I want to address this idea of a 'free education', which is something we hear bandied about quite a bit—especially by the professional protestors who like to burn effigies in the streets and vandalise private property. Every Australian supports the idea of our children and grandchildren having the opportunity to succeed and access a place at university. Unequivocally, our best and brightest, no matter where they come from, should always be able to access a university education. But education has never been 'free'. I think former Labor Prime Minister Paul Keating summed it up best when he said: 'There is no such thing as "free" education. Somebody has to pay. In systems with no charges those somebodies are all taxpayers. This is a pretty important point: a "free" higher education system is one paid for by the taxes of all, the majority of whom haven't had the privilege of a university education. Ask yourself if you think that is fair.'

The education minister has pointed out—but I think it is worth repeating—that Australian university graduates on average earn up to 75 per cent more than those who do not go on to higher education after secondary school. Over their lifetime, graduates on average earn around a million dollars more than if they had not gone to university. University graduates are less likely to be unemployed than those people without degrees, and studies show that university graduates also live longer and enjoy better health. So I put it to the House: is it really unreasonable to expect those who benefit the most to contribute a little more to the cost of their own education?

Under this reform package, we expect higher education graduates will be required to contribute around 50 per cent on average to the cost of their higher education. Currently, students contribute only around 40 per cent, on average, while the taxpayer pays 60 per cent.

With places uncapped, in order for the system to be sustainable in the future it is important that the cost-sharing is more balanced and reasonable. And part of the reason that is so important is that Labor left our country with a huge debt and deficit problem. We have to be responsible with every cent of taxpayers' money because we need to get the budget back under control so that our grandkids are not left with the burden of paying back the debt that Labor racked up in less than six years. To put it in context: we currently pay over $12 billion each year on interest payments alone, just on the debt Labor racked up in those six short
years. That is about $3 billion more than the government spends on higher education each year. In fact, Labor's interest bill—just the interest—is about the total of higher education funding and student assistance funding combined. So Labor has absolutely no right to stand in this place all indignant and cry for more funding for higher education. Thanks to them, our country has to waste more on interest payments than we spend on higher education. That is a devastating legacy. While our government did not create this mess, we are taking the responsibility to clean it up. And we will not shirk that responsibility.

This bill exemplifies our readiness to take the tough but necessary decisions, the ones that might not be politically popular but are undoubtedly in the national interest. But I stress once again: the government—that is, taxpayers—will still fund around half the cost of every university degree. What is more, we will also help fund a raft of undergraduate degrees and we will also contribute to degrees undertaken at private institutions. Every student will continue to have access to reduced-interest loans that are only repayable when the student begins earning a decent wage.

We believe students undertaking a wider range of courses deserve support from the Australian government. Currently, only students studying bachelor level courses at universities are guaranteed to have their places directly supported by the Australian government. This means there is currently limited support for students who choose to study for higher education qualifications at TAFE, private universities or private higher education institutions, or for students studying higher education diplomas, advanced diplomas and associate degrees.

There are also qualifications that serve as pathways into university, preparing students for university study. Many of these students come from low socioeconomic status backgrounds, and many are first generation university students. Such pathways have been proven to be very effective in equipping students for university. Often they perform better at university than students with better year-12 results who have not come through pathway programs. Our expectation is that guaranteed support for such pathway qualifications will help to improve the success rate and reduce the drop-out rate for undergraduates.

I also wanted to take a little time in this debate to talk about one of Australia's most successful private universities. Just across the road from my electorate office is Bond University. Bond is a not-for-profit private university which has established a stellar record over the past 25 years for excellence in education. As I mentioned in the appropriation bill debate, Bond University is in fact a shining example of how competition can produce much better outcomes. As a private university that sets its own course fees, Bond has had to provide an excellent product in order to compete with public universities.

The Good Universities Guide 2013 gives Bond University the most five-star ratings of any university in Australia for educational experience. Bond received five stars across key performance indicators, including: teaching quality, generic skills, graduate satisfaction, staff-student ratios and staff qualifications. In fact, Bond has the best student-to-staff ratios in the country. Many students are attracted to the accelerated learning, with three semesters a year, which means students can graduate and begin earning sooner.

Bond's success over the past 25 years is a testament to what can be achieved when a university has to be responsive to student, community and industry requirements. And now
the Commonwealth will contribute to degrees at Bond—as they do at Southern Cross University, which also has a campus on the Gold Coast.

Students at Bond will benefit from the measure to remove all loan fees for FEE-HELP, meaning equal access to loans for students no matter where they study. This will ensure that students who chose Bond University, or other private providers for that matter, will not be discriminated against in terms of accessing HELP loans.

I have been working with Bond, in consultation with the minister's office, to ensure that their voice is heard in the ongoing consultation process. As with every new system there are changeover issues, and these can impact on the interim study year. Bond has some concerns in this regard, and I will continue to ensure that their concerns are heard and taken into consideration. Similarly, Southern Cross University has some concerns about how the changeover may affect them as a regionally-based university, and I am taking these up with the minister as well.

These are historic reforms, and it is understandable that some in the sector may be apprehensive about how they will work and especially about the transitional arrangements. I know that the minister is extremely mindful of this and he will continue to keep the dialogue open with providers in the lead-up to the January 2016 start date. But it is extremely important that these reforms are passed as soon as possible, so that the industry can plan with certainty. So I implore every member of this place, and especially those in the Senate, to put the outdated class warfare politics to one side and to resist the politically-expedient temptation to cherry-pick these reforms.

As the Vice-Chancellor of Southern Cross University, Professor Peter Lee, said in recent correspondence to me:

As the debate unfolds in Parliament, there is the potential for unintended policy consequences if a decision about one measure is considered in isolation of other aspects of the package.

A piecemeal approach is the last thing the sector needs.

We cannot afford to extend Commonwealth support to a greater number of degrees without deregulation of the sector. We cannot afford to keep fees regulated if we want the sector to compete and flourish. But, perhaps above all else, we cannot afford to do nothing, which appears to be the policy of Labor, the Greens and even Mr Palmer—if media reports are anything to go by.

But I sincerely hope that good sense will prevail and that all elected representatives will take a close look at what the universities themselves are saying, what needs to be done in the national interest, and how this plan will help make our higher education sector more competitive, more responsive and more accessible to the disadvantaged.

As the Chairwoman of Universities Australia, Professor Sandra Harding said: 'The status quo is not an option'. I commend this bill to the House.

Ms RISHWORTH (Kingston) (12:50): Mr Deputy Speaker Mitchell, you will not be surprised to learn that I, along with every member on this side of the House, will oppose the Higher Education and Research Reform Amendment Bill 2014. These reforms are unfair, misguided, ill-conceived and based solely on the ideology of those opposite. These reforms will destroy the opportunity for higher education for many and will laden others with a large and growing debt that will take decades to pay off.
Education in this country is a great equaliser in society. It has allowed many in previous generations to do better than those that went before them. It allows social mobility and it allows children to get opportunity and realise their potential. This bill, unfortunately, will make it harder for many to realise their potential and get a university education.

Over the break, I have been visiting universities—as have many MPs and senators from this side—speaking with parents and grandparents about what these changes will mean. Unfortunately, the government has not done this and has not listened to the majority of Australians that are incredibly concerned about what this means. The message, time and time again, has been clear from those I have spoken to. An Australian university student should not be condemned to a debt sentence because of this government's budget of broken promises. This is a broken promise.

There was no word of these changes before the election. Indeed, there was a guarantee to the Australian people that there would be no cuts to education. Time and time again the now Minister for Education has made comments varyingly but there has been one clear message. I would like to quote from Sky News Australian Agenda of 17 November 2014, where the member for Sturt said: 'I'm not going to jump ahead of the budget that's in May next year' but 'the education budget as forecast over the next four years will not be cut by the coalition. That's very clear.' On the same program, when asked by Peter van Onselen's whether he would like to raise university fees, he said:

Look, Peter, I am not even considering it because we promised that we wouldn't and Tony Abbott made it very clear before the election that we would keep our promises.

It is not surprising that this government have not kept their promise and pulled out in the budget these regressive reforms that are a surprise and have made many Australians very distressed. These reforms will affect students but also past students—and this is a broken promise to the Australian people.

Australians fundamentally still believe in the fair go—the opportunity to get a university education based on one's ability and not on one's capacity to pay; that obtaining a university degree should not mean choosing between a degree and buying a house, choosing between a degree and starting a business or choosing between a degree and starting a family. Through this package the government want to abolish opportunity. They want to quarantine university for those who can afford to pay their way with exorbitant fees. They are saying to Australians everywhere: 'It doesn't matter how smart you are, how talented, how gifted or how driven; if you can't afford the tens of thousands or hundreds of thousands of dollars for your degree, you can forget about it.'

With this legislation the Minister for Education has abandoned so many communities. He has abandoned rural and regional communities. He has abandoned migrant communities. He has abandoned Australians on low and middle incomes. He has abandoned women. He has abandoned Australians who work in the lower paid sectors of teaching and nursing, and he has abandoned Australians everywhere who still believe in a fair go. A quality, affordable university education is at the heart of what Labor stands for. It was a Labor government who made it easily accessible and affordable to achieve a university education and who made it a reality for so many Australians. I second the sentiments of the Leader of the Opposition, who said that Labor still believes in equality of opportunity.
Australians should not be condemned to a debt sentence because of this Prime Minister's and this Minister for Education's broken promises. Our best and brightest should not be forced to pay $100,000 for their degree. Look at what a private education system has done in America—where we have seen student debt equaling around a trillion dollars in private debt. Indeed, many people are confused about why Australia would move away from a sustainable, equitable higher education system to try to follow the American route. Indeed, Joseph Stiglitz, a well-known Nobel economist, has said:

Trying to pretend that universities are like private markets is absurd. Countries that imitate the American model are kidding themselves.

It seems that some people here would like to emulate the American model. I don't fully understand the logic. He is right. The American model has led to a huge amount of student debt. Those who are able to achieve a university degree and those who are not able to, have a significantly different outlook on life. And their university sector is not open to everyone who has the smarts to be able to achieve a university degree.

Looking at this legislation, at the heart of these reforms are education cuts. They amount to approximately $5.8 billion of cuts to Australian universities—cuts which, before the election, the government promised they would not make but they are now bringing them forward—and they are asking the students to foot this $5.8 billion bill. For a government that said that they would make no cuts to education, I cannot believe that they are introducing this legislation with a straight face.

This is not a nip or a tuck here or there; this is billions of dollars being ripped out from Australia's higher education sector. Indeed, across the board it is a cut of approximately 20 per cent. We know that some areas of education will be hit harder. Engineering and science undergraduate degrees and environmental science will see a much bigger cut to their per student contribution from the government, which means that courses in these areas will actually increase more than 20 per cent. This means that this will act as a deterrent for those wanting to study engineering and science—those areas of study which are so critically important to the future of our economy, if we are going to be a smart, productive nation.

But it is not only undergraduate degrees that are being cut by this government. The government is also, for the first time, introducing the ability for universities to charge fees for higher research degrees—with a 10 per cent cut in funding, universities will be able to charge up to $3,900 for PhDs and masters by research. This shows the short-sightedness of this government when it comes to intellectual capacity in this nation. The Prime Minister talks a lot about infrastructure; but what about investment in our intellectual infrastructure? With this legislation, he is putting in a deterrent for those who wish to study for a higher degree or to do PhD research, which contribute significantly to the overall ability of our nation to be competitive around the world.

Together with these significant cuts, the government also has a plan to deregulate tuition fees for undergraduate students—signalling to Australian universities that they can feel free to charge whatever they want. This will lead to fees rising significantly—doubling, tripling—and fees of around $100,000. Despite the opposition saying that maybe fees will go down, they have provided absolutely no evidence. When asked in Senate estimates whether the government had done any modelling on where fees might rise, they said, 'No, we haven't.'
This policy has been introduced on a whim and a hope. But of course experts in the area know that fees are going to go up significantly.

Program Director at the University of Melbourne's LH Martin Institute, Geoff Sharrock, said:

Most universities will raise fees to at least offset their loss of income from government subsidies. Many will go further to boost the total level of income they'd receive above-2014 levels. Either way, the Higher Education Loan Program (HELP) debts will balloon.

So it is clear that it is not just Labor saying that fees will increase. While the government chooses not to do modelling in this area, those that have said this will lead to higher fees—no doubt about it.

It is not just the deregulation of university fees, it is not just the cuts to education that were promised would never happen but it is the introduction of real interest rates that will have a significant impact on many people. The government is also proposing to change the interest rate applied to HECS and HELP loan students. This is unfair legislation. Students will be facing the 10-year government bond rate capped at six per cent. Anyone who has had a credit card or a loan knows how this system works. Interest is compounded not only on the original loan but on interest charged so the real interest rate, the real size of debt grows and grows. As a sneaky part of what the government plans to do, this will not only affect new students but will affect anyone who has a HECS debt on 1 January 2016. If that is not a broken compact with the Australian people with a HECS debt, I do not know what is. This will have a significant impact on those that can least afford it.

The government have said time and time again that they believe that education will be accessible as a result of their changes. I have got news for the government: when I talk to people, they are looking at the interest rates, they are looking at the higher fees and they are saying, 'Maybe university is out of bounds for me.' This is a sad situation in a country that prides itself on egalitarianism.

It will be those on lower incomes that will have ballooning debt. Those teachers and nurses that go to university to contribute back to society will have ballooning debt. Indeed, it will be women that will be most negatively affected. While I have been saying to people 'Every student will be worse off under this legislation,' women will be hit hardest because often they work in the lower- and middle-income sectors. There is still a pay gap between women and men so it will take women longer to pay off a debt, especially as their debt grows in real terms.

Women often take time out to have a baby and go back to work part time. It will be during this time, when they may not be earning any money, that their university debt will continue to increase. I am quite surprised that the Prime Minister, who is also the Minister for the Status of Women, has not identified this, has not considered the impact that this legislation will have on women. Quite frankly, I think it shows he is not up to the job of being the Minister for the Status of Women.

Independent modelling has backed this up. Modelling by the National Centre for Social and Economic Modelling has shown that the length of time for a female science student to repay her student loan would increase from 8.4 years to 13.9 years, with a total repayment figure increasing from $44,228 to approximately $97,000. That will have a significant impact on so many people. There are many people this is going to affect.
I have been speaking not only to students and university teachers but also to parents and grandparents who are particularly anxious about this legislation and who have been confused about the government's motivation except to price them and their children out of the education market—that is the only conclusion they can come up with. We on this side of the House know it is an ideological bent: those on the other side do not recognise that education is a public good, not just a private good. It would be good for those on the other side to wake up to this.

We are at a fork in the road here with this legislation. Do we want our country to be a fairer place, a place where those who are smartest can get the opportunity to achieve their dreams? Or do we want to go down a user-pays system where only those that can afford to go to university can do so? This is bigger than just the changes in front of us. This is a question of what we want our country to be.

Labor will fight this legislation because it is unfair and it means that we will go down the road of not being a smarter nation but a dumber nation, and that is of great concern to all those on this side of the House. I implore the government to reconsider this position, to not break their election promise, and to ensure that Australia remains a fair place to live.

Mr PORTER (Pearce) (13:05): There are several reasons to progress these reforms that have been proposed by the government. I think there is one reason for caution; however, the minister and the government have exercised caution and have considered that reason, which is what I would like to focus on in my contribution to the second reading debate of the Higher Education and Research Reform Amendment Bill 2014. There is one issue that Labor and a number of students are correct to raise and it is worthy of consideration and analysis. It looms as a potential but not an actual reason as to why you might not proceed or proceed very cautiously. The reason for caution and the issue that is legitimately raised is whether an even modest potential fee increase and/or a slight increase in the share of total costs that a student is required to contribute could lower the overall number of lower-SES students or the percentage of SES students of the total. That is the single hurdle that you must consider before engaging reforms of this type.

There are a number of clear benefits to these reforms but you need to consider that hurdle. That is a question that warrants analysis. In some respects, Labor's position is to answer that question in the resounding affirmative and then move seamlessly from the proposition that lower numbers or a lower percentage of low-SES students will be involved in education to a conclusion that the sector should be somehow quarantined from reform of the type being suggested.

The problem with Labor's analysis is this: in all of this debate—so far the contributions by the member for Kingston and the Leader of the Opposition—and in every single utterance that has been made publicly there has not been one single, credible piece of evidence to show that these reforms, based on any historical or empirical analysis, will decrease the number of lower-SES students or their percentage of the total involved in tertiary education. If there were genuine, correct and authoritative research to that effect, that would be a reason for concern, but there simply is not.

In focusing on this one issue I want to just have a look at the only two pieces of evidence that I have seen raised regularly by Labor or, indeed, by student protesters in recent times. The first is a report by Deloitte Access Economics—and I must say, that is an authoritative
and well-researched piece of work. It is worth considering, but ultimately it answers the wrong question. In fact, I think it was the member for Kingston herself who raised that particular piece of research.

The second piece of 'research'—and I am being generous to it—was work that was quoted very recently in an article in The Guardian that relays work by:

… a group of mathematicians from the ANU's Mathematical Sciences Institute … who 'built a model' to help understand the effect of the reforms. I want to deal with that second piece of work reported in The Guardian first, because when the member for Kingston talks about 'authoritative, independent and empirical analysis', this is the sort of stuff that is being thrown up in debate.

The article is written by a member of the ALP, but there is no harm in that. Everyone is entitled to their view. This is Mr Mansillo. The article relays that a group of mathematicians examined the education minister's completion of a law degree. Their analysis was this: they looked at the present education minister, they assessed that he did a law degree some time ago, they estimated an annual fee for law degrees after the reforms that we are proposing, they assumed a starting salary, they applied and interest rate to repayments and then calculated how long it might take to pay off that law degree.

I just have some observations about this independent piece of analysis. The first is: seriously? This is a calculation you could do in three minutes, probably without a calculator. Possibly you might need one of those big solar powered calculators you buy from Kmart—the ones with the big buttons that my grandma used to use. I mean, a group of mathematicians at ANU? That is absolutely absurd! Modelling? Come on! This is something a year 9 student could do using long division. It is just fundamentally wrong. How many mathematicians at ANU does it take to change a light bulb? A group, apparently! Someone has to hold the light bulb and the others have to do the long division over the course of several hours, it appears. How utterly ridiculous!

And the research is based on this absurd assumption about how much a fee charged by universities for a law degree would be. In fact, at ANU the estimate that this research has given is twice what the ANU's Professor Ian Young suggested would probably be the kinds of fees that university would charge—double! It then has an interest rate which is far higher than the 10-year bond rate is currently. It has an assumption about the starting salary that is absolutely ridiculous and which is plucked from thin air. In that case it assumes that the starting salary for a lawyer would be $42,000. Public sector lawyers earn far more than that—considerably more than that—in their first year of service as a lawyer. Indeed, commercial lawyers who graduate from universities earn up to double that amount, well in excess of that starting point.

I note that the present minister did spend some considerable amount of time on the backbench, and perhaps his earlier career arc was not exactly what he wished it would be, but the reality is that, like most lawyers, there is a tendency to go on and earn large yearly incomes, with much larger yearly increments in income. This article went on with another absurd assumption, which was to assume a five per cent salary increase for lawyers. This is the point; this is precisely the point: like it or not, men and women who graduate with law degrees go on to earn on average much larger incomes at much larger yearly increments than those people who do not graduate with law degrees, or who do not graduate from university.
We have heard the figures that the average university student earns a million dollars more in their lifetime income stream than the average person who has not graduated from a university.

So with this type of research being relied upon, the argument in opposing these reforms is precisely this: that the tradespeople of Australia—the middle-income earners contributing to the tax base—should pay more rather than less for the education of people who graduate with law degrees and other tertiary education students who graduate and who go on to earn considerably more than the average contributor in the tax base. That is a silly proposition. At the moment it is the case that the tradespeople are part of those six out of 10 Australians who have not gone, or who are unlikely to go to university, and yet they presently foot the bill for 60 per cent of the cost of a bachelor degree student. Tax is supporting only the other 40 per cent of the cost of that degree. It is eminently reasonable to ask any tertiary education student to cover half of the costs by a low-income-deferred loan for their degree when we consider that they go on to earn considerably more—a million dollars more on average—in their income stream than a non-tertiary educated person.

The difficulty with this debate and following it as it has been run and contributed to by the opposition is that it is solely run on emotion. There are words like 'abolishing equality'—this sort of utter nonsense which fails to get to the heart of the matter and which fails to deliver anything resembling empirical evidence of what is a proposition that deserves analysis, which is to say: will lower-SES students be somehow disadvantaged by these reforms? There has been an absolute absence of that evidence. As I said, I have heard two things raised: the first was that article that I have just spoken about and the second was a report by Deloitte Access Economics.

What the overwhelming preponderance of research—peer reviewed academic research; qualitative research in this area—shows and states is that there is a very high, if not an immense, inelasticity of demand to fees when you have a deferred HECS-style system. In an article, 'Australian higher education financing: issues for reform', Bruce Chapman from the Centre for Economic Policy Research says—and he is talking about the Whitlam era:

The abolition of university fees at this time had no discernible effects on the socioeconomic composition of higher education students, …

Of course, that does not fit neatly into the methodology that we have all been given and the emotion put in this place, but that is independent, qualitative, peer reviewed research. The reason is twofold, as the article further says:

First, only a small proportion of students (20-25 per cent) paid fees, since the great majority had either Teacher's College or Commonwealth Scholarships.

Second, because secondary schooling retention rates … were very low at the time—much lower than they are now. So those Whitlam changes did not, as a matter of empirical fact, do what is repeatedly suggested by members opposite that they did.

Then the next series of evidence occurs during the 1990s—the period whereby there were great changes with respect to fees under the HECS system. We went from a system of part-deferred user pays from the Whitlam-free system, with many scholarships before that. The National report on higher education in Australia 2001 released by the Department of Education, Science and Training, the DEST report, found that HECS repayments by students
during the relevant period of the report over the 1990s increased nearly eightfold to $900 million and during that same time higher education enrolments in Australia grew by 30 per cent from 400,000 to 525,000. The empirical evidence, the actual math of this situation, shows us that where we have asked students to make a greater contribution through a deferred loans system that has had the effect of growing the overall number of people involved in tertiary education.

That then leads us to the third phase of analysis. Inside that growing number, which is high-, middle- and low-SES income students, has the proportion of lower-SES students decreased? Has the increased payments that we have experienced consistently post Whitlam decreased the percentage of lower-SES students? The answer is no. Fascinatingly, the number of low-SES students has remained unbelievably constant during all the increases in fees at around 14½ per cent. Many people have researched this and almost all wished that there was a different answer, that the HECS system had destroyed SES lower-income participation—but it simply has not.

The article ‘Social justice in Australia higher education policy: an historical and conceptual account of student participation’ by Gale and Tranter, concludes:

Figure 1 illustrates that the proportion of students from the lowest quartile of SES has remained remarkably stable over the last two decades at around 14.5 % (compared to a population reference value of 25%) …

So in the general population, low-SES people of that age would be about 25 per cent; in the university population, notwithstanding very considerable increases in fees, some instigated by the members opposite during the 1990s post Whitlam, the percentage has remained incredibly steady. There is no empirical evidence to the opposite. If you have some evidence raise it, but I know as a matter of diligent research that it does not exist. If you had it, you would have raised it by now. The cards would be on the table.

There are many reasons why this is a good reform, but there are a few in particular that I want to focus on here. Firstly, the reforms will for the first time ever see the Commonwealth provide direct financial support for all students studying for higher education diplomas, advanced diplomas and associate degrees. And what type of income quintile students do we think they might be? Lower SES-students will share a greater proportion of that diploma, advanced diploma and subdegree market than any other income quintile of student. Secondly, financial support will also be extended to all Australian higher education students in registered nonuniversity higher education institutions studying bachelor degree courses. Again, this will expand the opportunities for more Australian students every year to receive tertiary education, building to support over 80,000 new students a year by 2018. There is no guarantee necessarily that that 14.5 per cent participation figure for lower SES students will increase, but history suggests that it will not decrease. And by growing the pool of students involved in the system, the sheer number of lower-SES students will benefit.

The third reason that this is going to be a positive thing for lower-income-SES students is that the package compels universities to invest 20 per cent of additional revenue into scholarships for disadvantaged students. The history of tertiary education in Australia has been that over the last two decades costs and fees have risen and that has been because of an agreement on both sides of politics that it is and was inequitable to have tradies paying for 60
per cent of the education of tertiary educated people, who go on to earn much more than them over a lifetime income stream.

Mr Snowden (Lingiari) (13:20): I listened attentively to the member for Pearce and his erudite denunciation of mathematical researchers at the Australian National University. A compelling case was built around the incomes of lawyers. Apparently they earn a bloody lot of money—heaps of it. You would expect, therefore, they would also pay a higher rate of tax. If they are earning $1 million more, as has been argued by the member opposite, then he would understand that it is quite likely that as a group they would each pay over their working life probably $300,000 to $400,000 more tax. I suspect that is what we would all want out of people who earn higher incomes. If you are fortunate enough to earn a high income in this country, you should pay higher taxes, as part of the progressive taxation system that we have here.

Let there be no doubt about what this Higher Education and Research Reform Amendment Bill 2014 is about. It will saddle current and future generations with an unfair and inequitable higher education system, one where your background, family circumstances and where you live will be the key determinant of accessing higher education. If a young person or indeed an older person living in regional Australia—I say that as someone who lives in a relatively small but fairly isolated community—wants to study for a degree, they have limited choices. They could choose to attend Charles Darwin University's campus in Central Australia and access a very limited number of courses. They could choose to do their courses by long distance education or, as most do, choose to relocate to other places.

This bill is saying to the people who live in regional Australia, such as those in my community, 'The possibilities for you are going to diminish because of the affordability of access.' Let us not be too cute about it. I have a good income. My wife and I have four children. They have all left Alice Springs to go to university and we understand that we have an obligation to assist them in that process. But, sadly, not all people are on my income. When the member for Pearce talked about tradespeople bearing the burden of the current generation and future generations of people in the higher education system, I think he should have given some thought to the aspirations of those tradespeople's children. Because, when I speak to people in the community, those very same tradespeople feel compelled to tell me that the aspirations for their kids are that they attend higher education institutions and, if they are fortunate enough, access a degree. So quality, affordable education where individual family and community aspirations can be met without crippling debt is what Australians want.

We heard the shadow minister talk about Joseph Stiglitz and the downsides of adopting the US model. We know that, in the context of Australia, if the model which is being proposed in this legislation were to pass, then we would end up with a US model of education and we would see massive disincentives for people who live in rural, regional and remote Australia. I say that also in the context of another group of people who this piece of legislation has clearly overlooked. I want to refer to the Charles Darwin University, which has its headquarters in Darwin. Like all other institutions in this country, higher education institutions will suffer severe cuts as a result of these measures. It estimates it will lose $50.4 million as a direct result of these cuts. What these cuts do not do, though, is understand the profile of the student population at Charles Darwin University where 75 per cent of its student body are mature age students—that is, people of a mature age, 25 or older in this case. That means of course that
many of them will have already had a job—they may even be a tradesperson—and they are seeking to improve themselves by going to university. A very high proportion will have a family and will already have debt as a result of a mortgage.

What this piece of legislation is telling those very people is that you will need another mortgage to pay for your education. It is a massive disincentive for those people and I can tell you that, almost as sure as the sun will rise tomorrow, many of those people who would have been looking at making a choice about going or not going to university as a mature age student will defer that decision. Many may take the decision to go to university and cop the debt, but many may also decide they will not proceed at all. Let us be very clear. If you are on a reasonable income, say, on 70 or 80 grand a year, you are a mature age student with two or three kids and you live in a place such as Darwin where the median house price is around $500,000 and you have to pay the mortgage for that housing loan, where are you going to get the rest of the money to pay the mortgage for this degree?

The government are compounding a debt situation with an even higher debt situation. It is a massive disincentive. They know it but are not prepared to admit it. The member for Pearce spoke about all sorts of mathematicians. He pinpointed a couple of Labor mathematicians at the ANU and gave them a bit of a going over. But let me say to him that, if you are an aspirant to be a mathematician and you are the son or daughter of a working family, which want you to go to university, they do not want you to be burdened with the costs that this bill will burden them with. That is very clear. Working Australians understand what this means for them, their children and future generations.

I thought that the Leader of the Opposition made it very clear in his contribution to all of us as to why we cannot comprehend or indeed countenance these proposals. ‘Education is the foundation on which we will build a better Australia,’ he said. And he is right. The opportunity of education is an Australian birthright that belongs to us all. And he is right. This opportunity will be removed for many as a direct result of this legislation. I say to the government: there are many ways in which you can make changes, but these changes will impact adversely and, in many respects, more adversely on people who live in rural and regional Australia than on people living in urban communities like Sydney or Melbourne, as most members opposite do.

Any member in this chamber—and there are a lot of them in the opposition—who have a reasonable university in their electorate or who live in a country town or a country area will know what I am talking about because they have had representations from their regional universities about the impact of these cuts upon them and the potential for those students. We know that to be the case. And this bloke up here is trying to tell me they all want it. Well, I beg to differ.

Opposition members interjecting—

Mr SNOWDON: I would have a Bex and a good lie down, if I were you, because very clearly there are issues which confront us. I am conscious that in about 10 seconds I am going to be told to sit down, so I look forward to continuing my contribution after question time later this afternoon.
The DEPUTY SPEAKER (Hon. BC Scott): Order! The debate is interrupted. In accordance with standing order 43, the debate may be resumed at a later hour. The honourable member will have leave to continue his remarks when the debate is resumed.

**STATEMENTS BY MEMBERS**

**Higher Education**

**Dr CHALMERS** (Rankin) (13:30): One of the finest traditions that we have in this place is that we welcome kids from schools right around the country. I welcome those who have joined us today in the chamber. I was pleased to see that some of the young Australians got to witness the speech that the Leader of the Opposition gave earlier about higher education which set out some important principles. I was pleased to welcome last week kids from Woodridge North State School, Calamvale Community College and John Paul College from my own community. Many of these kids ask why our democracy matters, and I say, 'It's because it impacts on your lives, and that's why we need to include you, not just in the ceremony of the place but in the substance of our ideas and policies.'

When you go home, your parents might ask you what you saw while you were in Canberra. I think you should tell them that when you came to Canberra you saw one side of politics that wants to fan and feed your ambitions and opportunities and another side of the House that wants to extinguish them—not for all of you, but for some of you. That side wants to make you choose between higher education or a university degree and buying a home or raising a family or starting a small business—not for all of you, but for some of you. This side has a different view. When the time comes to decide whether you want to go to university, we want you to understand that this side wants that decision to be determined by what is in your mind and not what is in your parents' wallets.

**Clovelly Park Contamination**

**Dr SOUTHcott** (Boothby) (13:31): Back in July I updated the House about the industrial TCE contamination issue in the suburbs of Clovelly Park and Mitchell Park in my electorate. I also suggested that the state government hand over this problem to a coordinator who could focus on outcomes for residents instead of just the media management and spin that the EPA and responsible ministers had been doing. It is good to see that sensible ideas are recognised, because two weeks ago a task force was appointed and I finally received the briefing on the situation that I asked the ministers' offices for over a month ago. Frankly, this group should have been established two months ago. Because of the poor response to date, residents are very suspicious of the EPA, Housing SA and, by association, anyone from the SA government. Over the last few weeks, no fewer than 57 households in those suburbs have contacted me to request that I ask the state government questions on their behalf that they could not get answered. They were all very simple things, such as: what are the exact health implications of this exposure; where will I be moved; what are the exact results of tests in my area? During our meeting, the senior members of the task force said all the right things, but residents expect clear answers to their questions and a focus on their problems. The first hint that they are being media managed again will result in a very strong backlash from the community. I will continue to seek answers for the dozens of residents who have written to me asking for my help with this situation. Hopefully, this new task force can focus—(Time expired)
Higher Education

Ms PARKE (Fremantle) (13:33): ‘Upon the education of the people of this country the fate of this country depends.’ This is what the Tory statesman Benjamin Disraeli told the House of Commons in 1874. In its approach to higher education reforms, the coalition government would do well to consider this principle. Instead of its destructive $5 billion slash-and-burn approach to higher education and to the Public Service in general, the government should be safeguarding and investing in the education of all Australians. As Gough Whitlam said in 1969:

When government makes opportunities for any of the citizens, it makes them for all the citizens. We are all diminished as citizens when any of us are poor. Poverty is a national waste as well as individual waste. We are all diminished when any of us are denied proper education. The nation is the poorer—a poorer economy, a poorer civilisation, because of this human and national waste.

Recently I visited Curtin and Murdoch universities in Western Australia with the Leader of the Opposition, Bill Shorten, and Amanda Rishworth, shadow assistant minister for higher education. We spoke to students who are deeply disturbed by the proposed changes and fear that the government will take us down the path that has failed so badly in the US, as attested to by US Nobel economics laureate, Joseph Stiglitz. The government's proposal to deregulate universities, to saddle students with higher debt and to shrink the Commonwealth contribution to tuition costs is short-sighted, unfair and counterproductive as it will reduce both equity and productivity.

Meals on Wheels

Mr WILLIAMS (Hindmarsh) (13:34): I recently visited West Torrens and Glenelg Meals on Wheels branches where I met a number of fantastic volunteers who make Meals on Wheels possible. Last year I was lucky enough to don the apron and helped prepare meals with Madam Speaker at the Glenelg branch. The West Torrens and Glenelg branches prepare many meals, around 100 a day. The work they do helps their clients enjoy their day—the social contact which they find so satisfying. I would like to take this opportunity to congratulate the Meals on Wheels branches in the Hindmarsh electorate and acknowledge the presidents and many volunteers who do such a great job: Glenelg president, Brent; West Torrens president, Robert; Henley and Grange chair, Heather; and Edwardstown. Meals on Wheels presidents raised with me issues of red tape and compliance that affect their operations. We know that the coalition government tries to help organisations by reducing red tape and regulatory burdens. Even the smallest and most trivial red tape affects the way they work and the impact they can have on people's lives. This is why the coalition government is committed to another repeal day, on 29 October this year. Josh Frydenberg and the Prime Minister led the repeal day in March and are doing a great job. We propose to have another to help organisations like Meals on Wheels, small businesses and effective organisations in our community.

Red Cross

Ms McGOWAN (Indi) (13:36): Representatives of 24 Victorian branches of Red Cross were recently presented with centenary certificates at Government House in Melbourne. Some of these branches were from my electorate of Indi and one, probably the smallest, is from the beautiful goldmining town of Eldorado. Two of Eldorado's longest-serving members, Mary and Dick West, are now elderly and in poor health. Nevertheless, they managed to attend the
Eldorado centenary celebration. Mary, released from the hospital for the afternoon and in her wheelchair, unveiled the memorial dedicated to those from Eldorado who supported the Red Cross from 1914 to 1918. Mary is a third-generation member of Red Cross. Her grandmother was one of those who sent food and clothing to soldiers at the front in the First World War. Private Sam Beeby wrote home in November 1916, saying:

France was murderous. I received a parcel from the Eldorado Red Cross Society which contained some very useful articles, and which I was very glad to get. I thank them most sincerely for them.

Dick and Mary have received long-service awards from the Red Cross and Dick has also received a 50-year award from the Country Fire Authority. People like Dick and Mary West are the absolute heart of our rural communities. I thank them and organisations like Red Cross for all that they do.

O'Connor Electorate: Vietnam Veterans Day

Mr WILSON (O'Connor) (13:37): On 17 August, I was honoured to represent Senator the Hon. David Johnston, the Minister for Defence, at the Greenbushes RSL Vietnam Veterans Day commemoration service. More than 200 people participated in the service, including members of RSL sub-branches in my electorate from Esperance to Manjimup. In memory of the fallen from the Vietnam War the RSL sub-branch presidents, the RSL State President Graham Edwards and I laid wreaths at the cenotaph.

Seventeen young men from Bridgetown and four from Greenbushes were sent off to the Vietnam War. They were fortunate enough to return after their tour of duty, but many did not. Each year, Vietnam veterans gather at war memorials throughout Australia for a service and wreath laying ceremony to commemorate the Battle of Long Tan, which occurred on 18 August 1966, the most significant engagement by Australian forces during the Vietnam War. At the service at the Greenbushes RSL, President Ron Adair said 18 August became known as Vietnam Veterans Day in 1987 when Australia's first national welcome home parade was held in Sydney. Ron said:

Today we pause to reflect and remember all those who fought in the Vietnam War. We acknowledge those who supported them in their endeavours, including medical staff, volunteers and many others. In war, there are no winners or losers. In war, there are far too many sacrifices.

I thank Greenbushes RSL Sub-Branch President Ron Adair and Secretary Pat Scallan for their invitation. It was a very moving commemorative service.

Higher Education

Ms CHESTERS (Bendigo) (13:39): In my opinion, nothing better sums up how horrible these higher education reforms are for Australian universities and their students than the words of Gamal Babiker, who is a shopping centre cleaner and a proud member of United Voice. Gamal arrived in Australia 16 years ago as a refugee. He says it is not his work as a cleaner that makes him a happy man but the fact that his three children have been able to complete their higher education. It is an opportunity that he says this federal government's higher education reforms will deny to future students from low-income families like his. Gamal holds a law degree from Sudan, which is worthless in Australia. But Gamal states that he had his chance at life and he and his wife believe that their greatest joy and challenge has been to give their children an opportunity to go to university in this great country. He fears that the deregulation of tertiary education will lock out young people like his children from a
chance at an education. He wants every kid to have a chance like his kids had and says this is something we must fight for. Regardless of postcode or the size of their parents' wallet, every child should have the opportunity of a university education. Labor and I will stand with Gamal and fight against these changes. *(Time expired)*

**Eden-Monaro Electorate: Veterans**

Dr HENDY (Eden-Monaro) (13:40): Today I rise to talk about our veterans and to acknowledge their past sacrifices and current work. Recently I attended the changeover luncheon of the Legacy Club of Wollongong and South Coast at the Batemans Bay Soldiers Club. To mark the handover of the presidency from Philip McNamara to Les Arnould, who is from Batemans Bay, guest speaker Mrs Judy Thomson, widow of the former member for Leichhardt, Brigadier David Thomson, spoke of her experiences in Legacy. Judy spoke of the great work Legacy performs for the widows and children of servicemen whom we have lost. Legacy makes a real difference to these people's lives. I commend all those who give their time and energy to this most worthy cause. Other guests included Geoff Dove and his wife, Suzanne; John McGaskill and his legatee wife, Jenny; and Brian Wheeler and his wife, Trish.

I also recently attended the Eurobodalla Vietnam Veterans Day service, also known as Long Tan Day, which was held on 18 August—again at the Batemans Bay Soldiers Club. Brigadier General John Sheldrick provided an illuminating speech. He asked us to ponder the question: 'Why are we here today?' As he said, it was to support those who suffer still and to remember those who did not return. Each of us has a reason to remember those who served in Vietnam. Lest we forget.

**Higher Education**

Ms BRODTMANN (Canberra) (13:42): Today we resumed the debate on the government's higher education policies. I congratulate the Leader of the Opposition on his powerful speech in the second reading debate. Those opposite do not seem to understand that their higher education policies affect all Australians. As the Leader of the Opposition said today, those opposite assume that Australians who have not been to university do not care about higher education policy. But nothing could be further from the truth. Since the budget, I have been door knocking. I have held community forums and mobile offices. I have spoken to Canberrans about how the budget will affect them. Almost every single person I have spoken to believes the government's higher education policies are unfair, that they are an attack on our very social fabric. In fact, I am confident in saying that, of the many people I have spoken to since the budget, more oppose the cuts to higher education than oppose any other single policy in this cruel budget. Perhaps they have aspirations for their children or grandchildren. Perhaps they have aspirations of one day becoming a mature age student. Or perhaps they simply believe that every Australian should be able to choose whether to go to university based on their aspirations and hard work, not their bank balance or postcode. Those opposite have dismissed critics of their higher education policy as being only students or lefties, professional protesters. But the fact is that everyday Australians of all ages are outraged by this attack on universal access to higher education. *(Time expired)*

**Brisbane Electorate: Saint Brigid's Catholic Church**

Ms GAMBARO (Brisbane) (13:43): On Sunday, 10 August I was honoured to attend the centenary of the blessing and first mass at Saint Brigid's Catholic Church in Red Hill in my
electorate of Brisbane. The service was conducted by Archbishop the Most Reverend Mark Coleridge. It was attended by the Queensland Governor, His Excellency the Hon. Paul de Jersey AC; parish priests Father Peter Brannelly, Father Stanley Orji and Father James O'Donoghue; Deacon Peter Devenish-Meares; Mr Norm Shrubsole, chair of the parish pastoral council; Ms Kerrianne Meulman, chair of the parish finance council; and a huge number of community members.

Saint Brigid's Church was completed in 1914 with the help of fundraising from parishioners. At one point Saint Brigid's had grown to be one of the largest parishes in Brisbane and was able to hold a congregation of up to 1,000 people. In reporting on the opening of Saint Brigid's 100 years ago, the Brisbane Courier said the blessing and dedication of the new Saint Brigid's Catholic Church at Red Hill was 'the most important ceremony that had taken place in Catholic circles in Brisbane since the opening of Saint Stephen's Cathedral about 40 years ago'. And, ever since, people from all over the world have been astonished by its awe-inspiring architecture.

It would be remiss of me not to mention the incredible support given by the community over 100 years and congratulate La Fosh patisserie on its wonderful gingerbread replica of Saint Brigid's which was made to be enjoyed by parishioners on the day. Congratulations to Saint Brigid's on its 100 years.

Budget

Mr THISTLETHWAITE (Kingsford Smith) (13:45): On 30 July, I received the following email from a constituent, Rabeya Akter:

I am very disappointed about the proposed changes to higher education announced in the Federal Budget.

Allowing universities to set their own fees will burden future generations of students with significantly increased debts. Students will pay higher interest on their outstanding debt, and will be required to start repaying it at a lower income level. Young people have been told to earn or learn and yet the government is making it harder to get a quality education. Access to university should be based on merit, not on the size of your bank balance.

The end result will be less public investment in higher education, at a time when Australia's economic future depends on a highly skilled workforce. As a society we all benefit from the provision of high quality affordable education, and therefore have a collective responsibility to provide more public investment, not less.

I urge you and your colleagues to vote against the legislation when it comes before Parliament. I do not need to add to that. That is the voice of Australia. That is what the Australian people think of this government's dastardly higher education reforms and that is why the Labor opposition will vote against them.

Pharmaceutical Benefits Scheme

Mr LAMING (Bowman) (13:46): I rise to make clear that the most expensive drug on Australia's PBS is Lucentis, a medication for injection into the eye that costs the PBS $309 million every year. Treating 140,000 times each year, about 100 ophthalmologists have now racked up around $1.4 billion of Lucentis use since it was approved in 2007. That is all well and good, and I congratulate them on the reduction in blindness as a result. But the House does need to know that there is another drug called Avastin, which for $50 is now clinically
identical in its outcomes and has been proven so in the CATT studies and the IVAN studies released last month. Since 2011, it has been absolutely clear that Avastin is equivalent. But the drug company that manufactures both drugs has a conflict of interest through co-ownership of both Roche and Novartis, the latter owning a third of the former. They basically push the expensive $2,000 injection in Australia and refuse to list, refuse to provide, the cheaper version for Australian eye patients. I urge Australians to be aware of that, to be cognisant of that and to encourage ophthalmologists that this is now a safe alternative.

There is a conflict of interest here but the evidence is out. Avastin is safe and equivalent. Our PBS is based upon evidence and if you clear the bar, you can be guaranteed of funding. In the same case, if the evidence is there and the company refuses to list, then it should be available to Australians. A more expensive option should be a matter of the patient paying the extra amount if they choose.

Budget

Mr MITCHELL (McEwen—Second Deputy Speaker) (13:48): I rise to share my outrage and disgust at the appalling changes the Abbott government are attempting to make to higher education. The hikes to funding for university—

Mr Tudge: What a surprise you are talking about that.

Mr MITCHELL: Do not speak, you are about as bright as a dark room. The hikes for funding for university degrees are simply widening the gap between regional areas and the city. Young people in the rural and regional areas of my electorate of McEwen are already being shafted with this budget of broken promises. Young apprentices have had their Tools For Your Trade funding cut. Promised trade training centres are no longer going ahead. Those under 30 and out of work will have to wait six months for Centrelink payments. Young families will be losing critical funds from the vicious cuts to family tax benefits. The fuel tax is already a slug on their tight budgets—and now this. The hopes of young people in our regional areas to attend uni are being dashed by this heartless, money-grubbing government. For those living in regional areas, the number of opportunities are less than in the cities to begin with. Our students have to work harder than most to reach their goals of attending university due to restricted access to facilities and funding in regional areas. But now, with the prospect of $100,000 degrees and the HECS interest rate increasing, it will become near impossible for some regional students to strive for the life they dream of. The divide between the have and the have-nots is getting wider and wider under this government, especially between the cities and regional Australia. I, and Labor, strongly oppose these measures. I refuse to let this heartless government ruin the potential and opportunities of hardworking regional students, simply because out-of-touch, ideological dinosaurs do not care—(Time expired)

Hume Electorate: Brumby Aircraft Australia

Mr TAYLOR (Hume) (13:49): We need more pioneers like Brumby Aircraft Australia at Cowra in the west of my electorate. In the winter recess, I had the fortune of witnessing the signing of a 40-year joint venture contract between Brumby and the giant Chinese aviation company AVIC. A key plank of the agreement is the sale to China of 280 small aircraft. Brumby is a family company, owned and operated by father and son Phil and Paul Goard. They have pursued a dream with precision and with immense pride in their product. Needless
to say, the contract is lucrative. It signals the start of a massive period of growth for Brumby Aircraft Australia, doubling the size of the factory at Cowra and quadrupling the size of the local workforce where the company will be continuing design and some manufacture of the aircraft. The next step will be the establishment of a worldwide company to be known as Fujian Brumby Aircraft Manufacturing. Team leaders from China will be arriving to learn the ropes. The first aircraft could be supplied to AVIC as early as late 2014. Director Paul Goard says that while other companies shrug their shoulders, Brumby Aircraft Australia realised that Asia was the focus. I often speak about the enormous opportunities for Australian companies in fast growing markets in Asia. This is where we see our trading future, particularly in China, and I am delighted that a local firm from my electorate is stepping up to show other Aussie companies the way forward.

**Budget**

Ms MacTIERNAN (Perth) (13:51): We all know that the new fee and loan repayment structures will see debt levels for future students doubling and trebling. But today I want to talk about the scale of the impact of the loan structures that will apply retrospectively to over a million Australians with existing HECS debt, be they current or former students. There are three prongs to the restructure. There is the reduction in the repayment threshold, the move from CPI to bond rate indexing and the introduction of compounding interest.

Together these will see the total interest obligations increasing by up to 300 per cent and will see existing debt levels double. For example, an engineering graduate will see the interest rate on their loan go from $9,300 to $37,000. This is an outrageous imposition on those who have made the big decision to commit to a higher education after assessing their future costs and benefits. As consumer law specialist Jeannie Marie Paterson said, it is like the banks forcing mortgagees onto a flexible interest rate after they have signed up for fixed interest rates. And as Minister Pyne told this parliament in 2010, ‘It is a fundamental principle of law and regulation that if someone relies on laws and regulations at the time they should be able to rely’— (Time expired)

**Reid Electorate: TVB Australia Carnival**

Mr LAUNDY (Reid) (13:52): On Sunday I had the pleasure of attending the annual extravaganza that we in Reid know as the TVB Australia Carnival. Held annually, the carnival is a fun day for the family, with stalls providing rides, games, food and souvenirs, with an array of prizes and some amazing stage performances putting the Australian-Chinese culture on display. The day included a line-up of international stars, including Kristal Tin, Raymond Wong from TVB Hong Kong, Yen Yong-Lie from TVBS-Asia—the Taiwan branch—and Jin Wei from Dragon TV in China. TVB not only does an amazing job of keeping Australians of Chinese background informed on the latest news from China but also does great work in informing the local community of the latest news and events in Australia.

I would like to thank Howard Ho for including me in the day's celebrations and congratulate all at TVB Australia for a successful day. I would also like to thank the large number of Chinese Australians in Reid whom I have an excellent relationship with and who help me engage with the Chinese community in a number of ways. According to the 2011 census there were over 15,500 people living in Reid who were born in China; over 25,000 speakers of Cantonese, Mandarin, and other Chinese languages; and over 27,000 people who identified themselves as having both parents born in China. This community shows the
benefits and positive contribution that immigrants bring to Australia to the benefit of all Australians.

**Higher Education**

Mr GILES (Scullin) (13:54): On higher education, a matter that the member for Aston, the parliamentary secretary, used to care about when he stood up for students: perhaps if he is listening to contributions today he might change his mind on these reforms. I tell him this: many constituents have written to me in recent weeks to express their views and their concerns about this government's attacks on accessible quality higher education in Australia. I have heard from students, I have heard from parents, I have heard from prospective students and I have heard from grandparents, all of whom oppose this regressive and retrograde package. Today I want to share the story of Nick from Mill Park, a Melbourne university graduate who is deeply concerned. He says that he wishes to pursue a PhD in immunology, where he would be able to further contribute his skills, expertise and knowledge to Australian society and the world. He says:

However, cuts to basic research funding would hinder such progress, seriously damaging the capacity of research in Australia. …

cuts to education would mean that instead of educating the best and brightest here in Australia, they may either go overseas and never return, or they are discouraged from higher education, meaning they may never reach their full potential, or are prevented from contributing significantly to Australian society.

These cuts, in effect, would stop me from being the best that I could be, not for myself but for Australia. These are affecting words. I ask members opposite to have regard to them and to Australia's future.

**Suicide Prevention**

Ms LANDRY (Capricornia) (13:56): Recently I had the chance to greet the R U OK Bus when it visited Rockhampton in my electorate of Capricornia. This bright yellow coach is travelling Australia to acknowledge the sad issue of suicide. The aim is to encourage people to check on their mates and ask them: 'Are you okay?' Recently a hospital executive in my electorate made this observation:

We spend millions on advertising to reduce road deaths. Yet suicide rates in some Central Queensland health regions are three times higher than the road toll.

The Australian government is pleased to fund the R U OK tour through our National Suicide Prevention Program. Suicide is devastating for individuals, families and communities. Locally, FIFO workers, young people and drought-affected farmers have fallen victim to suicide. Statistics show that there are over 2,500 suicide deaths in Australia a year. A new national goal has been set to reduce the suicide rate by 50 per cent by 2023. Meaningful conversations can protect our friends, colleagues and family from suicide. September 11 marks National R U OK? Day. I urge you all to spread the word and get everyone to ask a mate: 'Are you okay?'

**Higher Education**

Ms CLAYDON (Newcastle) (13:57): The Abbott Liberal government's higher education reform is going to hit people in regional Australia, like my electorate of Newcastle, hardest. Nearly one-third of all students at the University of Newcastle are from low socioeconomic
backgrounds—well above the national average of 15 per cent. The University of Newcastle is proudly a university for everyone. They deliver excellence coupled with equity, not in spite of it—a lesson this government could well learn. We also know that the changes the government is introducing will be detrimental for women. NATSEM's modelling clearly showed that at any stage of life women will be worse off. Let me share the story of just one of my constituents who came to speak with the shadow higher education minister and I during a recent visit to the University of Newcastle. She is a mature age student. She has just completed the Open Foundation program and is wanting to attend university of the first time. She has raised a family and has worked for the last 12 years in retail but wanted to retrain and open opportunities for new employment prospects. But the proposed higher costs, higher debt and higher interest rates have dashed her hopes entirely. She told me straight: 'I've already got a mortgage, and I can't afford another one.' Labor knows that access to higher education should always be based on potential to learn, not capacity to pay. Education brings enormous public benefit, not just private privilege, as this government would have us believe. Labor will never support these laws that further entrench old boys' networks and privilege.

Legacy

Mr RUDDOCK (Berowra—Chief Government Whip) (13:59): I am sure all members will be aware that this week is Legacy Week. Legacy raises important funds in order to provide much-needed support for widows and children of deceased military service members. At a time when we have lost 41 servicemen in Afghanistan, support for these families grows even more important. Caring for families of service men and women is the least we can do to thank them and repay them for their service to the nation. Across my electorate, schools such as Cherrybrook Public School, Mount St Benedict at Pennant Hills, Cheltenham Girls High School and Galston High School are selling badges at train stations, shopping centres and their schools. Other schools, such as my own, Barker, and my daughters', Abbotsleigh, and Asquith boys and girls schools, which I used to represent, are actively involved. I thank them for the support that they are giving to Legacy.

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

QUESTIONS WITHOUT NOTICE

Superannuation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. The Prime Minister promised Australians on at least 14 separate occasions not to make any adverse changes to superannuation. Prime Minister, is not delaying the increase to the superannuation guarantee for more than 8½ million Australians an adverse change for the retirement accounts of all Australians?

Mr ABBOTT (Warringah—Prime Minister) (14:00): More confected indignation from an opposition which has made itself irrelevant by refusing to accept the mandate this government won at last year's election.

Opposition members interjecting—

The SPEAKER: There will be silence on my left! The question has been asked. The Prime Minister is entitled to be heard and I will have a general warning.
Mr ABBOTT: There are no adverse changes as a result of this because, by delaying the increase in the superannuation guarantee levy, we are keeping more money in workers' pockets. That is exactly what we are doing—keeping more money in workers' pockets. A certain authority, to whom I will come in a moment, said:

... analysis suggests that, over time, superannuation guarantee increases have come out of wages rather than profits—

Who was that, I wonder?

Mr Hockey: Bill, it's you.

Mr ABBOTT: It was old 'Electricity Bill'. That is who it was.

Mr Hockey interjecting—

The SPEAKER: The Treasurer will desist.

Mr ABBOTT: I have to say not only is this government keeping its commitments but also it is doing the right thing by the workers of Australia.

The SPEAKER: Before I call the honourable member for Corangamite, I said there is a general warning and, if you are in competition to see who is the first to leave, the choice is up to all of you.

Mr Burke: Madam Speaker, I rise on a point of order. Given the noise that was coming from that side, is there a reason you are only looking over here when you make a comment like that, because that was unbelievable from that side?

The SPEAKER: I said it is a general warning. It applies to everybody.

National Security

Ms HENDERSON (Corangamite) (13:59): My question is to the Prime Minister. Will the Prime Minister update the House on the government's actions to give our security agencies the resources they need to combat home-grown terrorism?

Mr ABBOTT (Warringah—Prime Minister) (14:03): I thank the member for Corangamite for her question. I can assure her and I can assure the people of Australia that the first duty of government, certainly the first duty of this government, is the safety of our community. In fairness, I acknowledge that this has been a principle held by all Australian governments and it is acknowledged also by the opposition. I thank the Leader of the Opposition for the support he has given to this government's national security measures. It is particularly important to safeguard the community at a time of increased national security challenges. As this House well knows, there are some 60 Australians, most of them born and bred in this country, who are now fighting with terrorist groups in the Middle East. There are some 100 Australians who are supporting and facilitating the work of those terrorist groups in the Middle East.

I want to make it crystal clear that any Australian who is fighting with a terrorist group overseas is guilty of a very serious offence. This government is determined that anyone who has been fighting with terrorist groups overseas will be detained, charged and jailed should that person return to Australia because we have seen what they can do abroad and it is absolutely essential that they never do this at home. We have seen it abroad; we must stop it here at home.
The government has committed a further $630 million towards our security agencies. I can announce today that this includes $24 million for the Australian Crime Commission to establish a foreign fighters task force and an additional 22 agents are being recruited to take on this vital job. The Australian Crime Commission has the power to compel witnesses on pain of contempt proceedings and therefore it has a unique capacity to add to our understanding of how terrorist and potential terrorist networks operate. I want to stress that this government is putting measures in place that are directed against extremism, not against any particular community in this country. We are targeting terrorism, not religion. That is what this government is doing. That is what this government will always do. I want to assure this House and the people of Australia that we will do what is needed to keep our country safe.

Superannuation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:06): My question is to the Prime Minister. Prime Minister, is compulsory superannuation one of the biggest con jobs ever foisted by government on the Australian people?

The SPEAKER: I give the call to the Honourable the Prime Minister. There will be silence on my left and on my right. It is a curious question, more like a statement, but I give the call to the Prime Minister.

Mr ABBOTT (Warringah—Prime Minister) (14:07): I can understand the frustration of the Leader of the Opposition, but the frustration that he is suffering is the frustration born of refusing to accept the people's mandate at the election last year. The Leader of the Opposition would be more relevant if he had been prepared to accept the mandate that this government won at the election last year and work with this government to abolish the carbon tax, to abolish the mining tax, and to do all the other things that we said we would do at the election last year.

Mr Watts interjecting—

The SPEAKER: The member for Gellibrand!

Mr ABBOTT: Compulsory superannuation is an important part of our overall social safety net. It is an important part of our retirement incomes policy. That is why compulsory superannuation will rise to 12 per cent by 2025.

North Atlantic Treaty Organization

Mr EWEN JONES (Herbert) (14:08): My question is to the Minister for Foreign Affairs. Will the minister please outline why we have been invited by NATO members to become an enhanced partner? What advantages will this bring to Australia and to Australians?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:08): I thank the member for Herbert for his question, and I recognise the interest of his electorate in defence and international security matters. Tomorrow, the defence minister and I will travel to Wales to attend the NATO summit, and I can confirm that Australia will be accepting a formal invitation to become what is called an enhanced partner at the NATO leaders' summit this week. This is a rare honour for our nation and our defence forces and is in recognition of the constructive role that Australia has played, particularly in relation to Afghanistan.
The enhanced partnership means that Australia will continue higher-level engagement with NATO in terms of capability, exercises and consultations. This has the potential to bring ongoing benefits to our defence forces and our strategic considerations, which are always in our national interest. Australia will continue to maintain its autonomy, of course, in deciding the extent and character of our engagement in future NATO-led operations. Our strengthened relationship with NATO reflects not only the trust that our international partners have in our country, but also our shared goals in seeking a peaceful and stable international order. Australia's relationship with NATO has strengthened substantially over the past decade through Australia's participation in NATO's longest-ever mission, the ISAF mission in Afghanistan. Australia has proven itself, time and again, to be a reliable and capable partner in these activities.

As this mission draws down, the international security environment remains highly volatile. It is therefore in Australia's security interests to remain engaged with the world's most powerful political-military organisation. Our enhanced partner opportunities will allow us to consolidate our existing cooperation. While the focus of the NATO leaders' summit is of course on Afghanistan and the scenario post 2014, I also expect that the summit will be an opportunity for the leaders and foreign ministers of countries represented there to discuss the current circumstances in Syria and Iraq, and Russia's behaviour in eastern Ukraine.

I have spoken with Secretary of State John Kerry this morning. We have discussed a range of matters involving the increasing security risks facing not only our country but other countries in the region, and the NATO summit will be an opportunity for us to discuss our response—the clear and proportionate role that Australia can play in responding to a number of the crises that are currently facing the partners of NATO and its supportive countries, and that includes Australia as an enhanced partner.

DISTINGUISHED VISITORS

The SPEAKER (14:11): I wish to advise the House that we have with us on the floor of the House a distinguished delegation: two very distinguished senators from Mexico, Senator Torres Corzo and Senator Cavazos Lerma, both of whom I have had the pleasure of meeting in Mexico. Also we have Mr Maria Ibanez from Paraguay, who is Chairman of the Chamber of Deputies. We make you extremely welcome, and we acknowledge the important and growing relationships with your countries.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Superannuation

Mr BOWEN (McMahon) (14:12): My question is to the Prime Minister, and I refer to his previous answer, in which he claimed a mandate for delaying the superannuation guarantee rise by six years. Prime Minister, isn't it the case that your superannuation policy at the last election admitted only a two-year delay in increasing the superannuation guarantee? Prime Minister, isn't it the case that, far from having a mandate, your government has broken a commitment to almost nine million Australians?

Mr ABBOTT (Warringah—Prime Minister) (14:12): It is passing strange that members opposite should complain, given that they have frustrated every promise that this government made. They have sought to frustrate this government keeping every promise that it made.
There is not a single major policy promise that we made at the election that the opposition has not opposed. So this opposition can hardly complain when every promise that we made pre election has been monumentally frustrated at every turn, and they have made themselves completely and utterly irrelevant by refusing to accept the mandate that the government won.

We took a superannuation guarantee levy pause to the election. That pause has now been implemented. And I remind the Leader of the Opposition of his statement, that the superannuation guarantee levy comes out of wages. So by pausing the operation of the levy, we have helped the workers of this country. And we have got rid of the mining tax. We have seen the back of the mining tax.

Mr Watts interjecting—

Ms McGOWAN (Indi) (14:14): My question is to the Treasurer. Treasurer, as you know, Australia is a land of great diversity, and budget measures may sometimes have unintended consequences on certain sectors of the population. In previous years, to avoid potential disadvantage to country people, a budget impact statement on regional Australia has accompanied every budget; not so this year. Will you please commit to including a budget impact statement on regional Australia in the 2015-16 budgets so that we can understand the impacts and effectiveness?

Mr HOCKEY (North Sydney—The Treasurer) (14:15): I thank the honourable member for the question. On 2 June, the Deputy Prime Minister issued what would have to be probably the most comprehensive statement ever issued about the impact of the budget on regional communities. It is a commendable document, and I commend it for that reason. It is comprehensive, and the Minister for Regional Development, the Deputy Prime Minister, and the deputy minister, put out a document that summarised right across the board the impacts of our decisions in the budget on regional Australia. In fact on budget night we put out a number of documents which mainstreamed the impact of budget decisions on regional Australia—for example, this wonderful infrastructure document. You were lauding it the other day actually, Prime Minister.

Mr Perrett interjecting—

Mr HOCKEY: The document gives quite some detail. We are spending $5.6 billion on the Pacific Highway, $1.5 billion on the regional rail link in Victoria, $6.7 billion on the Bruce Highway, and a range of other initiatives that are all about building a stronger region. But I can assure the honourable member—

Mr Albanese interjecting—
The SPEAKER: If the member for Grayndler wishes to leave—

Mr HOCKEY: that there are a number of other initiatives that we are delivering on that are going to help regional Australia.

The starting point is to get rid of the carbon tax. That is what we promised and that is what we have delivered. That means that regional Australia, as well as the whole of Australia, is going to benefit from lower costs of energy, and is going to benefit by not having a comparative disadvantage in exports with other nations.

The other thing we are doing which is part of the budget is: we are determined to get rid of the mining tax. As we speak right now, the repeal of the mining tax is passing through the Senate. Why so? Because we went to two elections promising to get rid of that insidious tax. Only the Labor Party could come up with a tax that raises no money.

Opposition members interjecting—

Mr HOCKEY: Sorry—it raises one per cent of what it promised. The member for Lilley and former Treasurer used to say, 'The mining, tax is about redistributing the wealth of Australia.' That tax was so successful it redistributed 2½c to every Australian over the last 12 months. The problem is that it has $17 billion of expenditure against it. So I commend the member for Lilley for putting in the page of history a new benchmark on taxation: a tax that destroys jobs, a tax that destroys business, a tax that raises no money. We are getting rid of that tax and that is to the great benefit of regional Australia.

The SPEAKER: The document is tabled.

Ukraine Air Disaster

Mr LAMING (Bowman) (14:18): My question is to the Minister for Foreign Affairs. Will the minister update the House on the progress of Operation Bring Them Home.

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:18): I thank the member for Bowman for his question. I can report to the House that there has been significant progress in identifying the remains of those who were killed when Malaysian Airlines flight MH17 was shot down over eastern Ukraine on 17 July. Among the innocent victims were 38 Australian citizens and residents.

The Dutch government, which is leading the efforts to identify the remains, pursuant to UN Security Council Resolution 2166, have advised that 183 of the 298 passengers and crew onboard have now been identified. There has also been progress in terms of DNA testing; however, it will be some time before that process is complete. The whole process of body identification will take weeks if not months to complete. To protect the privacy of our families, I will not go into details of the Australian citizens and residents, other than to confirm that a significant number have been identified to date.

From the start of this tragedy it has been—and it continues to be—a team effort; in our response to the loss, suffering, grief and anguish suffered by the families and friends of those who died. I pay tribute to the work of many dedicated and quite extraordinary Australians who have worked tirelessly to retrieve the remains, investigate the crash and liaise with family members—people like former CDF General Angus Huston, our ambassador in Warsaw Jean Dunn, and AFP Commander Steve Lancaster—all provided the necessary leadership.
Over my 10 days in the Netherlands and Ukraine, after the downing of MH17, I met many of the 500 Australian officials that we sent overseas, including people from the Department of Foreign Affairs and Trade from the AFP, from Defence, and from the Air Transport Safety Bureau. From the moment we heard the news, Australian officials have been working as consular officials, and our staff continue to provide assistance, comfort and support to the families.

I will never forget travelling to Kharkov, where the train from the crash site carrying the remains of the victims was stationed. I met a number of Australian officials who were carrying out the grisly but necessary task of body identification. They were determined to remain there until their task was completed. We were then able to transport the remains by Australian aircraft to Eindhoven Air Base in the Netherlands where the body identification work is taking place.

I can assure the House that the government will do all we can to support our families at this tragic time. This Thursday I will meet Dutch Foreign Minister Timmermans at NATO. I will also be meeting with President Poroshenko and Foreign Minister Klimkin, who provided so much support to us as we completed our mission to bring our people home. We will continue to do everything in our power to ensure that this horrific act is investigated and that the perpetrators are brought to justice.

Mr Shorten: I seek on behalf of the opposition to associate ourselves with the remarks of the Minister for Foreign Affairs. Again, we too acknowledge the work of the Netherlands government. The foreign minister has mentioned Jean Dunn, Steve Lancaster and Angus Houston. We are greatly appreciative of the work of the consular staff and the people in Australia who have been liaising with the families coming to grips with this incredible trauma. When speaking to families, some of them made the point that they are very grateful to live in Australia, because they are not sure that any other country in the world would have had the same compassion as this government has had and the same efficiency, professionalism and compassion of our staff. The manner in which this has been conducted has made me proud to be Australian, and I congratulate the government.

Budget

Mr BOWEN (McMahon) (14:23): My question is to the Prime Minister. Why is the Prime Minister so determined to make Australians work longer and receive less from the age pension at the same time as making it harder to save for their retirement?

Mr ABBOTT (Warringah—Prime Minister) (14:23): I will get to the question that has been asked by the shadow Treasurer, but I would like to begin by acknowledging the gracious words of the Leader of the Opposition a few moments ago. I know the phrase has been criticised but let me use it again—team Australia. We have worked very effectively as a parliament and as a nation to do what we can to help people in the most difficult circumstances imaginable—and that work will go on.

What the government is attempting to do with the budget is ensure that our economy is strong for the future. Yes, it was a tough budget—there is no doubt about that—but it was a necessarily tough budget to address the debt and deficit disaster that we inherited, to ensure that over time there was less spending on short-term consumption and more spending on long-
term investment so that we could build our economy for a safe and secure future for our country.

Yes, over time we do want the pension age to increase. Just as the former government raised the pension age, with the support of the then opposition, from 65 to 67, we are proposing to raise the pension age from 67 to 70 by 2035. Let's never forget that, when 65 was proposed as the pension age 100 years ago, the average life expectancy of Australians was 58. Today the average life expectancy of Australians is over 80. A healthy life expectancy has increased even more. That is why we think it is important to increase the pension age appropriately and reasonably over time, building on the work that the former government did.

We all know that, without change, the ratio of working Australians to pension age Australians will decline from five to one now to three to one by 2050. Thanks to the changes that the government is proposing to put in place, it will remain at four to one. This is important if our social security and social service system is to be sustainable over time. As for the superannuation system, we propose to raise the superannuation guarantee levy to 12 per cent.

Mr Bowen: When?

Mr ABBOTT: By 2025—well in time to deal with the increase in the pension age that we are also proposing.

Budget

Mr WILSON (O'Connor) (14:26): My question is to the Treasurer. Will the Treasurer outline how abolishing Labor's mining tax will assist to repair the budget and grow the economy?

Mr HOCKEY (North Sydney—The Treasurer) (14:26): I thank the honourable member for the question. I can now advise the House, all members, that the Senate has just repealed the mining tax. The mining tax is now gone. It is testament to a failed Labor government, failed economic policy, failed taxation policy and a failed Treasurer.

The fact is that we promised we would set about fixing the economy and fixing the budget, and that is exactly what we are doing. We are getting on with the job. When we first came to government—

Honourable members interjecting—

The SPEAKER: We will have silence on both sides, thank you.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton can remove himself under 94(a).

The member for Moreton then left the chamber.

Mr HOCKEY: When we first came to government we identified 93 announced but unlegislated taxation changes which occurred under Labor and previous governments. We got on with the job of clearing the decks. We promised the Australian people that we would in our budget collect less tax than would have been collected under Labor if they were re-elected. We delivered in full. We said that we would get rid of the carbon tax—and we delivered in full. We said that we would get rid of the mining tax—and we have delivered in full. We said that we would get on with a financial system inquiry, and we have done that. We said that we
would get on with a competition inquiry, and we have done that. We said that we would have a commission of audit, and we did that. We said that we would build infrastructure for the 21st century, and we are doing that.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist.

Mr HOCKEY: We are building the equivalent of eight Snowy Mountain schemes in additional infrastructure over the next eight years. The Labor Party are opposing that because they are in denial.

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton is warned.

Mr HOCKEY: The Labor Party is in denial. The Labor Party still believes in a 1980's Australia. The problem is that a 1980's Australia cannot compete with the rest of the world in the 21st century.

Mr Champion interjecting—

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

The member for Wakefield then left the chamber.

Mr HOCKEY: We are building a 21st century economy, despite the opposition of Labor. Be sure of this: what hurts Labor the most out of the decision on the mining tax today is that it shows how irrelevant the modern Labor Party are. The Labor Party did not want to deal with the deficit and the debt limit that they created and they were dealt out. They did not want to deal on FoFA and they were dealt out. They did not want to deal on the carbon tax and they were dealt out. They did not want to deal on the mining tax and they were dealt out. The modern Labor Party are irrelevant. The only reason the Palmer United Party are relevant in these discussions is that the Labor Party and the Greens are voting for them. That is the only reason. And you know what? The only way the Labor Party will ever be relevant is if they start to believe in something—but don’t hold your breath.

Budget

Mr RIPOLL (Oxley) (14:30): My question is to the Prime Minister. Because of the government's changes to the superannuation guarantee, a 25-year-old Australian earning $55,000 a year will be over $9,000 worse off by 2025. Prime Minister, why should every Australian with superannuation pay for your broken promise?

Mr ABBOTT (Warringah—Prime Minister) (14:30): The best thing that we can do for all Australians, including the Australian the honourable member asked me about, is build a stronger economy. If we want a stronger economy, we have to have a stronger budget and that is exactly what we will have as a result of the changes which have passed through the Senate today—no thanks to the Labor Party, which has dealt itself out of responsible government in this country—thanks to the crossbench senators; I do acknowledge the help they have provided to the government in this respect.

We are determined to build a good and decent retirement income system. We are determined to have a strong and decent social safety net and that is exactly what will happen as a result of the changes that have passed through the Senate today, and it will be sustainable.
Members opposite are waxing indignant about changes to superannuation. Let me remind them what happened when they were in charge. During Labor's time in office, there were increased taxes on superannuation of almost $9 billion including cutting super benefits for lower-income earners by more than $3.3 billion.

This is a government which is doing the right thing by the people of Australia because the right thing by the people of Australia is to build the strongest possible economy.

**Budget**

Mr RAMSEY (Grey) (14:32): My question is to the Treasurer. Would the Treasurer outline how getting rid of the mining tax will boost competitiveness and help create jobs in South Australia and elsewhere?

Mr HOCKEY (North Sydney—The Treasurer) (14:32): I thank the honourable member for Grey for his question. We have from the very beginning opposed the mining tax and now we have delivered on getting rid of it. And that is all because the mining tax cost jobs. There is no doubt about that. It had an impact on investment, it had an impact on jobs. There are 3,800 jobs in mining in the member for Grey's electorate but there are hundreds of thousands of other jobs around Australia that rely heavily on the mining industry, and the mining industry did some heavy lifting for Australia over the last few years. But there is no doubt in my mind, no doubt in the mind of the coalition and no doubt in the minds of anyone involved in business that the mining tax was a handbrake on further investment in mining.

Andrew Mackenzie, the CEO of BHP Billiton said:

> What I would say to the Senate is, ‘you are destroying huge amounts of potential inward investment that ultimately will pay a lot more tax in a much more stable way … if you do not get rid of the mining tax.’

Well, they have got rid of the mining tax. Sam Walsh, The chief executive of Rio Tinto said:

> We need a measure of certainty in terms of the investments we make … Australia needs to recognise stability and security are exactly what we are seeking.

The coalition is delivering that stability. The coalition is delivering that security because we got rid of the carbon tax and we got rid of the mining tax. That is all about delivering on what we promised. And as we build momentum in this economy—momentum that was actually praised by Stephen Koukoulis today, the chosen economist of the Labor Party and former economic adviser to Julia Gillard. He praised the fact that expectations are in some cases at an 11-year highs.

Mr Conroy: Only because you were sick yesterday!

The SPEAKER: The member for Charlton will remove himself under 94(a).

The member for Charlton then left the chamber.

Mr HOCKEY: It was just one day, mate. Unlike you, I have not got a permanent ailment. The bottom line that we are delivering for Australia is a stronger and more prosperous economy. That is what we promised the Australian people and it comes on the back of all the other economic decisions we have made, from fixing the taxation system to delivering a stronger budget. By getting rid of the debt limit, we are focusing on getting rid of the debt. By getting rid of the debt, we are ensuring that Australia starts to live within its means. And we will not saddle Australians with $25,000 of debt for every man, woman and child in 10 years.
But it goes further. We have delivered two free-trade agreements with Korea and Japan. We have got on with the job of making sure that environmental approvals are accelerated. The Minister for the Environment has done just that. The Minister for Industry has got on with the job of helping industry. This is a team effort. We are focused on delivering.

**Budget**

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:35): My question is to the Prime Minister. Can the Prime Minister advise the House how many more Australians will be reliant on the aged pension if the increase to the superannuation guarantee is frozen for six years?

Mr ABBOTT (Warringah—Prime Minister) (14:36): I want to see more self-reliant Australians. I want to see a more self-reliant country and the best way to do that is to ensure that our economy is as strong as possible. The stronger our economy is, the more sustainable a generous social security system will be and the more sustainable a generous and appropriate retirement income system will be.

So I am very proud of the work that the government, particularly the Treasurer and the finance minister, have done to deliver on our commitment to get rid of the mining tax because the mining tax was possibly the most stupid tax ever devised.

It was a tax that destroyed jobs, it damaged investment and it did not raise a cent— (Time expired)

Ms Plibersek: Speaker, I rise on a point of order.

The SPEAKER: The Prime Minister has completed his answer.

Mr Shorten: Without an answer!

**Road Infrastructure**

Mr BROADBENT (McMillan) (14:37): My question is to the Deputy Prime Minister in his capacity as the Minister for Infrastructure and Regional Development. I feel under a bit of pressure with Wilson Tuckey and Harry Jenkins sitting above me watching me ask this question! Will the Deputy Prime Minister outline how the government will ensure the roads of the 21st century will be delivered in a strategic and timely manner?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:37): May I thank the honourable member for the colourful way in which he asked the question! Certainly, this government promised that we would build the roads of the 21st century and one year on we are delivering on the job.

We have projects underway in every state. We are funding the road projects that Labor had promised to fund with revenue from the mining tax, which never arrived. We have made sure that we have the biggest program in Australian history but one that is fully funded and which will be delivered right across the nation.

We also wanted to deliver a higher standard of governance of our infrastructure projects. At the core of our election commitment was reform to Infrastructure Australia. We wanted Infrastructure Australia to be genuinely independent. We wanted it to have a CEO who was answerable to its own board rather than just simply having a relationship with the minister. We promised better infrastructure planning, we promised rigorous and transparent
assessments of taxpayer funded projects and an assurance that what we were doing was going to make a real difference to the people of Australia.

I am pleased to report to the House that yesterday the new Infrastructure Australia officially commenced, with a new board under Mark Birrell—a board that will set about independently examining the infrastructure tasks before our country and prioritising those projects that are important. For us, the key priorities for the new Infrastructure Australia include an audit of nationally significant infrastructure. That project is already underway, developing a 15-year plan for infrastructure priorities and assessing projects receiving government funding of $100 million or more so that the public can be assured that value for money is the priority.

The 15-year plan will, for the first time, put Infrastructure Australia ahead of the government decision-making process. Under the previous government, the reality was that all Infrastructure Australia had to do was to tick and flick projects that the government had already announced and committed to. This new plan will have Infrastructure Australia developing the priorities—a 15-year plan in advance—

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

Mr TRUSS: and genuinely provide guidance, leadership and support to governments, and oppositions for that matter, ensuring that we choose the very best projects for the available money.

DISTINGUISHED VISITORS

The SPEAKER (14:40): Before I call the Hon. Leader of the Opposition, I wish to advise the House that we have with this in the gallery today the Hon. Harry Jenkins, former member for Scullin and former distinguished Speaker of this House. We also have with us the Hon. Wilson Tuckey, former minister in the Howard government and former member for O'Connor. We make them both very welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:41): My question is to the Prime Minister. Why did the Prime Minister team up with Clive Palmer to kill the schoolkids bonus, the low-income superannuation tax breaks and the income support bonus, and to delay superannuation for almost nine million Australians? Is the Prime Minister proud of the dirty deal he has done with Clive Palmer that will injure millions of Australian families?

Honourable members interjecting—
The SPEAKER: The Treasurer will desist and so will the cacophony on my left.

Mr ABBOTT (Warringah—Prime Minister) (14:42): All the measures that we have, in the words of the Leader of the Opposition, 'teamed up with Clive Palmer to implement' are promises that we took to the election. They are all commitments that we took to the election.

Let's consider what this opposition is doing. First of all they are complaining that we do not keep commitments and now they are complaining that we do keep commitments! They cannot
have it both ways. What we are seeing is the futile roaring of an opposition which has dealt itself out of making a serious contribution to the government of this country. It is an opposition which has made itself a relevant by refusing to accept the mandate that this government won at the election.

This government is determined to implement its policies. We are determined to implement our policies for the betterment of our nation and we are determined to work with other political parties who recognise the mandate that we won to do the right thing by the people of this country. We will deliver. We will work with the parliament, the people elected, to deliver on our commitments to the Australian people.

Mr Shorten: Speaker—

The SPEAKER: I call the honourable member from Ryan.

Mr Shorten: Speaker—

The SPEAKER: Does the Leader of the Opposition have a point of order?

Mr Shorten: No. I seek leave to move the following motion:

That this House condemns the Prime Minister for:

(1) Violating the trust of the Australian people;—

The SPEAKER: The Leader of the Opposition! I had given the call to the member for Ryan and I have given acknowledgement—

Opposition members interjecting—

The SPEAKER: There will be silence! I gave the call to the Leader of the Opposition after giving the call to the member for Ryan, asking him if he had a point of order. He said no and that he wished to move a motion. So we will take the member for Ryan first and then he can move his motion.

Mr Burke: Speaker, I rise on a point of order. You asked the Leader of the Opposition whether he had a point of order. He said he did not and continued to ask leave. You did not deny the call midway through someone seeking leave.

Mr Shorten: Madam Speaker, if I may be of assistance to the House. Whilst I agree with the Manager of Opposition Business, we can wait another four minutes; it does not change the violation of trust by this Prime Minister.

The SPEAKER: In answer to the point of order raised by the Manager of Opposition Business, what he says is perfectly true, except I had first given the call to the member for Ryan.

Higher Education

Mrs PRENTICE (Ryan) (14:45): My question is to the visionary Minister for Education. Minister, would you please outline to the House how the government's reforms to higher education will impact on students in vocational education and training—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs is warned.
and also those studying at nonuniversity higher education institutions? And, Minister, what support is the government receiving for these reforms?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:45): I am very glad to get the question from the member for Ryan and I am very pleased that the Leader of the Opposition allowed her to ask it, and that you gave her the call, Madam Speaker, because it is a very, very important subject that we are debating in the House today. One of the aspects of the government's higher education reforms is that we are abolishing the up-front fees that are charged on the FEE-HELP loans and VET FEE-HELP loans, the HECS-HELP scheme that applies to vocational education and training students as well as students at nonuniversity higher education providers. They are currently being charged a fee of 20 per cent for VET students and a fee of 25 per cent for nonuniversity higher education provider students.

As part of our reforms, we are abolishing those fees and that will help 50,000 students who are currently at nonuniversity higher education institutions, and it will help 80,000 students in vocational education and training, saving students over the next three years $723 million. I do not like to borrow a line too often but, dare I say it, this government is the best friend students have ever had. That is one of the reasons it is so important that the higher education reforms pass the House because VET students and students at nonuniversity higher education providers will be very much better off when this reform bill passes. I am not the only one who thinks so.

Mr Thistlethwaite interjecting—

The SPEAKER: The member for Kingsford-Smith with leave the chamber under 94(a).

The member for Kingsford-Smith then left the chamber.

Mr PYNE: In The Australian today, a very well-known Australian, particularly well known to the opposition, Mr David Gonski, said: 'I think that the government has got it right and that there is a real chance that the deregulation of fees could produce further moneys—Ms Plibersek interjecting—

Ms Plibersek: The member for Sydney that there is a general warning.

Mr PYNE: to be ploughed back to make unis greater, to improve the student experience, have higher teacher-student ratios' and so on. So David Gonski is on board with the government's higher education reforms.

Dare I say it, I give a Gonski. Does Mr Shorten give a Gonski? I am happy to take the Gonski pledge. My Gonski pledge is that I will support higher education reform, that will spread opportunity to more students around Australia, that will produce the best higher education system in the world and some of the best universities in the world. Everyone in the coalition has taken the Gonski pledge. I give a Gonski. Does Mr Shorten?

MOTIONS

Prime Minister

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:48): Madam Speaker, I seek leave to move the following motion:

That the House condemns the Prime Minister for:

(1) violating the trust of the Australian people;
The SPEAKER: I am advised that leave is granted.

Mr SHORTEN: Well done. Thank you.

That the House condemns the Prime Minister—

I move:

That so much of standing orders—

The SPEAKER: No, you do not have to suspend.

Mr Shorten interjecting—

The SPEAKER: The honourable member will take his seat. Just so we know where we are, leave was sought, leave was granted and there is no need for a suspension. The Leader of the Opposition—

Mr Snowdon: He was moving his motion.

The SPEAKER: The member for Lingiari may leave the chamber under 94(a).

The member for Lingiari then left the chamber.

The SPEAKER: The Leader of the Opposition can now move his substantive motion.

Mr SHORTEN: Thank you and I thank the Prime Minister for granting leave. I move:

That the House condemns the Prime Minister for:

(1) violating the trust of the Australian people;
(2) raiding the hard-earned retirement incomes of working Australians to pay for his broken promises;
(3) abandoning a promise he has made at least 14 times not to make any adverse changes to superannuation;
(4) freezing the increase to the Superannuation Guarantee which will cut the retirement incomes of all working Australians;
(5) abolishing the Low Income Superannuation Contribution which will make it harder for low income earners to save for retirement;
(6) mortgaging the future retirements of working people because of his Government's dishonesty; and
(7) repeatedly breaking his promise not to do deals with minor parties and independents.

We have seen today, and Australians waking up today have learnt, the devastating news that there has been a disgraceful, destructive and dishonest attack to freeze their superannuation. Australians have woken up to find out that there has been a dirty, devious backroom deal to deny millions a decent retirement income. This deal has been done and the arch culprit is the most out of touch Prime Minister since the top hat-wearing Stanley Bruce. This Prime Minister says in answer to the first question in question time, 'There have been no adverse changes'—remembered his weasel words, 'There will be no negative adverse changes to people's superannuation accounts.' He did not say it once, he did not say it twice, he lied on 14 occasions about this matter. A new land-speed record for a duplicitous government. And that dilemma is—

Mr Pyne: Madam Speaker, I rise on a point of order. The government has given leave for a debate. It has not given leave for the use of unparliamentary terms and the Leader of the Opposition knows that. He should withdraw it and then he will be allowed to proceed.

The SPEAKER: The Leader of the Opposition will withdraw the unparliamentary term.
Mr SHORTEN: I withdraw, Madam Speaker. We have seen on 14 occasions the nation's greatest fairytale teller, telling fairytales which will harm Australians. What is it about the meaning of the word 'adverse' that this Prime Minister does not understand? Why is it that he speaks weasel language, not the English language? And why doesn't he understand why we believe this is a despicable attack? Of course, there are members of the government who sneer at this debate. Why wouldn't they? They are on much better superannuation than the almost nine million Australians whom they are holding back. And they should not shake their heads. If you do not know how real people earn their income, you are not fit to be here.

We know it is a con job. The government said that they would defer the increase to 10 per cent for two years. That is all they said. But since then we have seen a rushed, botched job where they have now said, 'We will delay it for six years.'

The government either deliberately seek to harm the less well-off in this community or, at the very least, are clueless about how people other than themselves live. They have said, 'This is a good thing for the Australian worker.' We heard this Prime Minister say, 'There's no adverse harm,' with his trademark smirk and shrug of his shoulders. 'What does it matter?' What we know about this Prime Minister is that he would rather put the interests of fewer than 10 mining companies ahead of almost nine million Australians. Those are your priorities, Mr Prime Minister. You have never seen the big end of town that you would not help and you have never met anyone less well-off whom you would help through policies and superannuation. The Liberal Party has got form on superannuation. Some of the historians of the Liberal Party can shake their heads—

Mr Robb interjecting—

Mr SHORTEN: The minister for trade! In 1992 they voted against mandating compulsory superannuation. When John Howard ran for power in 1996, he said, 'You can trust us to lift super to 15 per cent,' matching Keating's promise. Then, after 1996, these disgraceful recidivists, these people who have no clue about superannuation except their own accounts, reversed that and said, 'We're not increasing it.' So for many years superannuation was stuck at nine per cent. Then Labor, again, in the last term of office, moved superannuation in incremental amounts to 12 per cent. The coalition voted against it then. But when they got near the election these recidivists, these fairytale tellers of political lies then said—

The SPEAKER: The member will—it is all right. Okay.

Mr SHORTEN: Thank you, I am glad you agree, Madam Speaker. These recidivists, these fairytale tellers of political lies said, 'You can't really trust us on super, but we'll delay it for just two years.' We knew that they were making it up. But they did say that; they put it in black and white.

A government member interjecting—

Mr SHORTEN: And don't call me 'genius'—you wouldn't be fit to even tie the bootlaces of the people who need this superannuation. Then we go further. Now they have got the chance to lift superannuation to 12 per cent, what do they do? They freeze it again. They do not know what they do. As a classic—

Mr Morrison interjecting—
Mr SHORTEN: Oh, Morrison, be quiet. They have no idea what they do. Have we heard any information at all from the economic neo-Luddites of the antisuperannuation brigade? Have they said how much it will cost an individual's account? They have no idea what it means to a 25-year-old now, earning $55,000. They have no idea what their change means. I will tell you. It means $9,516 less in their account. What about a 35-year-old who is on $75,000? Because of these changes, they lose nearly $13,000 in savings.

Mr SHORTEN: Oh, Christopher Pyne, don't talk to me about wages. You have never seen a wage you wouldn't cut; you've never seen a student you wouldn't harm in terms—

The SPEAKER: The Leader of the Opposition will refrain from talking across the table using terms other than their name.

Mr SHORTEN: The truth hurts, Madam Speaker. They have no idea what is going on with the trajectory of this economy. The pool of national savings has been harmed by hundreds of billions of dollars as a result of this decision. They are going to delay—

Mr Pyne interjecting—

Mr SHORTEN: Oh, Fletcher, be quiet. They have delayed hundreds of billions of dollars in accumulation for superannuation. We asked this government a question today: what is the impact—

Mr Simpkins interjecting—

The SPEAKER: The member for Cowan will remove himself under 94(a).

The member for Cowan then left the chamber.

Mr SHORTEN: We asked the government today: what is the impact on national savings? They have no idea. We asked the government today: what does it mean for increased Commonwealth expenditure on the age pension? We asked the Prime Minister, in a triumph of hope over experience that he would answer it, but he did not fail us. He did not answer the question. There is no modelling here. I challenge the Prime Minister right here, right now: show us your modelling which indicates the impact on the pension, on people's accounts and on the national savings profile of this nation. They have no idea what they do.

The government are happy to hold back increased superannuation for nearly nine million Australians. They are happy to do that. But what they are also happy to do is extend the tax break for people who earn over $100,000 in interest on their superannuation savings. They are happy to look after a very small number of people but do over nearly nine million people. I repeat that: when it comes to people who have millions of dollars in their superannuation and they earn over $100,000 in interest each year, the government says, 'No worries; you get that for free.' But they will make everyone else work to age 70.

As I said, we now see what is a remarkable act of faith by the Treasurer, not necessarily borne out in today's caucus meeting, I might add. I do note that the Prime Minister, according to Fairfax, had to slap down the Treasurer after a stoush over GST anger. Hang in there, Christian Porter, you will get a promotion eventually!

We now see the government are going to give Joe Hockey, the man who inspires such confidence in the night musings of the backbenchers, especially their marginal seat members,
control of when we get superannuation increases. This Prime Minister says, 'You'll eventually get to 12 per cent in 2025.' Thank goodness!

Always with 'tricky Tony' watch the fine print, because I have no doubt that that will change. In fact, from what they have said, it can take as long as 2034.

Why is this government so again improving the pool of national savings? I love this mob opposite for their sheer effrontery. They have got more front than Myers, this mob opposite. If they were at a superannuation conference they would say, 'Oh, it's great the pool of national savings—$1.6 trillion. You'll love it, Joe. You'll love superannuation.' You would beat your chest, you would chomp around and you would blow hard about superannuation. But the problem is that when you have a chance to do something about lifting superannuation you chicken out every time. I have never seen an increase in super that these people opposite have not voted against. What they do is damage the retirement incomes of ordinary Australians.

This government has form in damaging superannuation. They have gone after the low-income superannuation contribution. The low-income superannuation contribution was enacted by former Treasurer Wayne Swan. He stands up for the low paid in our community. What he said in his legislation and what we say now is: why on earth should 3½ million people—and the government should listen to this; they might learn something—

Mr Hockey: From you?

Mr SHORTEN: Joe Hockey, I would just be quiet and not remind anyone you are here, mate. What do they do with the 3½ million people getting the low-income superannuation contribution? Currently, under Labor's proposal, which we enacted, if you earn less than $37,000, you pay no tax on your superannuation contribution. This is not a bad idea. Once upon a time they used to pay 15 per cent, but the difference is that, if you earn this money in the pocket, if you just take it as pay—as Christopher Pyne suddenly discovered about low-paid workers, other than the ones who serve him a cappuccino at the cafe—

The SPEAKER: The member will refer to people by their correct titles.

Mr SHORTEN: The member for Sturt. Okay, you got me. The member for Sturt says he worries about the wages of people, even though he has no form guide for ever voting for it. What we see is that people who earn less than $37,000 under Labor's proposal pay no tax on their superannuation contributions. This is actually sensible, because when we go back to what the Liberals and the Palmer United Party have done, people will be paying more tax on their superannuation than they would at their effective marginal tax rate. Only a Liberal! They are so out of touch with how poorer Australians earn their living that only they could dream up having a higher tax on compulsory savings than they would on the money that people take home. These are the sorts of people we are dealing with. But it does not just stop there. Not only have they broken a promise—and believe me, Mr Abbott, you have broken this promise and we will hold you to it; they have cut the tax refund which low-paid Australians get. What they are actually doing is that they want people to work longer and receive less in terms of their aged pension when they retire. This is a government who has never seen a lower paid Australian whom they did not want to slug. I love their false indignation on behalf of ordinary Australians. If they really cared about ordinary Australians they would not be delaying or freezing their superannuation increases. If they really cared about lower paid Australians, ordinary Australians battling to make ends meet, they would not be cutting the indexation rate
of the age pension. If they really cared about lower paid or ordinary Australians, they would not be taking away the tax refund. Tony Abbott, though, has form on superannuation.

**The SPEAKER**: The member will refer to people by their correct title.

**Mr SHORTEN**: The author of *Battlelines* has form on superannuation. He once famously said—and I saw some of his new and neophyte members a bit surprised at the question; remember, we asked the Prime Minister 'Is compulsory superannuation the greatest con job?'—well may you nod, Tony, because we know what you said. He said, 'Compulsory superannuation was the greatest con job ever foisted on Australians.' So, to be fair to Mr Abbott—

**A government member**: The Prime Minister.

**Mr SHORTEN**: Yes, the Prime Minister, well spotted. To be fair to him, he did flag in 1995 that he thought compulsory superannuation was a con job. Of course, he has had more twists and turns—he is a weathervane—on superannuation. Late yesterday and now today, in order to look after a few mining companies and in order to work with your great friend Clive Palmer, life member of the LNP and buddy on Senate deals, they made a deal that nearly nine million Australians will miss out. That is why we condemn this Prime Minister. You are not fit to handle the policies of superannuation in this country. If you are seriously putting up that we would let Joe Hockey be in charge—

**Mr Morrison**: Treasurer.

**Mr SHORTEN**: Thanks, Scotty—the Minister for Immigration. If you think that we are going to allow that Treasurer to be in charge of the national savings account of Australia then, as they famously said in *The Castle*, 'Tell 'em you're dreaming.' We are on to you and the Australian people are on to you, and we will hold you to account for this latest broken promise and lie.

**The SPEAKER**: Is the motion seconded?

**Mr Bowen**: Yes.

**The SPEAKER**: Before I call the member for McMahon, I see that the Leader of the Opposition had a great deal of difficulty remembering to address people by their correct titles. I would ask other speakers in the debate to kindly remember that and to have a better memory than he did. I call the honourable member for McMahon.

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

**Mr ABBOTT** (Warringah—Prime Minister) (15:05): I do appreciate the opportunity to address the issue before the chair today. The simple truth is that today the government delivered on a fundamental election commitment. We promised to abolish the mining tax, and we promised to abolish the spending associated with the mining tax—spending that was not sustained by the tax that raised no revenue—and today that is precisely what this government has done. I thank crossbench members of the Senate. I thank the member for Fairfax for the assistance that he has given to the government to deliver on this fundamental election commitment. If members opposite led by the Leader of the Opposition were not in denial about the result of last year’s election, the deal that they now complain of would never have been necessary.
The Leader of the Opposition is angry. He is obviously angry. He is understandably angry, because what we have seen today is a government that is succeeding and an opposition that is failing and, indeed, an opposition leader who is drowning. That is all we have seen today. The Leader of the Opposition must have expected his suspension would be gaged, because plainly he did not have a speech to deliver in support of the suspension motion that he moved.

I want to make it absolutely crystal clear that this is a government that is delivering on its commitments. We said we would abolish the carbon tax, and the carbon tax is gone; we said we would stop the boats, and the boats are stopping; we said we would build the roads of the 21st century, and those roads are powering ahead; and we said we would bring the budget back under control, and I cannot say it is easy to address the debt and deficit disaster that members opposite left us but that loathsome legacy is being addressed by this government.

What are we seeing from members opposite? We are seeing the whole gamut from members opposite. They are complaining that we do not keep commitments and then they are complaining that we do keep commitments. The one constant is that they are complaining. This is not an opposition leader who is running an alternative government—this is an opposition leader who is running the national complaints bureau! That is all he can do. Until such time as the Leader of the Opposition remembers that the job of opposition is to be a constructive alternative, Labor will be in the doldrums.

The Labor Party in government could not be trusted with border security. It has learned nothing in opposition. In government it could not be trusted with public finances. It has learned nothing in opposition. This is a Labor Party that damaged our country in government and now is attempting to damage our country from opposition. This government is doing what it can and should to faithfully deliver on its election commitments. We said that we would abolish the mining tax because the mining tax was damaging investments, damaging jobs, failing to raise the revenue that was claimed for it, and involving the spending of unsustainable billions of dollars. Today, the mining tax is gone. We said that we would abolish the low-income superannuation contribution, and it will go. We said that we would abolish the income support bonus, and it will go. We said that we would abolish the schoolkids bonus, and it is going. All this is not because we do not want to see a good deal for the people of Australia but because these things are not a good deal for the people of Australia if they are funded by unsustainable borrowing, if they are unsupported by the kind of economy that we need and if we are to have a generous social service system.

Is the deal that was done with crossbench senators today perfect? No it is not, but it is a better deal than to leave this unsustainable mining tax and the spending associated with it in place forever. This is a government that is prepared to work with the parliament—a parliament that the people of Australia elected—to do the right thing by the people of Australia.

Throughout question time today, members opposite acted as though the superannuation guarantee levy was the perfect answer to every person's retirement dreams. For the benefit of members opposite, let me remind them that there is no nirvana in superannuation guarantee levies, as the Henry tax review reported:

… employees bear the cost of these contributions through lower wage growth.

The Leader of the Opposition himself, in one of his rare lucid moments, admitted this on the Neil Mitchell program in 2010. The Henry report goes on to say—
Mr Shorten interjecting—

Mr ABBOTT: I am sorry? Are you okay?

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney!

Mr ABBOTT: The Henry tax review went on to say this about the superannuation system beloved of members opposite:

This means the increase in the employee's retirement income is achieved by reducing their standard of living before retirement.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist.

Mr ABBOTT: Let us be absolutely clear: yes, this is worth doing, but it is certainly not the nirvana promised by the Leader of the Opposition. That is why it will be abolished by 2025. This is a government that is getting on with the job of governing. We said that we would not form a minority government with Independents. We were not going to make the mistake that members opposite did when they sold their soul to the Greens after the 2010 election.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist or leave the chamber—the choice is his.

Mr ABBOTT: But we never said that we would not do deals with the parliament. The whole point of being in government is to get legislation through the parliament. If members opposite are determined to frustrate legislation getting through the parliament, we will work with members of this parliament who are prepared to respect the mandate of this government. What we have done today is secretly supported by many members of the Labor Party, because most members of the Labor Party, in their hearts, understand that the mining tax has been deadly for jobs, deadly for investment and deadly for fiscal responsibility. Let me quote the member for Perth, her head buried in papers.

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth will desist.

Mr ABBOTT: Just bury your head again, if you wouldn't mind! What was said by the member for Perth was that 'We do actually have to start listening to the Western Australian representatives about what will work and what won't work in Western Australia.' There was a pretty strong view coming from virtually all the Western Australian representatives about what should have happened with the mining tax.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist.

Mr Shorten interjecting—

The SPEAKER: I said the Leader of the Opposition will desist.

Mr ABBOTT: The member for Perth wanted the mining tax gone—

Opposition members interjecting—
Mr ABBOTT: I am sure somewhere in all that bellowing are sotto voce congratulations for doing what she and other members of her party in Western Australia wanted. This government is fixing all of the messes that it inherited from members opposite. They gave us the carbon tax; this government has got rid of it. They gave us the mining tax; this government has got rid of it. They gave us a whole lot of Green vetoes over important projects; the Green veto has gone, thanks to the Minister the Environment. They gave us 10 years of negotiations and no free trade agreements; we have delivered the free trade agreements. They ruined our relationship with Indonesia; our relationship with Indonesia has been restored. I move:

That all words after "that" be deleted and that the following be inserted:

This Parliament:

(1) supports the efforts of the Government to strengthen the Budget and strengthen the Australian economy by:

(a) fixing the budget through reasonable and timely measures;
(b) abolishing the carbon tax;
(c) abolishing the mining tax;
(d) delivering new free trade agreements with Korea and Japan;
(e) approving $800 billion of new projects through an accelerated approval process; and
(f) ending the age of corporate handouts; and

(2) acknowledge the result that the Government is helping to create more jobs, more infrastructure, more prosperity and more opportunity for everyday Australians.

(Time expired)

Mr Burke: Madam Speaker, I rise on a point of order. I refer to the precedent you set on 26 February this year, when you ruled out an amendment which had been moved by the opposition to a motion that had been moved by the member for Denison. In that ruling you stated:

I am looking at the terms of the motion as it was moved and I am looking at the amendment and there is a requirement that the amendment be relevant to the substance of the motion. There is no relevance of the amendment to the substance of the motion and I rule the amendment out of order.

Given the relation on 26 February between the amendment and the motion on that day, it would be a very long stretch for the Prime Minister's amendment to be anywhere near being ruled in order.

Mr Ewen Jones interjecting—

The SPEAKER: The member for Herbert is warned. I recall making that determination.

Mr Burke: Madam Speaker, a point of order.

The SPEAKER: A further point of order? I have not ruled yet.

Mr Burke: No, but before you do—it might be helpful. If you do not want me to, I will sit down.

The SPEAKER: I think we will proceed.
Mr Burke: Is the amendment in order or not?

The SPEAKER: The amendment is in order.

Mr Burke: Madam Speaker, I raise a point of order. The words that I said immediately before you made that ruling in February were these:

Thank you, Madam Speaker. There have been many occasions where amendments have been moved and accepted and much precedent for amendments which look at the issues contained within the resolution in a different way.

You then ruled that point of order, almost identical to the words you just uttered, as out of order. I ask you to establish the new precedent that you established on that day.

Mr Pyne: Madam Speaker, the point of the amendment is to rebut the issues surrounding the mining tax as put by the Leader of the Opposition. The original motion is about the mining tax. The amendment is about the mining tax. The Manager of Opposition Business might want to detract from the debate because of how poorly it has been going for the opposition, but the reality remains that the amendment is clearly in order and that these are just delaying tactics for goodness knows what purpose.

Mr Burke: Madam Speaker, if that is the argument from the government, there is no mention of the mining tax in the motion at all. If that is how it is relevant the arguments from the Leader of the House cannot be held.

The SPEAKER: I think that in the case of where there is what amounts to a censure motion and the government has moved to reverse that, effectively, there is ample precedent within the Practice to do it. It is in order. The original question is that the motion be agreed to. If it suits the House, I will put the motion in the terms: that the amendment be agreed to.

Mr BOWEN (McMahon) (15:20): Today says it all about this government and today says it all about this Prime Minister in particular. He is a Prime Minister addicted to breaching election commitments. Even worse, he is a Prime Minister who insults the Australian people by denying it and who insults the intelligence of the Australian people by refusing to admit a blatant truth. We saw it just a few moments ago in question time when the Prime Minister claimed a mandate for his freezing of the increase in the superannuation guarantee. I am holding a copy of his superannuation policy from the election. Remember when he used to hold press conferences and hold pamphlets under his head, point to them and say, 'This is our plan for Australia.'? They had a plan. It reads 'The Plan'. It gets better: point 1 is 'Certainty and Stability' for superannuation. It says 'the gradual increase will be delayed by two years'.

So says the Liberal Party's policy at the last election. Today two years became six, and the Prime Minister does not even have the grace to admit this breach of an election commitment.

A year ago, tomorrow, the Prime Minister said:

I expect that people will be very harsh on a new government that doesn't keep its commitments.

It can count on that because the Australian people are harsh on a government that does not keep its commitments; and this government has broken more than any other. Today we have seen a deal done in the other House. We saw the Treasurer up doing the deal in the Senate—very proud of his handiwork; very pleased with himself. Then there is the commitment from the now Prime Minister:
There will not be deals done with independents and minor parties under any political movement that I lead.
That says it all!

More than anything else, Madam Speaker, what today tells us about this government is this government's warped values and twisted priorities. This is a government which says, 'Work longer.' This is a government which says, 'We can't afford fair indexation of the age pension.' But this is a government which says, 'We are not going to help you save for your future retirement; we are going to make it harder.' Today the government has achieved the trifecta: they have made Australians work longer, they have made the pension less fair and they have put more people on the age pension by their short-sighted policies.

There is only one thing that is consistent about this government and it this: it is the people who can least afford it who pay the price for their broken promises. It is Australia's low- and middle-income earners who pay the price for their breach of commitment. During question time we saw the Prime Minister show that he did not know how many more people will be reliant on the age pension because of his policies. He had no idea how many more people will be on the age pension. He has no idea by how much Australia's pool of savings has been reduced today. He has no idea what the long-term impact on the federal budget will be. Let's help him out. During question time, financial services counsellors helped the Prime Minister out: they said that by 2025 there will be $128 billion less in our national pool of savings, thanks to this Prime Minister and thanks to this Treasurer. The Treasurer who puffs himself up to full height, beats his chest and lectures Australians that they should work longer than anybody else in the world, that they should have a less-fair pension, that they should have a pension which is not indexed fairly and properly—a Treasurer who dares to say that it is strongly arguable that pensioners could be better off under his budget. By his actions he will have made Australia's working population $128 billion worse off by 2025. That is the only thing consistent about this government.

They say to high-income earners: 'Oh, look, those terrible tax changes the Labor Party put in—which were modest—we're going to reverse those. We're going to look after you, but for low-income earners—people earning less than $37,000 and some of them might even drive a car—we are going to give them zero tax concessions for their future. They commit no crime other than to work hard, but we are going to give them nothing.' I say this: the vast majority of those low-income earners—people in Australia's factories, cleaners, people in manual labour—are women, who deserve a chance to save for their future through superannuation and to receive some modest tax breaks for doing it. But this government just does not get it. They do not understand the impact of their own policies; they certainly do not understand the impact of their values and the twisted priorities; and they certainly do not understand the impact of their budget on Australians.

But there is just one more reason that today says it all about this government. Yesterday we all saw the farce of the government introducing a bill into the House with no speech—the bill with no speech. The government forgot to explain to the House what they were voting on. There was a clause in that bill yesterday which said that the Treasurer should have the ability to change the superannuation guarantee rate himself—and need not come back to the parliament. We pointed that out to the House, when we eventually got the bill, but I can report to the House that it lasted less than 24 hours, because even the government acknowledged the
error of their ways—and now they have not done that. So this is calm, methodical government by this government of grown ups, who have had three positions on superannuation in the last 24 hours—the last one just negotiated in the Senate. I wonder how long the cabinet meeting went to discuss that one! We were told, of course, by the Prime Minister:
The main commitment I want to make tonight is to restore cabinet government.
That was on 22 June 2010.
As a general rule all significant government decisions should be considered by cabinet before they are announced, rather than subsequently presented as done deals.
We hear a lot about methodical, calm government, don't we? We hear a lot about it, but we do not see a lot of it.
They have adopted three positions in 24 hours on a matter of some importance to the Australian people—their retirement incomes. It is a matter that actually counts to Australians who are saving for their retirement and who care about their future. They want to know that this government has a plan. They do have a plan, apparently—in fact, they have three, and we have seen them all over the last 24 hours. But today's is the worst, because they have frozen the increase in the superannuation guarantee for six years. As the Leader of the Opposition said, 'They have got form. This is what Liberals do, because Liberals don't believe in working people having the ability to save for their future.' Liberals do not believe in working people receiving some modest assistance to do so. Liberals won the 1996 election promising to increase the superannuation guarantee. They won the 2013 election promising to increase the superannuation guarantee, and what we have found is another point of consistency—breaching their promises on superannuation. Why? Because they just don't get it.
It tells us something even more about this government, this Prime Minister and this Treasurer. It tells us about their prejudice—their prejudice against working people. If this was an ideology, Madam Speaker, I would have a little bit of respect for it. If this were an extreme right-wing ideology, I would have as much respect for it as disagreement, but I have no respect for prejudice. I have no respect for the prejudice which this Treasurer implements in his budget and his policies. I have no respect for the prejudice which this Prime Minister implements in his blatant disregard for Australian people and his election commitments to them. We have no respect for your prejudice, and the Australian people have no respect for your prejudice, because your prejudice hurts working people. People around Australia go about their daily business hoping that somebody in Canberra is looking out for them—somebody in Canberra saying, 'I wonder how we can help people save for their retirement,' or somebody in Canberra saying, 'Let's care about the long-term future of Australia.' They hope somebody in Canberra is saying, 'Let's give the working people of Australia a hand.' Right around Australia, millions of Australians are saying, 'Is somebody in Canberra looking out for us?' Well, not over there. It is not that Prime Minister and not that Treasurer. We have a Prime Minister and a Treasurer who have such contempt and prejudice for working Australians that they scoff, they smile, they snarl, they sneer—

Opposition members: They smirk!

Mr BOWEN: And they smirk. Even more importantly than that, they are hurting people with their policies. I have to confess, I am not sure whether the Treasurer just does not understand the impacts of his policies or he embraces his policies because of this government's prejudice. I suspect that it is a bit of both, because he does not understand the
impact of his budget on the Australian people and he does not understand the impact of his retrograde superannuation policy either.

Mr HOCKEY (North Sydney—The Treasurer) (15:30): The first thing I say in response to the shadow Treasurer is that we do not take all credit for winning the last election. I think the Labor Party helped us along the way. I want to personally thank the honourable member for McMahon for his contribution to us winning the last election. It was very generous of him and of all his colleagues. That help was primarily based on the fact that, after six years in government, the Labor Party just did not know what it believed in. The Leader of the Opposition is a great example of that. He does not know what he believes in. He is a man with loyalty to no-one but himself. He is a man who has been loyal to no-one in his life. He was not loyal to Kevin Rudd and then he was not loyal to Julia Gillard. Then, in the end, he was not even loyal to the Labor Party but he became the leader of the Labor Party—and he is not even loyal to the policies that they took to the last election.

They come in here and give us sanctimonious lectures about improving the budget when the Labor Party itself is opposing $5 billion of policies it took to the last election to pay for its own promises—spare us the hypocrisy! They come in here and lecture us about superannuation and yet the Labor Party increased taxes on superannuation by $9 billion in the last six years. There were $9 billion of increases in superannuation taxes. They could not do that with a mining tax they designed, yet they managed to find $9 billion of new taxes on superannuation after Kevin Rudd promised the Australian people in 2007, in writing, that they would not change superannuation 'not one jot, not one tittle'. That is what Labor said in 2007 and that is what they promised the Australian people, and then they broke that promise.

We went to the 2010 election and the 2013 election saying that we were going to get rid of the mining tax and the associated expenditure. Labor does not want to hear this. They do not want to hear this because they are embarrassed by their own policy failures. They are embarrassed by their own political failures as well, because they can hardly complain about us when they will not let us keep every single initiative that we took to the last election. When we come to a deal with reasonable senators in the Senate to get our election commitments through, they complain that we are breaking election commitments. The hide of them! The Labor Party does not know what is right and what is wrong, because they do not believe in anything. Bill Shorten has no core values. He is a man who blows in the wind. He is an insipidly weak man.

Mr Mitchell: Speaker, I rise on a point of order. You have been very consistent today in pulling up the Leader of the Opposition for not addressing people properly. Three times you gave that ruling earlier this year when the words used by the Prime Minister were not someone's correct title. Now, again, the Treasurer is using the incorrect title for members. He should be brought into line like the rest of us.

The SPEAKER: I will do precisely that. Thank you, member for McEwen. The correct title for me is Madam Speaker. I would ask the Treasurer to also use the correct titles.

Mr HOCKEY: The Leader of the Opposition is an insipidly weak man. He has no principles. He blows in the wind, as his loyalty blows between many people. That is reflected in the fact that he is moaning about us keeping our election commitments and each day he comes in to complain that we may be breaking election commitments. This is a Leader of the Opposition who has successfully dealt Labor out of any activity in relation to policymaking.
during this term of government. They thought they could paint us into a corner in relation to the debt limit. We did a deal with the Greens to remove the debt limit that Labor created but Labor could never keep. They thought they painted us into a corner on the repeal of the carbon tax and then we managed to do a deal with a number of senators to pass the repeal of the carbon tax. They thought they painted us into a corner in relation to FOFA and then we did a deal to get that through. Then they thought they painted us into a corner on the mining tax, and we managed to do a deal with reasonable senators as well.

I said last week that the Labor Party is travelling at high speed down into a cul-de-sac. I am proven absolutely right today. They are driving at high speed down into a cul-de-sac—a policy cul-de-sac but also a political cul-de-sac. Why so? That is because their only friends in this parliament are the Greens.

Ms Ryan interjecting—

The SPEAKER: The member for Lalor is not in her seat and is not entitled to speak.

Mr HOCKEY: They are the only friends of the Labor Party in this parliament, as was the case in the last parliament and the parliament before. Their only friends are the Greens. They are soul mates and political mates with the Greens. They have not learned anything from the last election. They have learnt absolutely nothing.

Ms Ryan interjecting—

The SPEAKER: If the member for Lalor interjects one more time, she will leave.

Mr HOCKEY: As a result, we are getting on with our agenda. If nothing had been done about the budget, we would have been facing $123 billion of deficits over the four years. We would be facing $667 billion of debt over a 10-year period. That is $25,000 of debt for every man, woman and child in Australia. I will tell you what is unfair: Labor’s legacy of $25,000 of debt for every man, woman and child is unfair. I will tell you what is unfair: $1 billion a month in interest, just on the debt that Labor left behind. Seventy per cent of it goes overseas to repay the money to people that we borrowed from. I will tell you what is unfair—that that we leave Australians with a lesser quality of life in the future than that which we have had. When you borrow money today, you are borrowing from the future. The money must be repaid, in principal and interest, into the future. What have we done? We have started by identifying the mess that was left behind. They left behind record deficits and record debt. They left behind 93 announced but unlegislated taxation changes and we are fixing that. They left behind unfulfilled agreements on trade with Korea and Japan, and there was China as well. We have delivered two of the three, with one yet to come—a great credit to the minister for trade.

We said we would end the age of entitlement, starting with corporate Australia, and we have done that. We know it is not painless. We know that. But we have delivered, and it took enormous courage. We stood up to people because it is the right thing to do. Whether it is an industry or whether it is a business, we cannot take money from the battlers of Australia paying tax and give it to corporate Australia. We cannot do that. We said we would clean up the mess in taxation that Labor left. We got rid of the carbon tax for pensioners and middle Australia—$550 per household per year. It is a burden lifted off manufacturing, and a burden lifted off exports. We said we would get rid of it, and we got rid of it. We said we would get rid of the mining tax and associated expenditure. Every day during the last election Labor
kept saying, 'show us your costings.' We did show them the costings, and we provided in
detail every single bit of the abolition of the mining tax package. We gave every single detail
in full, and Labor did not like it. We had the guts to go to the election and give the people the
facts, and the electorate voted for us, just as they voted for us to get on with the job of fixing
the economy.

There were $800 billion of approvals for projects held up under Labor, and we have gone
on and done the job with those. We are also getting rid of red tape—$800 million a year in
red-tape burden on business. We have got rid of that as well. We are getting on with the job of
strengthening the Australian economy. We are building the infrastructure of the 21st century.
We are laying down plans and delivering on $125 billion of new infrastructure for Australia.
We are creating tens of thousands of new jobs, because ultimately it comes down to jobs.
Under the former minister for workplace relations, Job Creation Australia was tracking at
5,000 new jobs a month. Under us that figure is 15,000 new jobs a month. Under us, even
Labor economists like Stephen Koukoulas recognise that business expectations are at decade
highs, that business confidence is at highs and that consumer confidence is back to highs. The
bottom line is that we are building a stronger economy. We are building a stronger budget.
We are determined to build a stronger Australia. I say to the Labor Party: you are irrelevant;
you have put yourselves in that place—don't blame anyone other than yourselves for your
own political and policy incompetence.

Mr Burke: Speaker, I rise on a point of order under standing order 67, relating to the
question we are about to vote on. The copy of the amendment that has been circulated has a
point (2), which refers to delivering a simpler, fairer tax system. That point (2) has been
crossed out on the amendment copy that we have been given. When we vote on the
amendment, I want to know whether or not the Prime Minister has actually moved point (2),
or whether they are not claiming that the government has delivered a simpler, fairer tax
system in their amendment. If it is of assistance, my recollection is that the Prime Minister did
not refer to a point (2) when he moved the amendment. He went from point (1) to point (3),
but given that we have a copy with a point (2) crossed out, I wondered under standing order
67 whether you could affirm what the
detail of the amendment is that we are voting on. Who
crossed it out would be another question.

The SPEAKER: I think that the best evidence on what we are voting on is the amendment
which has been circulated—as it stands, with (2) crossed out. All that means is that it was not
debated, and it was not dealt with. The question is that the amendment be agreed to.

[The House divided. [15:47]

(The Speaker—Hon. Bronwyn Bishop

Ayes .................85
Noes .................53
Majority ...........32

AYES

Alexander, JG  Andrews, KJ
Andrews, KL  Baldwin, RC
Bishop, JI  Briggs, JE
Broad, AJ  Broadbent, RE
Brough, MT  Buchholz, S (teller)

CHAMBER
HOUSE OF REPRESENTATIVES
Tuesday, 2 September 2014

AYES

Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, IA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Hogan, KJ
Hunt, OA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hockey, JB
Howarth, LR
Hutson, ER
Jensen, DQ
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, FM
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

NOES

Albanese, AN
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeley, D
Fitzgibbon, JA

Bandt, AP
Brodmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, LM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
MacTiernan, AJGC
Mitchell, RG
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Shorten, WR
Thomson, KJ
Watts, TG
Zappia, A

Hall, JG (teller)
Husic, EN
King, CF
Macklin, JL
Marles, RD
Neumann, SK
O'Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Swan, WM
Vamvakinou, M
Wilkie, AD

Question agreed to.

The SPEAKER: The question now is that the motion, as amended, be agreed to.

Question agreed to.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:51): I move that further questions be placed on the Notice Paper.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:52): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Superannuation, Pensions and Benefits

The SPEAKER (15:52): I have received a letter from the honourable member for McMahon proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The hurt inflicted on Australians by the Government’s adverse changes to superannuation, changes to the age pension and cuts to support for senior Australians.

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

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

Mr BOWEN (McMahon) (15:53): There is plenty of hurt being inflicted by this government's adverse changes to superannuation. There is plenty of hurt being inflicted by its changes to the age pension. There is plenty of hurt being inflicted on the Australian people because of the government's changes to family tax benefits. But, more than anything else, what we have is a government which is determined to breach its election commitments and hurt the Australian people in a way that is adverse not just to individuals and families but to the long-term economic future of this nation.
The government do not realise the importance of the policies they are dealing with. They see superannuation as their personal plaything—in which they do not believe. The Prime Minister, when he was sitting up on the opposition backbench, called superannuation a con job foisted on the Australian people by our government. We know that he does not understand superannuation because, years later, in his book, he called for retrograde steps to be made. And now, given the chance as Prime Minister of Australia, he is making retrograde steps to Australia's superannuation system.

Let me be very clear: superannuation is a proud achievement of Labor governments. We built it and we will defend it. We will defend it against Liberal and National MPs who vote consistently to downgrade it—they did so in the 1990s, they do so today and, no doubt, they will do so in this House tomorrow. They do not believe in superannuation building the future for working Australians. They do not believe it and they fight it. Well, we will fight them every step of the way. We are proud of the fact that our superannuation assets are now the fourth largest in the world. We are the 12th largest economy and we have the fourth largest pension pool in the world—achieved by Australians saving for their future, achieved by Australia's financial services industry, achieved by a framework set up by successive Labor governments. The Hawke and Keating governments invented universal superannuation, the Rudd and Gillard governments strengthened universal superannuation, and the Abbott government is trying to drag superannuation down—breaching their election commitments to the Australian people.

Well, the Australian people are awake to the conflict of disloyalties which goes to the heart of this government. We have a government that beats its chest and lectures Australians about working harder and longer, a government that says Australian should work until they are 70. Can the government name one country in the world with a pension age of 70? No. Can it name one country that is projected to have a pension age of 70 by 2035? No. Can it name one country that is projected to have a pension age of 70 by 2050? Not one! This government thinks Australian should work longer than people in any other country in the world. This government says we should have an indexation of the pension arrangements which is as onerous and as mean as any tried by any government in the world—barring not even Margaret Thatcher's government.

We are the 12th largest economy in the world and the government says that, as a nation, we cannot afford to give pensioners fair indexation. The government says to Australians that it is not going to help them save for their future if they dare to be low- or middle-income earners or one of Australia's female workers across the country—the 2.1 million female Australians who are today missing out on a modest superannuation concession at the hands of the Prime Minister, the Treasurer and the members who sit behind them. There are 2.1 million Australians who happen to be women working in schools, hospitals and factories—the workplaces of Australia—who today are losers at the hands of this Prime Minister and this Treasurer.

The government say to these people: 'You deserve zero tax concession on your superannuation. You deserve nothing from your government for daring to save for the future. We're going to make you work until you're 70. We don't care if you're a nurse who works the night shift. We don't care if you're a bricklayer who works your body to such a point that you can go no further. We don't care if you're a policeman or a policewoman keeping our streets safe. We've told you that you must work longer than people in any other country in the world. We've told you that we want you to save more for your retirement. So save more. Don't be complacent. Don't be lazy. Don't be self-indulgent. We don't care what kind of job you do. We don't care if you're a school teacher, a police officer, a nurse, a bricklayer, a plummer, a carpenter. We don't care if you're exhausted from working all your life to support your family.'
safe. We don't care who you are or where you are, you'll get nothing from us.' That is what the
Prime Minister and the Treasurer say, and that is what every single member opposite says.
Whether they be from the Liberal Party or the National Party, whether they represent city or
rural Australia, they all say to Australia's low-income earners: 'We're not on your side. We're
on the side of higher income earners, who deserve ever more generous tax concessions. If you
dare to be a low-income earner, you'll get nothing from us.' They have abolished the low-
income superannuation contribution in their deal with the Palmer United Party in the other
house and, no doubt, tomorrow they will do so in this house. We say, 'Shame on them!'

We will stand up for Australia's low-income workers. We will stand up for those workers
who say: 'We deserve some assistance to save for our future. We don't mind working hard.
We don't mind doing what it takes to put food on the table and to provide for our families. But
is somebody looking out for us?'

Is somebody going to say there should be some modest tax concessions for low-income
earners? Yes, there is somebody, but we are all on this side of the House. There is not one on
that side of the House. The National Party, which once promised so much to rural Australia,
says to all those low-income earners right throughout rural and regional and Australia, 'We're
not on your side. We will not stand up for you.'

The Labor Party will stand up for the workers of rural and regional Australia. The Labor
Party will say that those workers right up and down the coast and through Australia's great
inland deserve some assistance to save for the future. They deserve some assistance to be part
of that great Labor achievement of superannuation, that Labor achievement which has helped
so many thousands of Australians have a dignified and comfortable retirement. That is what
we believe in. We believe that regardless of your income, background, gender or where you
live you deserve dignity in retirement. We believe that if you have worked hard all your
working life you deserve to be able to retire before you turn 70 and you deserve to have some
dignity and comfort in your retirement. We are not talking about luxury or great riches. We
are talking about dignity. We are talking about giving Australians the chance to live free of
being reliant on the age pension.

The Prime Minister did not even know the impact of his own policies. He could not tell the
House or the Australian people how many people will now be reliant on the full age pension
because of changes he has pushed through the parliament today. He does not know, and how
could he know? This is policy on the run. We have had three positions from the government
over the course of the past 24 hours. I wonder if the minister who will respond on behalf of
the government will share with the Ho

CHAMBER
This arrogant government says to Australia's hardworking low-income earners that they do not care about them. We care about them. That is why we voted the way we did. That is why we voted the way we did in the other place. That is why we will vote the way that we will in this House, in defence of Australia's low-income earners. We will stand up for them against this arrogant government. We will stand up for fairness. We will stand up against their moves to make the age pension less fair. We will stand up against their moves to make Australians work longer than anybody else in the world—not only in the developed world but anybody else in the world.

This government says Australians should work longer than workers in any other country in the world. Did they say that before the last election? I do not recall them saying that before the last election. Did they go out with their pamphlets and say, 'Here is my policy. I reckon you should work longer than anybody else in the world'? That would be a winner, wouldn't it? No, they did not. No, they did not, because they knew the Australian people would vote differently if they were honest with the Australian people about their plans and about their prejudice. That is what we see from this government: plans to implement their prejudice, their prejudice against working people. We will fight it all away.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (16:03): Once again, we hear the Australian Labor Party come into the chamber and rail. We hear words like 'justice', 'equity' and 'fairness'. We hear the shadow Treasurer railing about how the government is being arrogant. I think his choice quote was how, as a government, we were treating the parliament and the people with contempt. These are pretty serious charges. How arrogant and contemptuous of us as a government to deliver a promise! How arrogant and contemptuous of us as a government to go to the Australian people before the last election and say, 'If we get elected, because the Labor Party has put the budget in such a stew, we are going to abolish the mining tax and we are going to abolish all the spending associated with the mining tax.' And then, what did we do? We followed through on our commitment. Guilty! Seriously, this is the shadow Treasurer, the man who presided over a spectacular calamity when it came to Australia's finances, now standing up and hectoring and standing up with moral indignation about how inequitable it is, how unfair it is and how Australia will be in a worse situation all because the government is doing what we said we would do.

Look at this joke of a shadow Treasurer and this joke of an opposition. This is the reason the Australian people reject them and reject their approach. They made that point crystal clear in September last year. They made that point crystal clear. Despite the fact that the Australian Labor Party likes to pretend or likes to think that the Australian people are stupid, they are not. They are smart and they recognise when a government has reached its use-by date as the Australian Labor Party did. But the fundamental problem is that Labor has not heeded the lesson. Labor has not listened to the verdict of the Australian people. Instead of actually recognising the shortcomings on their part, they stand up and huff and puff and try to make out that the fault lies with the government. The fact is that we are a government that has honoured yet another commitment. We are government that are implementing the meaningful, mature, methodical approach to governance that the Australian people had a yearning for and that they called out for last September. It is this government and not all the hot wind from the opposition that is going to make a long-term difference to the Australian people. It is this government's decisions—although not universally popular—
Ms Macklin: That's for sure!

Mr CIOBO: and we know that—that we know are in the national interest. I will take a decision in the national interest over short-term populism every day of the week, Member for Jagajaga, every day of the week. That is what we were elected to do. We were elected to make the hard decisions. We were elected to make decisions that mean this country is on a long-term sustainable pathway. We reject entirely Labor's short-term, knee-jerk approach to politics, because we know, as the Australian people know, that Labor's approach is nothing but a recipe to land us in the same hot water that short-term thinking in Europe landed most European countries in. We know that hard decisions need to be made and that you do not always do what is popular but what is right, because that is what governments are meant to do.

So, when I hear the Australian Labor Party start screeching on about how people say one thing and do another, I scratch my head and think, 'Well, that's slightly hypocritical'. We already know that we said something before the election. We said we would abolish the mining tax and we said that we would abolish the spending associated with the mining tax, and that is what we have done. So, there has been 100 per cent consistency with what we said we would do. Let us contrast that with Labor's record. Let us contrast it with what Labor's approach has been. There is quite a track record there. Who could forget, in 2012, the member for Lilley, the then Australian Treasurer, standing up at this very dispatch box, saying:

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 an uncertain and fast-changing world, we walk tall—as a nation confidently living within its means.

This Budget delivers a surplus this coming year, on time, as promised, and surpluses each year after that, strengthening over time.

That was the member for Lilley, on 8 May 2012. So, I say to the Australian Labor Party: seriously, take you hand off it; enough is enough. It is about time the Australian Labor Party stopped having a lend, because we know that this is a government that delivers on its commitments. It contrasts with the Australian Labor Party, who had an approach of saying exactly the same as they do today—saying whatever they think they need to say because they think there is a vote in it. That is not the coalition's approach. So I am happy to be compared, and the government is happy to be compared, every single day on delivering on our commitments versus Labor not delivering on their commitments.

But there is more, with respect to the superannuation guarantee charge. We see the Australian Labor Party, once again, railing about the fact that we have deferred the increase in the superannuation guarantee. I feel a little bit sorry for the member for Fraser, because how many times have we seen government ministers—and I would not say 'unfairly'—making hay of the fact that the Shadow Assistant Treasurer has written in a very strident way about his strong support for a Medicare copayment? We know that does not sit comfortably with them because it is contrary to Labor Party policy. You can imagine that on the Labor Party's side probably a lot of them would be concerned about what it is that the Shadow Assistant Treasurer has actually said. But I think Labor has a problem, because what do they do when the actual Leader of the Opposition, the leader of the Labor Party, makes a comment that 'analysis suggests that, over time, superannuation guarantee increases have come out of wages
rather than profits'? I think the member for Fraser should be feeling quite good about himself. It has not stopped the Leader of the Opposition from rising to his position. Now the member for Fraser is in good company, because both he and the Leader of the Opposition have a point of policy that is different to Labor's actual policy. We know that the Leader of the Opposition said that superannuation guarantee increases have come out of wages rather than profits. Well, good news, Leader of the Opposition: because of the deal that the coalition has delivered today, because of our deal to repeal the mining tax that was making this country less competitive, because of our deal to make sure that as a nation we are back on a sustainable fiscal pathway by cutting, unfortunately, expenditure that ideally we would not have to—but let us make no mistake about the fact that we are doing it because of the state of the books left to us by the Australian Labor Party—we are leaving more money in people's pockets, just as the Leader of the Opposition said was the case in relation to the superannuation guarantee and just as we know is a fact.

I repeat to the Australian Labor Party: if they are serious about increases in the superannuation guarantee, they need to make sure that those increases and those policy positions are sustainable and funded, because the easy thing, the indulgent thing and in fact the reckless thing to do is to come into this chamber and to huff and puff but not to have any money to pay for it. I go back to one fundamental tenet. It is a point I have raised in this chamber before, and it is a point that I will raise every single day in relation to this notion of fairness and equity. We hear the charge levelled against all of us on this side of the House about how grossly unfair we are and how as a government we are so inequitable. And I just make the point again that every day of every week I will stand up for a government that lives within its means, that does not mortgage future generations of Australians, that does not say to Australian kids today, ' Tough luck that you'll have to spend 20 or 30 years paying off today's spending.'

I am happy to look any future generation of Australian children and say to them, 'We stood the test of time; we stood up against the shallow charge of those opposite, who claimed all things to all people to make themselves popular for five minutes, because we took decisions in the national interest to make sure that we safeguarded the future of our children, the future of our nation.' That is what true fairness is. That is what true equity is. True equity is not about stealing or mortgaging future generations; true equity is about living within your means, spending only what you can afford, and, if you introduce a new tax, not introducing a tax that raises one per cent of the forecast revenue but making sensible crucial decisions and as a government taking the mature approach that delivers outcomes.

Ms MACKLIN (Jagajaga) (16:13): On a day that yet again sees this government break another promise—another filthy deal done by this government with the Palmer United Party to remind 2.3 million Australian pensioners what this government is doing to them—2.3 million pensioners understand that this government has betrayed them. One year ago exactly, this Prime Minister went to the National Press Club and said, yet again—he had said it many times—'there will be no changes to pensions'. Which one of you goes out into your electorate and owns up to your pensioners that your Prime Minister lied to them? Did you tell them, over there in Townsville? He is happy to go out there and tell his pensioners that the Prime Minister lied to them before the last election because that is exactly what he did.

Dr Hendy: Mr Deputy Speaker, I rise on a point of order. The member for Jagajaga is using unparliamentary terms with respect to the Prime Minister and I ask that she withdraw.
The DEPUTY SPEAKER: I was in conversation with someone on my right. I did not hear them, but it would assist the chamber if the member for Jagajaga would withdraw those comments.

Ms MACKLIN: I withdraw, Mr Deputy Speaker. I know that in the seat of Eden-Monaro there are 2.3 million pensioners who live—

Mr Whiteley: 2.3 million in Eden-Monaro?

Ms MACKLIN: the 2.3 million pensioners in Australia, some of whom I met in Queanbeyan today. The member for Eden-Monaro should get out and talk to some of the pensioners he has betrayed and the Prime Minister has betrayed. I say to the pensioners in Eden-Monaro that the member for Eden-Monaro is sitting in here having a good old laugh today because he has betrayed them and the Prime Minister has betrayed each and every one of the pensioners in Eden-Monaro—and in Bass, in Herbert. You keep laughing when you face up to those pensioners in Townsville and tell the truth at the next election. Those pensioners are going to see a cut to their pension because of the way each and every one of you has voted in this House of Representatives. Each and every one of you will be held to account by all of us at the next election for the way in which you are cutting the pension. If you do not want to believe me, just believe your own Treasurer, who, last week admitted that by 2024 the amount the government will spend on the age pension will be $7 billion less than otherwise projected. What does that mean to Australian pensioners? We tried to ask the Prime Minister this question the other day but of course he refused to answer.

The Australian Council of Social Service has worked out exactly what it will mean to Australian pensioners. Over the next 10 years it will mean $80 a week less and the member for Eden-Monaro should have a chat with his pensioners in Queanbeyan because they know—and you can shake your head and act like you do not know—that you have betrayed them and they know that Tony Abbott has betrayed them. It will be exactly the same for the three stooges in Tasmania.

Mr Nikolic: Mr Deputy Speaker, I rise on a point of order. Regularly in this House members opposite are reminded to refer to people by their correct titles. That was an unparliamentary and offensive term and she should withdraw it.

The DEPUTY SPEAKER: I would ask the member for Jagajaga to withdraw and also to refer through the chair not at the chair. It is a common mistake of many on both sides of the House.

Ms MACKLIN: The member for Bass has a lot of pensioners in his electorate and I am happy to withdraw calling him anything other than 'curly', but I say to the member for Bass that he has to face up to every single one of his pensioners and face up to the fact that— (Time expired)

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (16:18): The opposition really must think that both the government and the people of Australia have ridiculously short memories when they have the temerity to put forward a motion which purports to criticise the government for 'adverse changes to superannuation'. Do they think that the Australian people have forgotten that previous Prime Minister Rudd had this to say in 2007:

Absolutely not, there will be no change to superannuation laws—not one jot, not one tittle.
A quote which should live in memory, along with the tremendous quote the House was reminded of just a few moments ago by the Parliamentary Secretary to the Treasurer, 'The four years of surpluses I announce tonight,'

when he brought down a budget which delivered no such thing. The only explanation I can think of is that both the former Treasurer and the former Prime Minister are enthusiastic residents of Second Life, which is a virtual world in which you create a representation of yourself called an avatar. It also has its own virtual currency. Perhaps the former Treasurer found a particular version of Second Life in which the virtual currency which is used has the amazing property to always deliver a surplus, no matter how extraordinarily economically inept you are.

Over the last six years of the Rudd-Gillard-Rudd government we had the most extraordinary record of economic ineptitude and that is true as much of superannuation as it is in every other aspect of economic policy. The shadow Treasurer, speaking earlier, sought to cloak himself in the legacy of the Hawke and Keating years, but the legacy of this dismal side opposite is the legacy of the Rudd-Gillard-Rudd years, years which began with that strangely convoluted promise I have just cited, 'no change to the superannuation laws—not one jot, not one tittle', the 'Ruddbot' obviously at that point having a bit of a programming difficulty and lapsing into its own peculiar form of language.

But did the Rudd-Gillard-Rudd government deliver on those promises? In fact, what we saw was a chaotic and relentless series of changes to the rules governing superannuation. And who was deeply involved in all of that? Of course, the current Leader of the Opposition who was then the Minister for Financial Services and Superannuation. He was deeply involved, as was the now shadow Treasurer. From the 2008 budget onwards we saw a relentless series of tax increases, some $9 billion of increases on the tax applying to superannuation. We saw a consistent and repeated record, change after change, some 11 separate rounds of superannuation tax hikes. We saw the concessional contribution limit drop from $100,000 to $50,000 and then to $25,000; it was frozen at $25,000.

We saw the continuing uncertainty that operated across all of the policy settings in superannuation. Who can forget in 2013 the chaotic and desperate process that the then government went through as they cast around for some new measures under which they could extract additional tax out of superannuation? At one point, there was going to be a tax on the balance held in a superannuation fund above a level of $800,000. There were going to be additional contributions taxes—indeed, that was where they ultimately settled.

But the rules kept changing, and it was in response to that relentless series of changes that Australians increasingly lost confidence in the superannuation rules, because, if they continued to change, then what rational person was going to say, 'This is a wise place to be putting my retirement savings'? That is a very clear distinction between the policy approach on this side of the House and the policy approach that we saw from the other side of the House in relation to superannuation for six or seven years. We saw continued, repeated changes to the rules. When the then Labor government came to power in 2007, there was a super co-contribution of $1,500; when they left, it had gone down to $500. There was change after change after change.

We have been clear and honest and consistent with the Australian people in what we took to the election in 2013 and the measures which we are moving to implement now. We made it
clear that we intended to pause the increase in the superannuation guarantee charge because it
did not make sense to make a commitment to do something which could not be afforded. That
is the clear position on this side of House. We want a sustainable superannuation system. We
are strong believers in superannuation, and we are strong believers in an affordable system.

Mr RIPOLL (Oxley) (16:24): The retirees and pensioners of Australia will not forget this
rotten Liberal government for what it is doing to their life savings and the national savings
pool of this government, and Labor will make sure that they do not forget. But we will not be
on our own, because it is the pensioners' organisations and the retirees' organisations, that
represent millions of retirees, millions of Australians, that are out there making sure that their
members do not forget either—and, believe me, their voices are loud, and they are people
who vote with their conscience when it comes to decisions on their retirement savings and
their pensions. And, oh boy, they won't forget this!

So we are not alone in thinking that this is a rotten Liberal government that has done the
wrong thing by pensioners, has broken every single promise it made, and is doing the wrong
thing by retirees. In fact, the Financial Services Council's media release today had this
headline:

Super guarantee delay will mean $128 billion less in savings for working Australians

That is an awful lot of money. That is by 2025, due to the delay of the 12 per cent
superannuation guarantee that Labor would have achieved—and this government could have
achieved, if it had had vision; if it had had foresight and, dare I say it, if it had actually cared
for retirees and pensioners.

None of the evidence would suggest that these people here—the government of the Liberal
Party and the National Party—care because, if they did, they would actually understand that
this is a positive move for the economy and a positive move for pensioners and retirees. This
actually saves you money. It saves you money in the short term, the medium term and the
long term.

What does John Brogden, CEO of the FSC, have to say about this? He says:

We are concerned it could exacerbate the nation’s low savings rate and that costs will be passed on to
future generations.

So the CEO of the FSC says that the Liberal Party will be passing on the costs to future
generations. Disgraceful—that is what I have to say! He also acknowledges in there that:

Australians are living longer and need to plan for their retirement with certainty.

Well, Labor agrees. It appears that the Liberal Party does not agree.

It also appears that the Liberal Party has not figured out that, this year alone, the
government will save $6 billion in age pension costs because of the superannuation
guarantee—because of our retirement savings pool. This would be a cost-benefit—a benefit to
the country and to the economy and to the budget, if the Liberal Party would allow it; if it had
vision; if it could see beyond its own ideology and beyond its nose. But it is too busy.

This is a Liberal Party too busy doing the exact opposite of everything it said it would do
just before the election. Breaking every single promise would be about as close as it gets to
consistency and certainty. That I am certain of—when they talk about certainty, what they
mean is: 'We will break every single promise,' and the list is being ticked off very, very
quickly.
This is a deal that they said would never be done: 'No deals; no uncertainty; no new taxes' and the list went on and on and on. But they are happy to deal with the Palmer United Party to see the low-income superannuation contribution for Australia's lowest-paid workers scrapped—full stop; gone. They are happy to do a dirty deal on that, as long as it suits their political agenda.

But who pays the price? Who is it that wears the cost? Two-and-a-half million of Australia's lowest-paid workers, the majority of whom are women and need the bigger support.

So the next time any of us hears the Liberal Party talking about how concerned they are about the ageing population, and saying: 'We've got to try and help women to get a little bit more money in the kitty for their retirement savings,' we will say: 'How disingenuous is that! You've got an opportunity. It is actually done for you. All the work is done. You've just got to let it sit and allow it to continue. Don't scrap it, don't delay it, don't make the bad decisions, and it's a done deal.' Yet they are doing the exact opposite.

If they came in here and could actually articulate just one good reason—just one, apart from doing a deal and saying, 'The business of government is dirty,' and, 'We don't have any choice,' and, 'We've got to save ourselves from the budget crisis,' and, 'We've got to call these things in'—

Mr Whiteley interjecting—

The DEPUTY SPEAKER (Hon. BC Scott): Order, the member for Braddon!

Mr RIPOLL: I am happy to have an open debate with the Luddites on the other side when it comes to superannuation, because they are good at just yelling out abuse but they do not stop for a minute and think about the people it actually affects. Who are we talking about? We could start marching them in here, one at a time, and asking them, 'How does it affect you?' How does it affect the pensioners? I have got locked into my mind, really, really clearly the promises that were made—(Time expired)

Mrs PRENTICE (Ryan) (16:29): This is yet another supposedly 'critical matter of public importance' by those opposite, complaining of some hypothetical 'hurt' to Australians. I remember speaking on a debate just last week with very similar wording. It is great to see that those opposite have so little to complain about, they cannot even change their MPI statements.

Those opposite must be total hypochondriacs; they complain of hurt here, and hurt there. They talk about hurt to education, when funding to education has gone up under the coalition. They talk about hurt to seniors, when the pension continues to go up under the coalition. They talk about hurt to health, when the funding for health continues to increase under the coalition. They talk about hurt for senior Australians, when the coalition has already moved to reduce the cost of living for older Australians, and to provide incentives to business to employ them. The intestinal fortitude of those opposite to come into this place and make out that the coalition has somehow done wrong by aged pensioners and senior Australians is unfathomable.

Since those opposite obviously have minds with as many holes in them as their economic policy, I will take this opportunity to remind the opposition of their own record when it comes to older Australians. They were the party that introduced the carbon tax, which raised the cost of living despite promises to the contrary. They were the ones who attacked private health
insurance, hurting older Australians and self-funded retirees who were already doing the right thing and contributing where they could to the cost of their retirement and health. And they were the ones who increased the pension age to 67.

I believe that Australians are getting sick and tired of Labor tooting their truth-tilting trumpets, and it is time to set the record straight on the coalition's aged-care changes. We are all aware that one of the biggest problems that Australia faces into the future is our ageing population. And the coalition is taking action. The coalition is addressing the limitations of our current system to ensure that we get the best outcomes possible for older Australians, now and into the future.

The coalition is ensuring that the sustainability of aged care is not put at risk, ensuring that we will be able to provide quality care for older Australians now and into the future. The changes are designed to make the aged-care system: more sustainable, more efficient, more flexible and easier to access and navigate. Contrary to the malicious trumpeting of those opposite, there will always be a safety net. We are asking people who can afford to contribute to the cost of their aged care to do so.

I would like to make it clear that these changes were already taking effect, and the coalition inherited them from the previous Labor government. But our incoming government did not start with a clean slate. If it had been a coalition government at the helm at the time, these changes may have been slightly different. These aged-care changes have their origin in a Productivity Commission report from 2011.

It is a great shame that we cannot afford a luxurious suite of aged-care policies. Our aged-care generation deserves them. But, with Labor having plunged Australia into the fastest deterioration of debt in our modern history, if no action was taken on Labor's reckless spending commitments, within a decade our interest repayments would have been $3 billion a month. That is three thousand million dollars every month wasted. With this money we could afford to give every aged pensioner their own 24/7 personal nurse. This is money we could put to dementia research, free pharmaceuticals, free treatment for arthritis, cancer research— you name it—this money could made a real difference.

But we do not have the money for these initiatives; we do not have the money, as a result of poor and reckless financial management by those opposite. Instead all of us are forced to tighten our belts and to rein in spending, to pay off their irresponsible fiscal incompetence. It is shameful.

It is laughable that those opposite are claiming that the coalition is hurting Australians. It was Labor who tried to stand in the way of the government honouring its election commitment to self-funded retirees, to index the income threshold for the Commonwealth seniors health card to inflation from 20 September this year. Labor voted against legislation to provide wider access to this card that provides essential and affordable medical services to nearly 300,000 senior Australians.

Those opposite remain in their fictitious fairyland filled with foolish fantasies. They have no clue when it comes to doing the right thing by older Australians.

Mr NEUMANN (Blair) (16:34): The member for Oxley dealt with the grubby changes to superannuation that are going to impact millions of Australians in terms of their financial security. The member for Jagajaga talked about pensions. I want to refer the member for
Ryan—she did say that there was almost no adverse impacts on pensions and senior Australians—to page 192 of Budget Paper No. 2, which shows $1.3 billion in cuts for pension concessions; for utilities, for transport, for registration et cetera. Page 203 of this document—if you had bothered to look at it, Member for Ryan—shows $449 million in cuts to pensions; veterans pensions, disability pensions, carers payments, age pensions. That is what it shows. And, if those members have a look at their own document, they will see there are cuts to pensions for older Australians.

But what age pensioners need is support, greater choice and financial security. They need more support and care at home. They need greater access to residential aged care. We did Living Longer, Living Better. I will deal with the third aspect of this MPI: support to older Australians and the cuts the coalition is undertaking. What did they do within days of getting into government? They cut the workforce supplement, which was there to help aged-care providers with assistance for nurses and carers in aged-care facilities—$1.1 billion. They cut the funding in the workforce supplement. They followed it up in the budget with $653 million in cuts; getting rid of the aged-care payroll tax exemption supplement. The aged-care sector had no idea this was coming. It was a one-two punch to the head for the aged-care sector. It meant that a sector with low profit margins could not provide the assistance. I met today with Leading Age Services Australia, LASA, to talk about this and the impact on older Australians because of the cuts that this government has perpetrated on senior Australians.

Then, just before Dementia Awareness Month, this government cuts the dementia and severe behaviour supplement; 330,000 Australians need that help in residential aged-care facilities. Now the children of people in those aged-care facilities have to go there to provide the support and assistance that aged-care providers and residential aged-care homes should be providing. And all those opposite bemoan this. They go back to their listening posts and mobile offices and say: 'We have cut the dementia and severe behaviours supplement'. There was no notice given to the industry. It was not in the MYEFO and it was not in the budget—but after the budget. The sector did not know about it. This sector is under so much pressure from the cuts of those opposite. They did not tell the sector about this before the election—and they did not tell them that they were going to get rid of the payroll tax exemption supplement either. What the government have done is make it harder for older Australians in residential aged-care facilities. Where are they going to get the doctors, nurses, carers and accountants? Where are they going to provide assistance?

We know that older Australians need support. This is a country with an ageing demographic. At Federation four per cent of Australians were over 65 years of age; now it is 14 per cent and it is going to be 25 per cent in the next couple of decades. There will be a million Australians in this country with dementia, and those opposite do not care at all—because they are cutting the funding for this sort of assistance in the homes. That is what they have done—with no consultation with the sector.

Those consequential cuts will have an impact on the kind of care those people in dementia units get. They have kept the cognition supplement—the extra 10 per cent—for the homecare packages for people with dementia who are in their home. But they cut the funding, the extra $16.15 a day—that is all it is—for those people in dementia units. I say to those opposite: go back to your listening post, your mobile offices and your aged-care homes—go to Blue Care—and tell them that you are cutting the funding. Those opposite will pay a big price for
their cuts to support for aged care. They will pay a big price for their cuts to support the pension and the cuts to support superannuation. In places like Townsville, Brisbane, the Gold Coast, Gladstone, Bundaberg and Rockhampton, they will rue the day they did this.

**Mrs ANDREWS** (McPherson) (16:39): Sometime this morning—and I am not sure exactly what time it was—the member for McMahon wrote to Madam Speaker notifying her of a matter of public importance. Sometime between him writing and despatching that letter and about four o'clock this afternoon those opposite appear to have lost interest in this matter of public importance. When the member for Blair, their fourth speaker, rose to his feet, there were only two Labor members in this House—the member for Blair himself and the member for Greenway.

I think this seriously brings into question the genuineness of this matter of public importance that has been raised by those in opposition. I believe that they should consider their position in relation to raising future matters of public importance, if the way that they are going to deal with this is by having limited members in the chamber to put the positions. This indicates loudly and clearly that this is not a real matter of public importance for those opposite. What this is is an opportunity for them to endeavour to raise cheap political points. This matter of public importance has not been raised out of any genuineness at all to debate this matter or out of any real concern about the issues that they have raised. This is all about those opposite trying to portray the government as nasty and out to get people. It is a confected narrative. This is all about their disgraceful, sneering class warfare tactics—which are about the only thing that Labor has left. They certainly do not have any solutions. The Leader of the Opposition proved that very clearly when he stood up in his budget reply speech and offered not one single alternative to address the challenges that our government, our nation and our economy must face. And there are serious challenges that our nation must face—not the least of which is the economic mess that Labor left behind. It is astounding, and we should never ever forget, that in less than six years Labor saddled us with five successive budget deficits totalling $191 billion and racked up a further $123 billion in deficits into the future. The nation went from a position where we had money in the bank to one where we now pay over $12 billion each year on interest payments alone, just on the debt Labor racked up in those six short years. That is the reality and that is what we have to fix. If we do not act now, in 10 years time we will be paying an incredible $32 billion a year just in interest payments. That is more than we currently spend on aged care, schools and child care combined. Under Labor's 'let's not change a thing', head-in-the-sand, fingers-in-the-ears approach, we would continue racking up debt and wasting obscene amounts of money every single year in interest payments. Our government did not create this mess, but we are accepting the responsibility for fixing it.

When you look at how Labor got us into the mess, you get a shining example with the minerals resource rent tax—or the mining tax as it is known. The superannuation changes Labor refer to in this debate are a result of repealing promises they made that were to be funded from the profits of the mining tax. The only problem was that the profits did not flow. The tax was an absolute shocker. The original mining tax was expected to raise $49.4 billion over five years, and on that basis Labor made all sorts of promises, including changes to superannuation. It was then altered and forecast to raise $29.5 billion over the five years.
However, it was then expected to raise just $668.5 million over the forward estimates to 2017-18.

The previous government had an appalling record and it has been left to this government to try to fix the mess. It is really about time that those opposite recognised that the situation that this government finds itself in is entirely their fault and that they need to start working actively to fix their mistakes.

Mr HAYES (Fowler—Chief Opposition Whip) (16:44): What is absolutely beyond debate is that there are now adverse changes to superannuation. It is also beyond debate that there are changes to the aged pension. And it is also beyond debate, for the purposes of the member for McPherson, that there are cuts to support for elderly Australians. I will let everyone in on a secret here: superannuation impacts on all of our communities, not just those in Labor electorates. It impacts on every family, on all workers and on all our communities—as I said—not just those that happen to reside in a Labor electorate. If you look around, you will find them in your own backyard but I do not expect you to go and look there because mainly they are going to be workers—people who actually go out and work for an income—and superannuation is very important to them.

I am old enough to remember how superannuation was brought about in this country. Superannuation is a vital scheme, one that provides a benefit for those who are going to retire. It gives people the opportunity to retire with dignity. Back before the mid-eighties, the only people who had superannuation were the public servants and those who occupied white collar management positions in the private sector in this country. It did not apply to workers and it certainly did not apply to blue collar workers. I did leave parliamentarians out because they had this rolled gold untouchable superannuation scheme—some of them still do.

The trade union movement pursued superannuation throughout the mid-eighties until we had award based superannuation. It took a Labor government until about 1992 to actually legislate to provide compulsory superannuation for all Australian workers. There is one group of people that sit around these benches that opposed that. Do you know who it was? It was all those opposite. They failed to support it. They failed to support it while they were occupying those benches and while sitting on their own parliamentary superannuation scheme—the untouchable scheme that had a benefit that was far better than anybody else in this country. They said 'no' and voted against superannuation for Australian workers.

People do come to this debate with a little bit of history. What is wrong with people being able to retire with dignity? What is wrong with encouraging people to save for their future? As I said, the Libs do come to this with a little bit of history.

Russell was around long enough to actually see this unfold. Back when this legislation was going through, there was one member on that side of the House who decided to speak on behalf of the Liberal Party and who occupied the position of shadow industrial relations spokesperson. Let me quote the Prime Minister's words in 1995: Compulsory superannuation is one of the biggest con jobs ever foisted by government on the Australian people.

That is what the Liberal Party thought of compulsory superannuation. They did not mind sitting on their superannuation here in this place and, fortunately, they still supported our public servants receiving their superannuation. But for anybody else out there, they thought they should just rely on the pension. They did not even get the idea of encouraging people to
provide for their future or what reducing the public's reliance on pensions would mean for community saving.

We should have heard the alarm bells go. I am sure the member for McPherson, when this promise was unveiled, probably thought it was true that no unexpected changes would be made to people's superannuation. They went to an election on that basis. And now they want to come in here and make these changes, to give the Treasurer this unfettered power to delay the further advancement of superannuation, which will not only delay the growth of current superannuation contributions to 12 per cent but it will also reduce the pool of people's savings. I would have thought that would have intergenerational impacts on future budgets as well.

If those opposite are going to reduce the amount of savings that people are going to bring to bear in their superannuation, where are they going to top that up from? They are not going to do it out of the pensions because they have already cut those. Those opposite have already moved to reduce the indexation rates of pensions and are going to make sure that these pensioners pay. How will they make them pay? They have this great idea, Tony Abbott says: they are going to make sure that people retire when they are 70. We are going to have the highest retirement age in the world. (Time expired)

Dr HENDY (Eden-Monaro) (16:49): A question for the Leader of the Opposition: where is the money coming from, Mr Shorten? I begin by reminding the House of the enormous damaging budgetary legacy that the ALP left this government to clean up. We have been talking a lot about it since May this year when the budget was released but it does not seem to have sunk into the heads of the people opposite. Australia cannot go on borrowing a billion dollars every single month just to pay the interest on Labor borrowings. This is wasted money that could otherwise be building roads, schools or hospitals or paying for tax cuts for long-suffering taxpayers. Under Labor, Australia ran six straight years of record budget deficits. Labor left the coalition a further $123 billion in projected deficits and gross debt is forecast to hit $667 billion—that is, $25,000 for every man, woman and child in Australia or $25,000 for every person in my electorate of Eden-Monaro.

This year's budget papers show that even with the government's efforts to repair the budget there will be four more deficits over the next four years. That would make 10 deficits in a row and would be unprecedented in our post war history. We did not create Labor's mess but said we will fix it and that is exactly what we are doing. In fact, the amazing hypocrisy is that one of the architects of that debt and deficit disaster, the member for McMahon, the former Treasurer, has sought to debate this issue today although he is not here. That shows what he really thinks about the issue. In fact, there are only three members of the ALP in the chamber at the moment and one is just about to leave. So as the member for McPherson said, that just gives you an indication of how seriously they really regard this issue.

Despite what our opponents state, the government is honouring its election commitments to aged pensioners and self funded retirees to make no changes to the age pension in this term of government and to index the income thresholds to the consumer price index for the Commonwealth seniors health card for self funded retirees. In fact, aged pensioners will benefit because the government is scrapping the carbon tax. That will reduce price pressures. Aged pensioners will also continue to receive the compensation payment after the carbon tax is scrapped. So that is an extra boost.
What the opposition wants to ignore in their pursuit of scare campaigns is that Australia faces a major demographic shift as the baby boomer generation enters retirement. We will have more retirees than ever before and they will be living longer. That is an unavoidable fact and a proven government has only one course of action: that is, to deal with the issues head-on. The demographic challenge will have major implications for the aged pension system. If we wish to have a sustainable aged pension system that looks after those who need it most now and into the future, we must reform it.

When I go around my electorate of Eden-Monaro, seniors in my seat understand that there is a monumental task that needs to be addressed. Australia needs a well-targeted, means-tested income support system which provides financial assistance to those most in need while encouraging self-provision whenever possible. One part of our policy is to deal with the aged pension age. The previous government enacted legislation to increase the aged pension to 67 years by July 2023. They do not like us reminding the Australian people about the fact that they did that. New legislation from this government will continue the process they set up to increase the aged pension age until it reaches—(Time expired)

The DEPUTY SPEAKER (Mr Vasta): Order! I thank the member for Eden-Monaro but the time allotted for this discussion has expired.

BILLS
Higher Education and Research Reform Amendment Bill 2014
Second Reading

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

Mr SNOWDON (Lingiari) (16:53): I am so disappointed that that earlier contribution was cut so short!

When I was so rudely interrupted by an event earlier today, I was talking about regional universities and the impact of the Higher Education and Research Reform Amendment Bill 2014, particularly about regional universities, students, their families and communities in the Northern Territory.

We do know that universities which will be most disadvantaged by these cuts are those most reliant on public funding—the smaller regional universities in particular.

Minister Pyne says:
Regional students and their communities will be among the big winners from the Abbott Government’s higher education reforms …

Well, blah, blah, blah—we all know that is wrong. Let me just give the contrary view, as expressed by the former vice-chancellor of Melbourne University, Prof Kwong Lee Dow, who said:

Whatever finally emerges from the political machinations with the Senate, students will be paying significantly more, and rural and regional students will be disproportionately affected.

Which is precisely what I have been saying.

The minister argues that regional universities will benefit in attracting students by keeping fees low. He has the Bunnings model of higher education for regional students, based on
keeping costs and prices low and keeping volume of throughput high. I have news for him: this is based on what I think is a very poor and mistaken assumption that regional universities will be in a position to reduce their fees and absorb the funding cuts. Regional students and universities will be reduced in this process—the process being imposed upon them by this government—to second-rate institutions!

Regional universities enrol well above the sector average when it comes to the proportion of domestic students who are Aboriginal or Torres Strait Islander, who come from low-SES backgrounds and who are from regional and rural areas. For example, Charles Darwin University has the highest Aboriginal and Torres Strait Islander enrolment in the country at 7.3 per cent. Monash University has 0.4 per cent. Charles Darwin University has a low-SES student cohort of 19.6 per cent. The University of Sydney—that great sandstone university which really wants these processes—has only 7.8 per cent. And Charles Darwin University has students from a regional and remote background at 63 per cent and Macquarie University has 5.9 per cent. Those are just three examples of the way in which Charles Darwin University, in this case, is looking after the interests of those people who we want to target to make sure they get a better educational outcome.

The minister says that new scholarships will produce record levels of scholarships for disadvantaged students and will be of particular benefit to regional students and regional universities. However, as we know, this scheme is basically funded by an internal 20 per cent tax on increased course fees. An increase in fees for any university where more than 20 per cent of its student cohort comes from a disadvantaged low-SES background will be more than the average value of the Commonwealth scholarship. Therefore, if the university wanted to award every low-SES student a scholarship this would be less than the increase in fees used to fund them and the university would be losing.

By contrast, universities with the lowest levels of disadvantaged student enrolments will be in position to offer more generous scholarships—that is, Sydney, Melbourne and the like—and to attract the best students from the bush. I know this to be the case: this is what regional universities fear. That is, regional unis might be unable to compete to keep the best students from their own communities. This poses a significant threat to viability and long-term educational opportunities for those communities, and particularly puts the social and economic health of regional communities at risk.

Professor Andrew Van, the vice-chancellor of Charles Sturt University said:

The second concern I have is with the impacts on workforce supply. In the existing system we have been able to boost the supply of skilled professionals in regional areas. I worry that this may be undermined by these changes as regional students are put off studying.

Universities like CDU are a key social, cultural and economic part of their local and regional communities. Considerable public investment has been put into establishing these universities where people live and work in regional Australia. It would be highly regressive to the prosperity of our nation—and it is clear that this will be the case—if our regional universities are closed down or reduced to cut-price, or find that they cannot offer the breadth of courses that they currently offer to compete with other universities—the sandstone universities and private companies—which have no long-term investment in the community.

A 20 per cent cut to Commonwealth grants funding—as I said earlier today, in CDU’s case—will mean a cut of $50.4 million over the four-year period 2016-2019. Immediately, for
a regional university like Charles Darwin there are some programs they would not be able to
fund and courses that they would not be able to provide.

We know what the government is on about here. What they are doing is unfair,
unreasonable and unwanted. They need to go back to the drawing board and do something
which is reasonable, fair and wanted by the Australian community, and not discriminate
against those people who aspire to have further education.

Mr EWEN JONES (Herbert) (16:59): I like the member for Lingiari and it is an honour
to follow a man who has been around as long as he has. I will take issue with one thing he
said in his speech though. He said that people raised the issue of lawyers making a lot of
money and paying a lot of tax, so why should they be paying for this? This was a question
that Andrew Tillett from The West Australian asked Minister Christopher Pyne at a Press
Club address. If I could quote the minister's answer because he may very well have been
answering the question posed by the member for Lingiari. Christopher Pyne said:

Well, I think it's a bit of a specious argument, actually, since you asked me what I think about that. I
think it's a specious argument because it's really an argument for not charging anyone anything because
we all pay taxes and it's the same argument you could say that when I turn up to get my motor
registration I shouldn't have to pay for it because I pay taxes anyway.

We believe that competition between higher education providers will force universities to be
reasonable in setting fees. If they charge too much, they will have empty lecture theatres.
Higher education providers will have to compete for students and when they compete for
students, the students win. The government believe in the transformational power of higher
education and that is why we will provide around $37 billion in funding for teaching at higher
education institutions over the next four financial years.

It is with much pleasure that I speak on the Higher Education and Research Reform
Amendment Bill 2014 because this is something which I believe the country needs. I back my
minister, Christopher Pyne, and my university, James Cook University, or JCU, in making
sure that our higher education sector performs to its utmost ability and remains a supplier of
quality, world-class education and is a sought after destination for education throughout the
world.

I was asked to attend a forum at James Cook University called by the National Tertiary
Education Union. At that forum, the NTEU executive asked all those there the following
questions. Who voted for the 20 per cent rise in the cost of university education? Where in the
Liberal Party pre-election campaign did they clearly state that the cost of university education
was to rise? Labor Senator Jan McLucas gleefully added, 'It's ridiculous to think that a
government would go to an election and not be up-front about it.' Then I rose but did not
make the obvious retort 'There will be no carbon tax under the government I lead' but asked
the people there: 'Who voted to float the dollar in 1993 and was that taken to an election as a
commitment? Did the Labor Party take the decision to push thousands of single mums off
their pensions to the election? Did the Labor Party take the scrapping of the chronic disease
dental scheme to an election to get a mandate?' The answer to all those is 'no'. I could go on
and name 1,000 things which were not taken to an election yet have become law and are part
of our lives. On each occasion, the elected government made decisions based on the data
before it and acted on what it believed were in the best interests of the country.
The new member for Rankin says it was a brilliant decision to float the dollar. They had an election in February 1983 and there was not a word about floating the dollar. Yet, 10 months later they made a decision to alter our currency policy and we have been the better country for it. Did Dr Chalmers in his extensive interview on the subject castigate Hawke and Keating on their decision to act and not put it to an election? No, he did not. His confected outrage and that of his party and his mates in the Greens only extend as far as they need for a cheap political headline, and that is what really bugs me about this.

Bob Hawke went to the 1983 election with a huge range of popular promises, only to be confronted with a larger than expected deficit and simply junked most of his agenda. To a large extent, this is what our government has had to face. We have come into office knowing there was a real issue of debt and deficit and we promised we would address the debt and deficit issue, but not to the extent needed when we discovered the mess Labor left.

I have used the floating dollar analogy for a specific purpose. It was a decision which had many benefits for the majority of Australians. It has transformed our economy. Not everyone was happy with the decision and not everyone was a winner, but we as a nation have prospered because of it. Some people still want to wind-back the clock and change it back. That is what we see Labor standing for today. Their rhetoric today is more about free education than student participation in the cost of their education. Labor seem to have forgotten conveniently that they brought about the co-contribution to university education. Their political opportunism and relentless negativity on this knows no bounds.

This bill will spread opportunity to many students, including disadvantaged students and rural and regional students. These reforms will equip our universities to face the challenges of the 21st century in a global education market. We need to unleash the capacity of our universities to be as good as they can be, to specialise if necessary, or possible, to ensure that they have the best possible outcome for their students.

Universities Australia came out last week and called for the parliament to support the deregulation of Australian universities. Universities Australia Chief Executive, Belinda Robinson, said that the parliament had a once in a generation opportunity to shape an Australian higher education system that is sustainable, affordable and equitable in serving the best interests of students and the nation. She said:

With budgets under pressure, governments faced with a myriad of competing priorities for public funding, and successive governments being disinclined to invest at the level that repeated independent reports have shown to be needed, full deregulation of higher education is needed.

Either the status quo of ongoing inadequate investment, or further cuts without deregulation will condemn Australia's great university system to inevitable decline, threaten our international reputation and make it increasingly difficult for universities to meet the quality expectations of our students …

In transforming lives, Australian universities transform the nation. They make for a civil society, are the lifeblood of our regions and provide the means for securing Australia's place in the highly competitive knowledge-based global market of the future. Education is Australia's third largest export.

The introduction into Parliament of the Federal Government's higher education legislation is a chance for all parliamentarians to seize the opportunity for making real, lasting changes that are needed in positioning our universities for the challenges of the future.

Are they happy with absolutely everything we have proposed? The answer is obviously 'no'. But do they see the greater good here and a critically important sector of our society and
economy that is under great pressure? The answer is a resounding 'yes'. I will come to the objections later.

Australian National University Vice-Chancellor, Professor Ian Young, in his address to the National Press Club gave an impassioned and wide-ranging speech across a number of issues. His first words were:

Higher education and research in Australia is at a cross-road. It is time for us to make choices about what we want for our country and what we want for future generations. Time to make choices about the future of our universities.

Some of the other things he raised in that address were:

Australia is a nation that has yet to realise its full potential.

We all like to believe that the Australian education system is envied around the world.

And further:

Hand analysis shows that our rhetoric is better than our performance. Australian higher education is not bad but it is not yet brilliant.

To build an education system that is brilliant, we have to stop funding universities the same way regardless of how they teach. We have to stop the endless per-student funding cuts to higher education.

We have created a perverse incentive that rewards universities for enrolling as many students as possible and teaching them as cheaply as possible. That’s what our current system does.

Those are not my words; those are the words of Professor Ian Young, Vice-Chancellor of the ANU. That is the damning indictment in this whole matter.

When the budget came down we were able to speak about these reforms. I started by asking my daughter the following questions: 'What is the cost of your degree? What will be your HECS debt level at the end of that degree? And what is your current debt to the HECS system?' She was unable to answer any of these questions. My daughter is no dill and she clearly understands the nature of the system. Her response was that to get the job she wants she needs the degree and to get the degree she has to go to university and complete the course.

The day after the budget was handed down my staff conducted a basic poll. I acknowledge all the way through that my survey is hardly scientific, but it did produce a result which mirrored my own family experience. While we all knew there was a HECS style co-contribution, of the 140 people we asked those questions of at James Cook University that morning, 70 per cent had no idea, 20 per cent had some idea and 10 per cent knew the answers.

Labor seem to be preaching free education. All their rhetoric, all their speeches seem to preach free education. That is what they are saying. The speeches I have heard seem to be saying that they want it free again. Incidentally, Labor did not take the original HECS scheme to an election, either. So, please, can we just drop this thing about what bad governments do in between. You have to get on and govern with the decisions you have been able to face. Talk of degrees and debts in the hundreds of thousands of dollars is just that—it is talk. For every person who says that they will owe $200,000 for a degree, there is a university which says that is just not the case.

I note that Labor does not like this kind of talk, but it is called a market. If someone is charging too much or not providing value for money, the market will move elsewhere. While some courses will cost more, it will be the market which sets the price for them. A degree in
science at James Cook University will be a brilliant degree. And, again, this is where I disagree with the member for Lingiari because, with its access to facilities on Orpheus Island, the Great Barrier Reef, the beautiful campuses in Townsville and Cairns, and out to a working cattle station, the demand for this course and JCU's work in the tropical world will mean that this will be a valuable commodity. But will JCU be able to saddle students with debts of $200,000 just because they want to? No, because Griffith, UQ, QUT or Sydney uni will all be in that market as well.

Our reforms mean that the biggest winner will be the students, especially low-SES students. As Minister Pyne said yesterday, in answer to a question:

… the biggest winners from the government's higher education reforms will be the university students, especially first-generation university goers … to the tune of 80,000 more students a year by 2018. They will also benefit by the introduction of the largest Commonwealth scholarship fund in Australia's history and they will benefit by more revenue for universities, leading to more research and better quality teaching. In return, the government is asking, on behalf of the taxpayers, that students contribute 50 per cent of the cost of their education—when they are currently contributing 40 per cent. So we are asking for a 50-50 split—that is, 50 per cent from the taxpayer and 50 per cent from students, when currently it is 60-40 in favour of the student.

They do not have to pay one single cent up-front and they do not have to pay anything until they earn over $53,000. This talk about a US-style education system is just not true. Why change? Why not do what Australian governments did for decades in industries such as the motor vehicle industry—just keep putting funds in, with no plan, where you will end up with no industry? That is what happens.

I would just like to also quote from Minister Pyne's second reading speech. He said:

Currently our universities are at risk of being left behind and overtaken by the growing university systems in our region and across the globe as these systems increase their capacity and new forms of online and blended delivery take hold.

We must aspire to not only keep up with our competitors, but keep ahead of them.

The government's changes will give Australian universities the freedom and autonomy to work to their strengths, be internationally competitive and manage economic and social changes to the best of their abilities.

This bill provides a level playing field for students, no matter what their study choices are. It removes the punitive loan fee of 20 per cent for VET FEE-HELP—helping tens of thousands of Australians undertaking VET courses—and gets rid of the 25 per cent loan fee for FEE-HELP for those who study with private institutions. It removes the lifetime limits on all Higher Education Loan Program (HELP) schemes and discontinues the ineffective HECS-HELP benefit.

He went on:

Regional students and regional higher education institutions will benefit significantly as we expand the demand driven system to enable study in more places in more ways.

Universities, TAFE's and private providers will have new incentives and opportunities to develop innovative partnerships, particularly in outer-metropolitan and regional areas, where they can work together to offer the skills and knowledge that local employers want in their employees.

In conclusion, I raise the example of Central Queensland University. They see nothing but opportunity here to the point where they have bought a TAFE. They want that. Sandra Harding is vice-chancellor of James Cook University. She is not happy with absolutely everything in the package. But from a regional university perspective, she says, 'Bring on the
competition.' She is hungry for the opportunity to compete, because James Cook University will stand on its own. CQU will stand on its own; it knows where it is. These people want to get up and make more from their opportunity and deliver more for their students. That is what this legislation is about. It is not about what used to be; it is about what can be. It is not about what you used to do; it is about what you will do. It is not about the education system we have; it is about where we are in the world. We have to value our education system. All this talk of free education must stop. These reckless promises must stop.

I commend the bill to the House and I stand right beside the value of my university.

Ms RYAN (Lalor—Opposition Whip) (17:14): I rise to outline my strong opposition to the government's Higher Education and Research Reform Amendment Bill 2014. I declare straight out that I had a free university education. I would correct the member for Herbert: I have not heard one Labor member suggest in a speech given today that university education should be completely free—not one—and those assertions do not do this place justice. This government continues to be full of surprises, despite their assertions before the election. The higher education bill confirms that this government has introduced cuts to every level of education, from child care all the way through to postgraduate study. Combined, these decisions act to entrench inequity at all levels of education. This is done while those opposite scream at our young people: 'You must earn or learn.' Today's legislation closes the loop on access and equity in education and makes the ability of young people in this country to meet that demand so much harder.

These changes will again hit low- and middle-income families and will risk locking people from my community out of university. In Lalor, people of all ages want to talk about this unfair change. Families are seriously looking at their options to assess if university is possible for their children, and, meanwhile, the minister cruelly quips that he is not asking for their left kidney. No, just their future. Here we see the final nail in the coffin. With this bill they have basically told people in Lalor to just give up. They have closed the door on opportunity. Andrea Toohey, a resident of Lalor, wrote to me this morning and said:

Joanne my son has been working long hrs at Coles during his gap year to help support himself at Uni in Ballarat next yr. He may need to keep working for a long while yet? It's a shame to think his career choice may be totally out of reach.

This bill threatens to lock people out of future prosperity.

The member for Herbert has left, but I would point out a discriminatory difference regarding some of the assertions that he made. Governments may have to bring in legislation beyond an election. That is not what we are talking about. We are talking about a government that made promises—plural—before an election and is now breaking them. Despite the promises, it acted to the contrary. On education, the Prime Minister said:

... I want to give people this absolute assurance, no cuts to education ...

I cannot count the number of times I have heard it repeated. That was on 1 September 2013—that is, before the election. On universities, he said:

If we have to change it, we will consult beforehand rather than impose it unilaterally and argue about it afterwards.

It is clear to me that that spoke to an intent. That was in February 2013. It could not be clearer, really. Minister Pyne said:
We want university students to make their contribution, but we're not going to raise fees …

That was in November 2013—emphatic, after the election. When the interviewer asked, 'Why not raise university fees?' Minister Pyne said:

Because we promised we wouldn't before the election …

Doubly emphatic, even after the election. My favourite quote of all would have to be from their own Liberal Party policy document. Even when he puts things in writing, you cannot rely on what the Prime Minister says. In their 'Real Solutions' policy document, in chapter 17, page 40 and 41, they say:

We will ensure the continuation of the current arrangements of university funding.

That is in writing: 'current arrangements will continue'. That is right: the document is called 'Real Solutions'. It seems to have gone from the memories of those opposite. It was the contract they put to the Australian people, but it was not real; it reflects the fantasy they took to the election.

Actions speak louder than words, and this bill proves once again that they were an opposition prepared to promise anything to get into power and now they are a government that cannot be trusted to keep their word. What they fail to understand is the real impact the decisions they are making are having on the Australian people. What they fail to understand is that these measures are unfair.

Let me go through this bill. It strips money away from universities and gives them no choice but to hit students with higher fees. This bill will see $100,000-plus university degrees. It rips $5.8 billion out of Australian universities. This bill adds to the Abbott and Hockey rap sheet of cruel, unfair cuts. There are $3.2 billion in cuts by taking the scalpel to HELP; $1.9 billion in cuts to universities by reducing government course subsidies; $202 million in cuts by indexing university grants to the CPI; $172.4 million in cuts to fund, promote and reward universities for enrolling low-SES students; $173.7 million in cuts to the training of Australia's research students—the scientists and academics of tomorrow; a $75 million cut to the Australian Research Council; a $31 million cut to the national regulator; and it abolishes the $3.5 billion Education Investment Fund. That is quite a resume. But that is only the beginning. What we have now seen in addition is the full deregulation of student fees from 1 January 2016, which will lead to higher fees and spiralling student debt, and there is the increase in the interest rate burden on that student debt. Most alarming, though, is that the fantasy continues opposite. Members opposite deny people will be deterred under this so-called reform. This could not be further from the truth.

I have spent most of my adult life working in secondary schools in my electorate where the majority of people are what we would call traditional working-class families. For most of those years, I taught senior English to year 11 and 12 students, and I was a senior years coordinator for many years. I know from personal experience what it takes to build aspiration in students, to build confidence and to get them to open their eyes to the possibilities their talents and potential can lead to. I have worked with students and their parents to look seriously at tertiary education as an option. Many of the students who left my care were the first in their families to attend university. One of the biggest hurdles in this was income—families had to forgo a working young person's contribution to the family income. They had to overcome the idea of a reasonable debt, with a payback safety net, as a means to an end to a brighter future. I call on all students from low socioeconomic circumstances in my electorate
and across the country who made it to university to stand up and defend the next generation's ability to do so.

Just this year I heard the compelling story of a student who was being supported by Western Chances, a not-for-profit organisation that supports senior secondary students to get to university in the western suburbs of Melbourne. This student is now completing medicine at Monash University. She detailed how hard it was to ask for money in her family when her father had been laid off at work—money for books and excursions. She thought uni was out of reach despite her teachers having identified her talent. Here was a student, clearly identified as being among the brightest and the best, who without help from a not-for-profit did not think she would get to university. With support, she got the books she needed and some tutoring in targeted subjects to ensure she met the tertiary requirements—that subject, in her case, was English. She got to university and she is now a second-year medical student.

But where would she have been now with the government's changes? Indeed, how is she responding to the idea that the interest rate on her HELP debt will increase and compound? How will these changes impact on her future life choices? Most importantly, would she make the same decisions today and will next year's brightest students in the same position make the same decisions? The fact is that those who will be the most deterred by this reform package are from working class families in electorates like mine. What we have seen with this bill is yet another significant barrier being put in place for those seeking long-term prosperity through education.

Some residents of my electorate wrote to me this morning when I said I was going to be making a speech on higher education today. Heather Taylor said:

Many opportunities for students who are bright and intelligent will be lost if higher fees are brought in. University should be an option for all who are capable of passing the enter scores, not just for those who can afford it.

Yajaira, a former student of mine, said:

These changes are just going to put more pressure on young high school students to decide what they want to do their entire future. These things have the potential to affect someone's entire life!

She wanted that read in the chamber today. She wanted those opposite to hear her voice. And Janine Luttick made a really important point:

Increases in undergraduate and postgrad fees will preclude mature-age students from ever paying off their debt during their working life. That makes tertiary education only for the young and the rich. Threats to funding for research students will mean the contributions of some of the nation's best minds to the development of our quality of life will be lost.

These fine people deserve a government that will provide them with real opportunities. And they had a government that provided them with real opportunities—they had a Labor federal government. The fundamental principles of the Labor Party could not be further removed from the measures put forward in this draconian bill. Labor does not support cuts to university funding and student support. Labor does not support a system of higher fees, bigger student debt, reduced access and greater inequality. And Labor does not believe that you should only have an opportunity to go to university if you are rich. When Labor was in government we removed the caps on public university places. From 2009 to 2013 the number of Commonwealth supported places went from 440,000 to 541,000. In my electorate, that saw an increase of more than 50 per cent in the number of students attending university and a 48
per cent increase in the number of students from low socioeconomic backgrounds. Under Labor they had opportunity. But under this government they are having the door shut in their face.

The people of Lalor are rightly confused by a government that is ripping away our social compacts, that disregards the community benefit of the best and brightest attending university to ensure that their contribution to our society and to our economy is maximised—not just for their benefit but for all. We are hearing a lot about international competition. We are hearing people say that Australia's universities need to be able to compete. It is as though tertiary education fishes at Australia's border. But one of the unforeseen things that could happen with this reform is that we might find more of our best and brightest studying overseas without any intention of returning to make a contribution here.

I will finish with a question that I have asked in this House a few times, a question that young people have asked me to ask the Prime Minister: why is it that some debt is so bad but student debt is so good? I reject this bill and will firmly stand against it in this House.

Mr WHITELEY (Braddon) (17:29): I am thrilled this afternoon to be able to speak as a member of the government in support of the Higher Education and Research Reform Amendment Bill 2014. Mr Deputy Speaker, no-one needs to tell you or anyone else in this chamber that higher education is essential to this government's commitment to protecting and improving Australia's economic prosperity. We know that, in order to remain globally competitive, Australia needs a strong and successful knowledge based community. We also know that, while Australian universities have served us well in the past, they are now dropping in world rankings as they face intensifying global competition from institutions that are focused on delivering new and emerging technologies and creating first-class graduates to meet the world's changing demand for skills.

An interesting point about tertiary education in this country—I suspect it is a little-known fact to many of our constituents—is that higher education is our third-largest export. People from around the world, particularly the Asia Pacific region, see this as a happy studying ground for their future. Sadly, over the years of the Labor government in recent times our rankings in this area, our credibility and our integrity of education has dropped to a standard that we have not seen before.

These reforms that we promote today are exactly that. They are reforms. They are changing the structure of higher education in this country, and it needs to be the case. Professor Ian Young is Vice-Chancellor of ANU. He said that it would be a 'great tragedy' for Australia if parliament blocks the federal government's plan to deregulate university fees. He went on to say it is 'a game-changer and a building block to making our universities brilliant.' In my view, any political party that rails against this fact for political expediency is a disgrace. This was highlighted most recently by the former ALP foreign minister and now Chancellor of the Australian National University, Professor the Hon. Gareth Evans, one of the very staunch, long-term Labor members of this parliament. (Quorum formed) He said:

It is time to change our one size fits all funding system and let diversity develop. Changes to the system will be controversial, but real change is required if Australia is to offer its young people a real choice in education and produce graduates to match the best in the world.

There is no question within the higher education system about the need to reform the sector. Despite the Labor Party's rallying of radicalised left-wing student groups to oppose these
reforms, in fact they are welcomed by a majority of providers and prospective students. They are welcomed because it is only through these reforms that we can continue to maintain and grow prosperity and ensure that our students remain educationally best equipped to meet market needs into the future.

The Leader of the Opposition's willingness to go around the country aligning himself with radicalised, hard left-wing unionists and professional student politicians—who have shown themselves to be the rabble they are as they try to argue the case for reform by burning effigies and bullying ministers and former members of parliament—is simply due to the fact that the red-flag wavers are the only ones opposing these reforms. Those opposite attend these rallies with great enthusiasm, not because they want to but because they cannot find anyone else willing to stand next to them. David Gonski, Chancellor of the University of New South Wales, and former Labor minister Gareth Evans have both given their broad support for these reforms.

It was only a few months ago in my office that I hosted a number of university students who wanted to put their case to me in relation to the budget measures that had been announced. What I found very interesting about that meeting was, firstly, they did not come in too many a number. That surprised me. I thought they might have needed a coach. Secondly, when I asked those who did turn up what the cost of their degree was they did not exactly know. They had a rough figure. I asked them, 'How much of that does the government pay?' And their quick response—both of them—was: 'Nothing. We have to pay it back through this damned HECS.' I asked: 'Is that right? You pay it all? So, if your university degree is $40,000, your HECS debt is $40,000.' He said, 'Well, no, my debt's nowhere near that.' And I said, 'Exactly.'

What the university students themselves do not realise, as mentioned by the member for Herbert a moment or two ago, is that the Australian taxpayer, up until this point in time today, meets 60 per cent of the cost of every university degree in this country. The 40 per cent that remains is in fact the HECS debt to be paid by that student when they get to an income of over $53,000. These university students did not know that fact. I cannot believe that in this country people believe that they pick up the total tab. It is not true.

Importantly, for the people in the north-west and west coast of Tasmania, there are a number of measures that are provided for in this bill that are of particular importance but that are conveniently overlooked by Labor senators in my state. It is these measures that I will speak about now. First is the fact that the bill provides important and improved opportunities and support to more students, especially disadvantaged and rural and regional students. Second, the reforms will support students wishing to undertake sub-bachelor degrees through the FEE-HELP scheme. We all know that diploma courses have long provided an important pathway into higher education for less-prepared students, giving them the opportunity to develop the skills needed to further their education. This is particularly important in regional and low-socioeconomic areas such as my electorate of Braddon, where students are far less likely to enter directly into higher education than students living in metropolitan areas. With less than 43 per cent of the Braddon school leavers having completed year 12 studies, alternative pathways to higher education are of fundamental importance to many young people in my electorate. By expanding the current system of Commonwealth subsidies and providing support to students completing accredited diplomas, advanced diplomas and
associate degrees, the government is allowing students greater opportunity to either enter university or undertake education through a private provider.

Has anyone in this chamber today heard Tasmanian Labor senators—or any senator, or any Labor member of parliament, for that matter—talk about these exciting opportunities? The answer is clearly no. The member for Lalor, who spoke just before me, using very alarmist language, said that young people in her electorate have given up. I will tell you why they have given up. It is not because of anything we have done. This bill was introduced only this week, and we are only today debating it. People are giving up because leaders in that electorate, such as the member for Lalor, have told them to give up, using scaremongering and alarmist language, painting a dim picture that would certainly turn most people off pursuing their dream of further education. The member for Lalor is responsible for the young people in her electorate giving up and looking to the ground instead of to the sky. It was her party that in the last four years of its term cut $6.6 billion out of the budget for higher education—

Ms O’Dwyer: How much?

Mr WHITELEY: $6.6 billion—nearly $3 billion of that in the last 12 months alone—not to mention the cutting of research funds across the country.

We have two important outcomes in this bill for students. Firstly, the bill ensures that they are able to study at little or no up-front cost to themselves, even if it is not through a university or TAFE. This alarmist language that says that these reforms will price people out of commencing a higher education journey is absolutely false. There are no up-front costs. Nothing has changed. So, a person from the lowest-income, most-disadvantaged family in my electorate can step to the plate tomorrow and enter into a university degree that will change their life forever. They can enter into a diploma or associate degree that will change their life forever—at no up-front cost. And people opposite, including the Greens, should stop the scaremongering. If they want to have a debate, that is fine. Talk about the facts that are on the table, the measures in the bill that are fact, not alarmist language that scares the daylights out of people with untruths.

Secondly, and just as importantly, the bill provides the student with the due recognition that undertaking a sub-bachelor degree is of equal value to our community as undertaking a university degree. In the north-west of Tasmania that may mean that a student undertaking a course through a private education provider will not face the difficulty of needing to save for up-front course fees but, rather, can defer those fees through the FEE-HELP scheme. That will be a massive help to prospective students in regional Tasmania.

Despite the feigned outrage of members opposite, particularly the Leader of the Opposition, who claim that students will be worse off under these reforms and that the sky will fall in, the truth is that under their government many students not only paid interest tied to the CPI for their loans but were slugged with a 20-plus per cent loan fee. That means that if a university charged $30,000 for a degree then students who were unable to pay up-front were actually charged $36,000 for the degree, plus interest. This bill proposes to remove that fee and instead use the 10-year bond rate to determine the interest rate and then cap it at six per cent. By removing all FEE-HELP and VET FEE-HELP loan fees that are currently imposed on some students who are undertaking higher education and vocational education and training, the government is making a real contribution to improving educational and employment outcomes for regional Tasmanian students.
I welcome these reforms, because the delivery of the government's commitment to introduce these reforms will change the face of higher education in this country forever. It will give us a fighting chance to place our universities back in the top of the rankings, not see them falling down the league ladder as we are seeing at the moment.

Ms O'DWYER (Higgins) (17:44): I move:

That the member for Braddon be granted leave for an extension of five minutes, given that he was interrupted before.

Leave not granted.

Mr BANDT (Melbourne) (17:44): Earlier today I was lucky enough to attend a Smart Science Symposium held in his parliament where a hundred scientists, or so it seemed, from around the country gathered to talk about the future vision of this country. The cuts to parliamentary screening procedures must have kicked in. I am sure the government would not knowingly have let that many scientists into the building all at once to talk about what Australia's future might look like and the importance of putting money into research. On the very day that researchers and scientists came here to say that unless we secure the future of research in this country we are going to witness more brain drain as our best and brightest go overseas; that we are not going to secure the type of future economy for this country which would mean that in the 21st century we might have something to sell to the rest of the world, something which is not just coal but is, instead, based on our brains and on the things that people here produce; on the very same day those people have come here to say, 'Let's finally have a vision for a smart Australia where we respect education, where we respect research and where a job in research is treated as importantly as building a car,' this government comes along with a bill that will be a body blow to a smart Australia.

This is not only vital to our future but it is in the Greens' DNA to stand up for research and education. It is personal for me as well. My dad was the first person in his family to go to university. His dad before him worked in the post office as well as serving for his country. My dad's mum spent her life raising the kids, as many women of that generation did. My dad went to university because he could. It was an odd thing for someone in his position to do, but he went because it was affordable and he had the support—including from the government—to continue to study and then not leave with a crippling debt.

When I was at the university in the 1990s, the first campaigns I started getting involved with were on the rise in costs of education under the then Labor government. I still keep in my office a picture of me at a demonstration with a banner in the early 1990s in my best denim jacket with a Dawson's Creek haircut saying, 'Stop the ALP loans scheme.' I apologise to the students of today that we were not able to stop the Labor Party loans scheme. The point we were making then is the same as the point we are making now—that is, in a wealthy country like Australia we should have a higher education system where everyone can go to university no matter how much they earn.

I can see the cost of university rising to the point where people like my dad will not be able to go in the first place and this bill will hasten that trend. Secondly, it is vital to a functioning democracy that the population is as educated as they want to be and that everyone can continue to learn throughout their whole lives and not be deterred because they might graduate with a debt the size of a mortgage. If education becomes something only the privileged few can access or if some people start saying, 'Hang on, I don't know if I want to
graduate with a $100,000 debt and, at the same time, have to find a house and a mortgage and then meet all the other costs of life,' then people who are highly educated will be the only ones who can afford to carry the burden of that debt and they in turn will govern and rule for themselves and for themselves alone.

An educated population is the cornerstone of a democracy, but over the years the pressures on our universities and on our students have been ratcheted up and up. Base funding has been cut under successive governments. Whether governments have been Labor or Liberal, university funding has not been increased to the level that it should, to the point where the Bradley review of higher education, when it was commissioned by the former Labor government, reported that universities need a 10 per cent boost to their base funding just to keep up. Of course, that never happened under either Labor or now under the current government.

The level of HECS increased. For me, it was something I was able to pay off within a couple of years, but that is not what students face now. The pressures on students have grown with youth allowance, Austudy as it was in my day, now not being indexed with other kinds of benefits. As an example, when I studied the income support I received was the equivalent of double my rent, sharing a three-bedroom place near the university. Now, if you want to rent near a university in a capital city you are lucky to have any change at all. Your full youth allowance pays for your rent. So students now are working 15 or 20 and sometimes even full-time hours while studying full-time, just to make ends meet.

On top of that, staff have been placed under more and more pressure. People may have an idea of universities being places full of tenured academics where people have life-long security, but only about 30 per cent of people working in higher education at the moment have ongoing secure employment. I spoke to people who worked in academia, who worked in research and teaching in university departments. I spoke to a woman who had worked there for 10 years without a day of sick leave in her life because she was on rolling contracts for those 10 years. You come to the end of every year and do not know whether you have another job. That affects university staff being able to plan their lives, to have a family or to buy a house.

Then of course in the last parliament we had the Labor government threatening to cut $2.3 billion out of higher education and putting that debt onto students. We took to the streets and beat that proposal but this proposal now, from a government which went to the election saying 'No cuts to education,' will be a body bl

Five billion dollars is the impact on spending on higher education, on research and on students. It is going to hit those researchers that the people here in parliament today, the scientists and the researchers, were saying are going to safeguard Australia's economy in the 21st century.

The bill proposes a 10 per cent across-the-board cut for the Research Training Scheme, and charges a fee of up to $4,000 a year for PhD students. So if you want to undertake research in the medical field—an area where Australia is leading the world in many respects, and an area we should be boosting—you could be facing a cost of up to $20,000 plus interest.

The interest component here is vital as well. We know that the government are governing for the one per cent in this country—I think fewer than a quarter of the members of the front
bench went to a public school, and the others are private-school born and bred. What this bill will mean is that lower-income graduates could be forced to pay twice as much for their degrees as those on higher incomes, as a result of the compounding interest rates on their HELP debt. And it is going to be worse for women because, when women take time out of the workforce to raise a family, their debt is going to keep on going up and up at these higher rates. So women will find themselves at the end of their working lives with higher debts that have taken longer to pay off, thanks to this government.

This government says, 'We've got to reduce the debt and get rid of it,' but they are not reducing it; they are just shifting it onto students and people who have been to university. Plot the graph and you will find that in a couple of years the debt levels of students crosses over with the debt level of the Commonwealth, and you will see that the level of student debt, percentagewise, increases and the level of Commonwealth debt, percentagewise, decreases. That is because they are in a process of shifting debt onto the population, who are not in as good a position to bear it as the government. The government can borrow much more cheaply than students can. But that is of no concern to this government. 'Let's put people into more debt'—that is this government's mantra.

Then of course the bill allows for the deregulation of fees. Expect university degrees to cost you a second mortgage—especially in those areas like medicine or those higher demand areas where now, the government boasts, the market will rule. Well, if universities can charge as much as they like, they certainly will. And it will be of no concern to them that people like my dad would not be able to get in; that will be of no concern, because it will be, 'Let the market rule,' and they will charge whatever they like.

The minister says, 'It's okay, because we'll have Commonwealth scholarships'—taking an old term that used to mean something good and, in a move that would please George Orwell, turning it into something that will hit universities and students even more, because there is not one dollar in this bill for Commonwealth scholarships; the universities have to fund them themselves. These are the same universities that are being met with a 20 per cent funding cut. How will they fund them? They will fund them by putting up fees. And that is the hypocrisy that lies at the heart of this bill that the minister needs to come in here and explain. How can he say that there will be Commonwealth scholarships and that university funding will be cut but that fees will not go up? Of course they will. The universities are going to have to make up the shortfall somehow.

Lastly I will turn to something that slipped under the radar a little in this debate but which needs to be put up in lights: for the first time, Commonwealth funding is going to be redirected from universities to private providers. So universities are now going to have to compete not just against each other; they are going to have to compete against new private entrants who want to come in and make a quid thanks to a new government subsidy. I want our universities to manage their money properly, of course. But I do not want our universities to be businesses—that is not what they are. Businesses exist to make a profit, and some businesses go bankrupt and new ones arise, and it is a constant churn and a constant quest to make as much money as possible. That is all right; that is the business world. But that is not what I want for our universities. I want our universities to be centres of learning and teaching and research, where the people who work in them are well looked after and where students are able to go, regardless of their wealth, and come out without a debt the size of a mortgage.
This government talks about competition amongst universities as if it is a great thing. Well, I would much rather the money that universities spend on television ads and tram ads and glossy brochures went into teaching and research, and into helping us find the next cure for cancer or into creating the next Nobel laureate, because once we start saying, 'Our universities are just like businesses,' then we redirect money that could be going to students and to staff into the pockets of advertising agencies. And that is what is happening at the moment. Worse: if you take it to its logical conclusion, under this government's proposal we might see some universities fall over, not because the staff there are not good and not because students cannot go there, but because now we will have two tiers of universities in this country—we will have the wealthy ones that can charge as much as they like, and we will have the others, in regional areas or perhaps servicing smaller populations or offering smaller niche subjects, that will struggle under the might of the bigger universities that they now have to compete with.

I congratulate the efforts of the National Union of Students and the National Territory Education Union in bringing a national fight up to this government—this government that told us that there would be no cuts to education—because what is at stake is the future of this country and whether we will have an educated population and whether we will invest in research and education or whether we will gut them. This is being brought in by a bunch of people who had the benefit of a free education themselves, and who could probably afford to pay whatever was charged, but we will not let them pull the ladder up behind them. (Time expired)

Debate adjourned.

Minerals Resource Rent Tax Repeal and Other Measures Bill 2014

Consideration of Senate Message

Bill returned from the Senate with amendments.

(1) Clause 2, page 2 (table item 4), omit the table item, substitute:

<table>
<thead>
<tr>
<th>Item</th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>1 July 2017</td>
<td>1 July 2017</td>
</tr>
<tr>
<td>5.</td>
<td>31 December 2016</td>
<td>31 December 2016</td>
</tr>
<tr>
<td>6.</td>
<td>The day this Act receives the Royal Assent</td>
<td>The day this Act receives the Royal Assent</td>
</tr>
<tr>
<td>7.</td>
<td>31 December 2016</td>
<td>31 December 2016</td>
</tr>
<tr>
<td>8.</td>
<td>The day this Act receives the Royal Assent</td>
<td>The day this Act receives the Royal Assent</td>
</tr>
<tr>
<td>9.</td>
<td>31 December 2016</td>
<td>31 December 2016</td>
</tr>
</tbody>
</table>

(2) Schedule 6, page 37 (lines 1 to 34), omit the Schedule, substitute:

Schedule 6—Superannuation Guarantee Charge percentage

Superannuation Guarantee (Administration) Act 1992

1 Subsection 19(2)

Repeal the subsection, substitute:

(2) The charge percentage for a quarter in a year described in an item of the table is the number specified in column 2 of the item.

<table>
<thead>
<tr>
<th>Item</th>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Year starting on 1 July 2013</td>
<td>9.25</td>
</tr>
</tbody>
</table>

CHAMBER
<table>
<thead>
<tr>
<th>Item</th>
<th>Year</th>
<th>Charge percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Year starting on 1 July 2014</td>
<td>9.5</td>
</tr>
<tr>
<td>3</td>
<td>Year starting on 1 July 2015</td>
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<tr>
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<td>9.5</td>
</tr>
<tr>
<td>5</td>
<td>Year starting on 1 July 2017</td>
<td>9.5</td>
</tr>
<tr>
<td>6</td>
<td>Year starting on 1 July 2018</td>
<td>9.5</td>
</tr>
<tr>
<td>7</td>
<td>Year starting on 1 July 2019</td>
<td>9.5</td>
</tr>
<tr>
<td>8</td>
<td>Year starting on 1 July 2020</td>
<td>9.5</td>
</tr>
<tr>
<td>9</td>
<td>Year starting on 1 July 2021</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Year starting on 1 July 2022</td>
<td>10.5</td>
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<tr>
<td>11</td>
<td>Year starting on 1 July 2023</td>
<td>11</td>
</tr>
<tr>
<td>12</td>
<td>Year starting on 1 July 2024</td>
<td>11.5</td>
</tr>
<tr>
<td>13</td>
<td>Year starting on or after 1 July 2025</td>
<td>12</td>
</tr>
</tbody>
</table>

**2 Application of amendment**

The amendment made by this Schedule applies for the purpose of calculations under section 19 of the *Superannuation Guarantee (Administration) Act 1992* for quarters starting on or after 1 July 2015.

(3) Schedule 7, item 7, page 38 (line 23) to page 39 (line 13), omit the item, substitute:

**7 Application of amendments**

(1) The amendments made by this Schedule apply in relation to concessional contributions for financial years starting on or after 1 July 2017.

(2) However, section 12G of the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003* ceases to apply, in relation to any quarter or financial year, at the commencement of this Schedule.

Note: Section 12G requires the Commissioner to give reports to the Minister for presenting to the Parliament. This subitem ensures that reporting under that section is required up to, but not after, the commencement of this Schedule.

(3) For the purposes of this item, *concessional contributions* has the same meaning as in the *Income Tax Assessment Act 1997*.

(4) Schedule 7, item 9, page 39 (lines 31 and 32), omit "the deadline under subitem (3)", substitute "1 July 2019".

(5) Schedule 7, item 9, page 40 (line 5), omit "the deadline under subitem (3)", substitute "1 July 2019".

(6) Schedule 7, item 9, page 40 (lines 8 to 11), omit subitem (3).

(7) Schedule 8, items 12 to 14, page 43 (lines 2 to 8), omit the items, substitute:

*Farm Household Support (Consequential and Transitional Provisions) Act 2014*

12 Subsection 2(1) (table item 4)

Repeal the item.

13 Item 139 of Schedule 2

Repeal the item.

(8) Schedule 8, item 23, page 44 (lines 8 to 10), omit the item, substitute:
23 Paragraph 1231(1AA)(b)

Omit "training and learning bonus or income support bonus", substitute "or training and learning bonus".

(9) Schedule 8, item 26, page 45 (lines 10 to 15), omit subitem (2).

(10) Schedule 9, heading, page 47 (line 1), omit the heading, substitute:

Schedule 9—Schoolkids bonus

(11) Schedule 9, page 47 (before line 2), before Part 1, insert:

Part 1A—Amendments

A New Tax System (Family Assistance) Act 1999

1A At the end of subsection 35UA(1) (before the note)
Add:
; and (d) the individual's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1B At the end of subsection 35UA(2)
Add:
; and (g) the affected parent's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1C After subsection 35UA(2)
Insert:

(2A) For the purposes of paragraph (2)(g), the affected parent is the person:
(a) who is a parent of the other individual, being a parent within the meaning of paragraph (b) of the definition of parent in subsection 5(1) of the Social Security Act 1991; and
(b) who is nominated in writing by the Secretary.

1D At the end of subsection 35UA(3)
Add:
; and (h) the individual's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1E At the end of subsection 35UA(4)
Add:
; and (h) the other individual's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1F After subsection 35UA(4)
Insert:

(4AA) Paragraph (4)(h) does not apply if the instalment referred to in paragraph (4)(a) is an instalment of disability support pension and the other individual is permanently blind.

1G At the end of subsection 35UE(1)
Add:
; and (h) the individual's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1H At the end of subsection 35UE(2)
Add:
; and (g) the individual's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1J At the end of subsection 35UE(3)
Add:
; and (i) the individual's adjusted taxable income for the income year in which the bonus test day occurs is $100,000 or less.

1K After subsection 35UE(3)
Insert:
(3A) Paragraph (3)(i) does not apply if the instalment referred to in paragraph (3)(a) is an instalment of disability support pension and the individual is permanently blind.

1L Clause 1 of Schedule 3 (heading)
Repeal the heading, substitute:

1 Adjusted taxable income relevant to family tax benefit, schoolkids bonus and child care benefit

1M Clause 1 of Schedule 3
After "family tax benefit", insert ", schoolkids bonus".

A New Tax System (Family Assistance) (Administration) Act 1999

1N At the end of Division 2A of Part 3
Add:

35J Determination of eligibility may be based on estimate
If:
(a) an individual's eligibility under Division 1A of Part 3 of the Family Assistance Act for schoolkids bonus on a bonus test day is required to be determined; and
(b) information about the amount of adjusted taxable income needed for the determination of the eligibility is not available (for example, because the taxable income of the individual or another individual cannot be known until after the end of the relevant income year); and
(c) the individual gives the Secretary an estimate of the amount needed; and
(d) the Secretary considers the estimate to be reasonable;
the Secretary may determine the individual's eligibility on the basis of the estimate.

(12) Schedule 9, heading to Part 1, page 47 (line 2), omit the heading, substitute:

Part 1—Repeals
(13) Schedule 9, page 48 (after line 6), after item 12, insert:

12A Clause 1 of Schedule 3 (heading)
Repeal the heading, substitute:

1 Adjusted taxable income relevant to family tax benefit and child care benefit

12B Clause 1 of Schedule 3
Omit ", schoolkids bonus".

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:00): I move:
That the amendments be considered immediately.

Mr BURKE (Watson—Manager of Opposition Business) (18:00): The opposition is happy for this issue to be dealt with immediately on one condition: this time we want the
parliamentary secretary to give a speech; this time we want the parliamentary secretary to do what he was not willing to do yesterday. Yesterday we had to deal with these bills in the horrific situation of, for the first time in living memory, the government not merely keeping the legislation a secret, but also keeping the reasons a secret. I was in the situation yesterday of having to stand here and give the first speech on behalf of the opposition when the government had neither provided a copy of the bill nor a single reason in favour of it.

I will say now: we are willing to vote, for the procedural reason, that this be brought on, but we want for the first time the parliamentary secretary to end the secrecy and provide the decent behaviour that is expected from any member who wants to take on the privilege of being a member of the executive. If it is going to be brought on, let it be brought on this time for a debate; instead of the humiliation that was endured yesterday by this parliamentary secretary.

Question agreed to.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:02): I move:

That the amendments be agreed to.

The government has delivered on our commitment to both the 2010 and 2013 elections to scrap Labor's failed mining tax. The government moved amendments to the Minerals Resource Rent Tax (Repeal) and Other Measures Bill 2014 in the Senate in order to secure passage of this important reform.

Application dates for rephasing the superannuation guarantee and the abolition date for the repeal of the low-income superannuation contribution, the income support bonus and the schoolkids bonus measures were amended. In the interim a means test will apply to the payment of the schoolkids bonus. By doing so, we will forgo around $6.5 billion in savings. The government will look to ensure that the cost of these changes are recovered in the medium term through the rephasing of the scheduled increase of the superannuation guarantee.

This package of amendments would be budget neutral by the end of 2022-23 financial year. Given the paltry revenue raised by the mining tax to date, these changes to the mining tax package would still deliver around $10 billion in savings to the budget over the forward estimates. In fact Treasury modelling confirms that abolition of the complete mining tax package of measures would save the budget around $50 billion over the medium term.

The amendments to schedule 6 of this bill further extend the pause in the superannuation guarantee rate for an additional three years. The superannuation guarantee charge percentage will remain at 9.5 per cent up to and including the 2020-21 financial year. It will then increase by 0.5 percentage points each year until it reaches 12 per cent on 1 July 2025.

The government is making responsible changes to the phasing of the superannuation guarantee increase to ensure the sustainability of the budget in the current circumstances. Given that increases in the superannuation guarantee are funded from reductions in take-home wages and business profits, rephasing the superannuation guarantee will mean more money in the pockets of working Australians and will boost economic activity and job growth.

The amendments move the abolition date for the low-income superannuation contribution to 1 July 2017—that is, the low-income superannuation contributions will continue to be paid for contributions made until 30 June 2017.
A cut-off date for payments, two years after the end of the 2016-17 financial year, is being set to enable the commissioner to streamline administrative systems, reducing the administrative compliance burden. It should have minimal impact on the proportion of low-income superannuation contribution payments made. This goes further than the government's 2013 federal election commitment and provides certainty and stability while the government examines superannuation as part of a tax white paper and financial system inquiry.

The amendments in relation to schedule 8 move the abolition date of the income support bonus to 31 December 2016. The coalition made very clear in the lead-up to the last election that, if elected, we were committed to getting rid of the mining tax and all of the unfunded spending promises, including the income support bonus.

In relation to schedule 9, the schoolkids bonus, the amendments move the abolition date of the schoolkids bonus to 31 December 2016. In the interim, the amendments better target the schoolkids bonus by introducing an income test, to ensure that only families with an adjusted taxable income of $100,000 or less will receive the payment.

The government has ensured that the cost of the amendments to the low-income superannuation contribution, the income support bonus and the schoolkids bonus will be offset over the medium term by rephasing the superannuation guarantee increase. While the government's negotiated package will be budget neutral in the medium term, abolishing the complete mining tax package will save the budget around $50 billion over the next decade. The government agrees to the Senate amendments.

Mr BOWEN (McMahon) (18:07): This is a day which is not surprising. This is a day that will not come as a surprise to those Australians who know that there is one side of politics in Australia who support superannuation and there is another side of the parliament who do not. There is one side of politics that built Australia's superannuation system and will defend it and there is another side that seek to reduce and diminish superannuation at every single opportunity.

I say to the House—and I say it deliberately and I say it carefully—that this is a day of shame for the government. This is a day of shame because the government is attacking Australia's retirement incomes for those who can least afford it. This is a day of shame because this is the day the government says to Australia's low-income workers that they will get no help from this government in relation to saving for their future. This is a day of shame because this is the day the government attacks the very fundamental nature of our retirement income system—built on the pillars of the age pension, personal and private savings and universal superannuation.

This is a day of shame for the government because it is the day the government rips out, according to the Financial Services Council, $128 billion from Australia's pool of savings—or, according to Industry Super Network, $150 billion. Either of those figures are very substantial and either of those figures mean that this government is saying to Australians and to the Australian economy, 'We want less money in our pool of savings; we want fewer people saving for their retirement through superannuation; and we want to make it harder for, in particular, low-income workers, female workers and workers in rural and regional Australia.' That is why this is a day of shame for this government.
We are realists about how this vote will go, but we will vote according to our values. Our values will tell us that low-income earners deserve some support to save for the future through superannuation. Our values will tell us that all Australians deserve a dignified retirement regardless of their income and that Australians on a low or middle income deserve to have a dignified retirement no less than any other—and 12 per cent is vital to make it happen. We are going to see 12 per cent superannuation off to the never-never.

I say to the House that we should have had 12 per cent superannuation years ago. If the Howard government had kept its commitment to the Australian people, we would have had 12 per cent superannuation years ago. It took the Rudd and Gillard governments to say that we will have 12 per cent superannuation by 2019—and even that is too soon for this government, who hate superannuation so much that they are going back on a firm commitment to the Australian people to have a schedule to get to 12 per cent which would be delayed just two years. But now that they have come to office, they are delaying it by six. And I make this prediction: they will be back, because they will find even that six-year delay is not enough because they hate superannuation so much.

There are important questions before the House, and I want to take the opportunity to ask the parliamentary secretary, who has carriage of this bill, the Minerals Resource Rent Tax Repeal and Other Measures Bill 2014, to outline to the House the long-term impact on the budget of this change to superannuation—most particularly the age pension. How many people will be on the age pension because of these changes? What is the long-term impact on the budget? What is the long-term impact, according to Treasury projections, on the national pool of savings of the legislation that is now before the House? I would ask the parliamentary secretary to answer those questions.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:11): I move:

That the question be now put.

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

The House divided. [18:15]

(The Deputy Speaker—Mr Broadbent)

Ayes ......................84
Noes ......................54
Majority ................30

AYES

Alexander, JG
Andrews, KL
Bishop, JI
Broad, AJ
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambharo, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hockey, JB

Andrews, KJ
Baldwin, RC
Briggs, JE
Brough, MT
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Hogan, KJ
AYES

Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Keenan, M
Laming, A
Laundy, C
Marino, NB (teller)
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Hunt, GA
Irons, SJ
Jones, ET
Katter, RC
Kelly, C
Landry, ML
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bandt, AP
Bird, SL
Bowen, CE
Brodtmann, G
Burke, AE
Burke, AS
Butler, MC
Butler, TM
Byrne, AM
Chalmers, JE
Champion, ND
Chesters, LM
Clare, JD
Claydon, SC
Collins, JM
Conroy, PM
Dreyfus, MA
Elliot, MJ
Ellis, KM
Feeney, D
Ferguson, LDT
Fitzgibbon, JA
Giles, AJ
Griffin, AP
Hall, JG (teller)
Hayes, CP
Husic, EN
Jones, SP
King, CF
Leigh, AK
Macklin, JL
MacTiernan, AJGC
Marles, RD
McGowan, C
Mitchell, RG
Neumann, SK
O'Connor, BPJ
O'Neil, CE
Owens, J
Perrett, GD
Pithersek, TJ
Ripoll, BF
Rishworth, AL
Question agreed to.

**The DEPUTY SPEAKER (Mr Broadbent) (18:24):** Order! The question now is that the amendments be agreed to.

The House divided [18:24]

(The Deputy Speaker—Mr Broadbent)

Ayes ...................... 84
Noes ...................... 54
Majority............... 30

**AYES**

Alexander, JG  Andrews, KJ
Andrews, KL  Baldwin, RC
Bishop, JI  Briggs, JE
Broad, AJ  Brough, MT
Chester, D  Christensen, GR
Ciobo, SM  Cobb, JK
Coleman, DB  Coulton, M (teller)
Dutton, PC  Entsch, WG
Fletcher, PW  Frydenberg, JA
Gambaro, T  Gillespie, DA
Goodenough, IR  Griggs, NL
Hartsuyker, L  Hawke, AG
Henderson, SM  Hendy, PW
Hockey, JB  Hogan, KJ
Howarth, LR  Hunt, GA
Hutchinson, ER  Irons, SJ
Jensen, DG  Jones, ET
Joyce, BT  Katter, RC
Keenan, M  Kelly, C
Laming, A  Landry, ML
Laundy, C  Macfarlane, IE
Marino, NB (teller)  Markus, LE
Matheson, RG  McCormack, MF
McNamara, KJ  Morrison, SJ
Nikolic, AA  O'Dowd, KD
O'Dwyer, KM  Pasin, A
Pat, KJ  Porter, CC
Prentice, J  Price, ML
Pyne, CM  Ramsey, RE
Randall, DJ  Robb, AJ
Robert, SR  Roy, WB
Ruddock, PM  Scott, BC
Scott, FM  Simpkins, LXL
Smith, ADH  Southcott, AJ
Question agreed to.

Bill, as amended, agreed to.

Higher Education and Research Reform Amendment Bill 2014
Second Reading

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

Mr VARVARIS (Barton) (18:27): I thank the House for the opportunity to speak on the Higher Education and Research Reform Amendment Bill 2014.
This bill is imperative to the future sustainability and success of Australia's higher education institutions. This bill is crucial for our current and future generations of bright minds because it allows key reforms to be made so that we can expand opportunities and encourage individuals to make the best choice possible for their further studies. This government is committed to ensuring that our universities are not trailing behind those around the world, that they are given the resources needed to compete internationally and to provide outstanding education experiences for students so that graduates can be leaders in their fields.

We are in an unprecedented knowledge economy like never before and it is critical that as a First World nation we have the First World education facilities to match those of our competitors. For decades, Australian universities have produced graduates who are innovative and vital to our nation. But in this time, whilst Australia has retained the status quo for excellent achievements, the standards of education and research have also been gaining momentum amongst our competitors. If we are to retain our intellectual capital and our economic standing we cannot afford to be complacent with our education and investment standards. That would be detrimental to our reputation and to the economy. Now is the time to be asking ourselves and our universities: how can we better ourselves to benefit our students and in turn increase Australia's competitive advantage?

This bill seeks to address the crucial elements of much-needed higher education and research reforms that will pave the way to success for graduates and universities alike. Rather than a centralised system, this government believes that universities should be free to decide on the appropriate level of course fees that best reflect the market value in which the fees the students pay are more realistic to their potential future earnings. We must strengthen our higher education system for all students in a way that is sustainable for the taxpayers of Australia and for the universities, and that will allow generations of students to continue to benefit from appropriate levels of funding for their higher education.

The coalition believes that reforms must be systematically achieved in four ways. Firstly, deregulating university fees so that institutions can set their own fees according to student and market demand and extending funding to include degrees, diplomas and associate degrees at public, private universities and non-university higher education providers. Secondly, adjusting the interest rate on student HELP loans from the CPI to a more sustainable rate of a 10-year government bond rate with a maximum rate of six per cent is vital to the sustainability of the taxpayer contribution scheme. Thirdly, improving accessibility of higher education to more Australians, including those from disadvantaged backgrounds, by setting up a Commonwealth Scholarship Scheme. Finally, this bill allows amendments to the Australian Research Council Act 2001, which will provide for additional investment in research through the Future Fellowships program and will secure Australia's place at the forefront of research with funding towards key programs.

These key measures are fundamental to ensuring all students have access to opportunities for higher education, whether they are city or regional students, whether they wish to obtain a bachelor degree or a diploma, whilst universities and other higher education providers are given the chance to effectively position themselves and compete for students. The coalition is a firm believer in the transformative power of higher education and is committed to ongoing investment in the higher education sector. More importantly, higher education is one of the...
best investments an individual can make and the dividends far exceed the monetary gain of a salary or a wage.

Australia has a proud tradition of high education standards and a certain quota per year is set for university entries based on merit. Both sides of government believe in investing in our best and brightest to ensure brilliant minds are cultivated in our institutions so that will increase our national competitiveness.

However, government funding directly comes from working contributions of Australians, and whilst our higher education institutions have had unfettered taxpayer support in terms of funding, this is not feasible in the long run. The privilege to be able to attend university and divert the cost of the degree are the striking benefits of a system that is focused on students investing in their futures, bound by notions of hope, reward and opportunity.

At the same time, as our population increases and demand for higher education both from domestic and international students escalates, we owe it to both universities and students alike to maintain a system that is resilient to changing demands and shifting trends. In order for future generations to enjoy higher education standards like their predecessors, we must allow for this sector to reform in ways that are suitable and viable. The provisions in this bill are measured and reasonable.

All changes anticipated as part of the reform package will result in more university places offered by 2018—some 80,000 additional students—through expansion of opportunities to degrees, diplomas and associated degrees. There will be increased opportunities for students from disadvantaged backgrounds who show potential to truly shine, being given a free education through the Commonwealth Scholarship Scheme—the biggest in our nation’s history. Furthermore, students can still choose to divert the entire cost of their courses through the Higher Education Loan Program and will only need to repay their loans once they earn over $50,000 per year. Most importantly, these provisions allow universities to focus on the necessary changes they need to remain competitive in the world, whilst offering quality education that is prudent to the needs of students and the labour market. When universities and colleges compete, the students are the ultimate winners.

I would also like to take this opportunity to confirm that the coalition will be investing in higher education through increased funding. The budget papers show that there will be increased and ongoing funding for higher education and higher education research. The coalition will invest $11 billion over four years in university research and this will include funding to attract and retain some of the world’s top researchers in Australia. This will help to ensure that our universities remain relevant and competitive amongst the First World economies. In addition, we will be delivering $150 million towards the National Collaborative Research Infrastructure Strategy, which supports and encourages collaboration between the research sector, industry and government within Australia to conduct world-class research. This ensures Australian research will be pertinent and competitive on an international level.

The coalition will also fund 100 new research positions per year under the Future Fellowships scheme at a cost of $139.5 million. The scheme enables four-year fellowships to outstanding mid-career researchers to strengthen our national research capacity. There will also be no less than $42 million injected into the Australian Institute of Tropical Health and Medicine at James Cook University to support research and training in tropical diseases such as dengue fever and elephantiasis. The coalition will also be providing $24 million to the
Antarctic Gateway Partnership in Tasmania to strengthen their position on Antarctic research. The current budget also delivers $3.3 million to enable the Australian Institute of Aboriginal and Torres Strait Islander Studies to continue to preserve important Indigenous cultural items in digital form as a research resource to share domestically and internationally. Australia has always engaged in world-class research, as history indicates, and the coalition government are committed to ensuring that this continues.

As discussed previously, our higher education system both for academic and research purposes must reflect the changing needs of students and market demands. Our knowledge economy means that an estimated 40 per cent of our young population will obtain a degree, thus it is imperative that we examine whether our current system is apt. We cannot sit on the existing higher education status quo to the detriment of innovation. The above structural reforms I have discussed are crucial to changing the way we operate our fourth largest export industry, so that it best serves the needs of students and our nation.

Some may deem the changes as radical, but I firmly believe that these changes are measured and absolutely necessary. If no changes are made to the cost of degrees then, in essence, the value of degrees is eroding. Similarly, if funding for university models does not alter, then some degrees may face extinction due to declining funding and demand, whilst others face unconstrained popularity that dilute their real value.

Whilst we have seen a deregulation in student numbers, which translates to more students enrolling in universities, the fee and funding model to serve these students has remain unchanged. This is not sustainable for the higher education institutions and will erode the value of Australia's universities compared to those of our competitors.

The expansion of a demand-driven Commonwealth funding system to enable more opportunities for students studying for diplomas and in non-university higher education institutions will cost taxpayers more than $821 million over the next three years. This funding is indicative of how serious this government is about preserving the standards of our higher education sector, whilst enabling increased opportunities for more students to pursue studies.

Australian graduates who continue to receive Australian taxpayer support through their higher education studies are the beneficiaries of this system, earning on average 75 per cent more over their lifetime than those who only complete year 12. Therefore, this is a reciprocal obligation for students in the courses they choose. Moreover, the Higher Education Loans Program will remain to ensure that students do not experience any financial burden until they can repay the loan. This is equitable funding and a reasonable expectation for what is considered a lifetime investment.

It is the government's role to ensure our higher education sector is relevant to the student and remains tenable in the market. Our universities cannot remain ahead of our competitors if they do not have the required funding. The provisions in this bill are fundamental to ensuring our current and future generations of graduates are equipped with the knowledge and skills they need to bring to their chosen careers.

Our research institutions must also have the appropriate funding level and skill sets to ensure that Australia is at the forefront of exploration. This bill will pave the way for Australia's future. I commend the bill to the House.
Mr WATTS (Gellibrand) (18:39): The bill under consideration before us today, the Higher Education and Research Reform Amendment Bill 2014, is one of the most insidious attacks of the Abbott government on the Australian way of life. It is an ideological attack on the values that underpin our society, motivated by a commitment to elitism and exclusivity and a contempt for egalitarianism and equality of opportunity.

On the ABC's Insiders program, the education minister, Christopher Pyne, told Australians that 'Students will always be the winners' from the changes in this bill. If that is the case, if students will always be the winners, I have a simple question for the minister: 'Why didn't he tell students about these changes before the last election?' Why, before the last election, did the coalition tell the Australian public, in their Real Solutions policy pamphlet:

We will ensure the continuation of the current arrangements of university funding.

When asked last November if he was considering raising university fees, why did Christopher Pyne, again, at that point say:

... I am not even considering it because we promised that we wouldn't and Tony Abbott made it very clear before the election that we would keep our promises.

In the bill under consideration before us today we see these promises broken. We see funding for Commonwealth supported places for undergraduate degrees slashed by an average of 20 per cent. For some courses, this rises to almost 40 per cent. We see fees introduced for PhDs. We see the HECS indexation rate moved from CPI to a real rate of interest—the 10-year bond rate, capped at six per cent. This is a promise broken not only to current students but to all former students who have a HECS debt.

Finally, we see changes to the indexation of university funding, from 2016, which will result in a $2.5 billion shortfall in university funding in 10 years time, according to the Parliamentary Budget Office—a shocking surprise for the Australian public from a government that promised no surprises, no excuses.

After also calamitously and infamously breaking his promise to run a 'unity ticket' on schools funding, this minister has not a shred of political credibility left to his name. He is very lucky to have the environment minister in cabinet with him, to share his political bankruptcy.

Regardless of the merits of the legislation, and I will come to them shortly, this is no way to undertake major reform. There has been much discussion recently about the 'end of the reform era' in Australia and about how a new turbo-charged media cycle, powerful vested interests and hyperpartisanism is derailing reform in this country. There has been less discussion about how reform processes have been managed by our political leaders.

In this instance, it is not the media, the internet, the unions or the opposition which have torpedoed the prospects of this reform. It is the minister himself, who has delivered one of the most ham-fisted displays of reform management in living memory by breaking an election promise by dropping plans for the biggest changes to the higher education sector in this country for 40 years as just a couple of lines in a budget speech. No green paper; no white paper; no inquiries; no reviews; no round table; no summit; no electoral mandate; no attempt to engage with stakeholders to build a consensus on the need for reform; and no attempt to seek input and canvass options or potential alternatives. From an opposition that promised to govern like adults, this is kindergarten stuff.
When parliament recoils and it seems as though the education minister will not be able to get his way, instead of dropping these poisonous reforms and listening to the Australian people, instead of seeking compromise or consensus in this parliament, he throws a tantrum like a child, threatening to cut research funding if he does not get his way. The Australian people do not buy this. They only become angrier at the fact that their representatives are now subject to threats and blackmail from the education minister. Process aside, this broken promise is also bad policy.

It is going to hurt students and their families and make Australia a less prosperous and less fair society. These reforms will, over time, have the effect of making higher education something for the few, not the many, and an institution for the narrow elite, not the egalitarian many. As the architect of the HECS scheme, Professor Bruce Chapman, recently noted:

Past changes to HECS didn't deter students, but now that there will be a real rate of interest on the debt we are in uncharted waters.

It is worth contrasting the shambles before the House with the Dawkins revolution ushered in by the Hawke-Keating government. The Labor approach to reform of our higher education system has always been the result of careful, detailed public consultation. But, most importantly, it embedded the values of equality and fairness in everything that the government did. These values are stamped all over the Dawkins reforms. Twenty years ago, when John Dawkins was introducing the last major reforms of our university sector, at that point our university sector faced significant challenges, including the spiralling costs of the university sector in an era of tight budgets and global economic instability. The then Labor government was in the process of successfully increasing the high school retention rate in this country, from three in 10 students to seven in 10 students, dramatically increasing the pool of potential university students.

Our university sector required significant reform to tackle this challenge and produce the highly skilled graduates needed to power Australia's future in a newly globalised, competitive world. But John Dawkins ensured that these reforms were tackled in a way that did not offend Labor's guiding principles of equality of opportunity and fairness. Labor chose to fund a massive expansion of university places by instituting a groundbreaking deferred payment, income-contingent student loan scheme—our HECS scheme.

The indexation of HECS loans, the 'real interest' subsidy, was a key part of ensuring this equality was preserved throughout the system. The architect of the HECS policy, Professor Bruce Chapman, has talked about the real interest subsidy. He said:

The interest rate subsidy is there for protection.

A lot of people, particularly women, will spend time out of the labour force, child-rearing, or people will have accidents and have bad luck and end up in poor jobs. When you think Hecs you've got to think about insurance all the time. That's what it is – it insures you against bad luck. Once you put a real interest rate on that, that's gone.

In this way, while an enormous source of new university funding was tapped by the Hawke-Keating government, this was not at the price of disadvantaged students who dreamed of studying at university. This approach resulted in a system which has been described by Nobel Laureate Joseph Stiglitz as 'the envy of the world. It is why every student in Australia can dream of being a scientist, an engineer, a doctor or a lawyer without worrying about a lack of means trumping their merit.
On the other hand, the reforms contained in the bill under consideration are about exclusivity, not equality; elitism, not opportunity. The bill is focused exclusively at the top without any regard for the needs of the vast majority of Australians. It is a system designed to increase the quality of our most elite institutions at the cost of all other stakeholders in the higher education system. It is a system designed to make our universities even more elite, where universities will be encouraged to maximise prices for students to protect the exclusivity of their brand. We have seen this occur in the United Kingdom where fees were deregulated in 2012—while I was studying in that country—but a cap was placed on increases in fees at 9,000 pounds.

Once the reforms were introduced, we saw what economists call 'signalling'. Universities who initially charged less than the 9,000 pounds were considered to be inferior based not on their quality but on their price. In order to avoid students making this ignominious judgement, in the 2015-16 academic year only two universities out of 123 had fees that were below this 9,000-pound cap. This price signalling can even be seen in Australia's higher education system today. The Howard government introduced partially deregulated university fees in 2003. They allowed universities to charge anything up to the current maximum rate of student contribution. The Howard government boasted that this would create more options for our students. The then education minister Brendan Nelson said, 'Some course costs would rise, some would drop and others would stay the same, according to demand.' Yet, once the reforms were introduced, every university increased its fees to the maximum student contribution, and this was without the 20 per cent cut in funding that we are currently seeing from the Abbott government.

What does this mean for university students? What is beyond dispute by anyone except 'Pollyanna Pyne', the education minister, is that university fees will go up and they will go up significantly. As Bruce Chapman put it:

The idea fees will go down anywhere is frankly fantasy land …

Thanks to the cuts to CSP funding, universities will be forced to raise fees just to cover costs. This will lead to a rise in fees by at least 30 per cent and, in some cases, up to 60 per cent—a pain that will not be shared equally. Universities Australia estimates that courses needed to build Australia's future, such as engineering and science, will rise by 58 per cent, just to make up for the cuts to funding. We will see nursing degrees go up by at least 24 per cent, education degrees by at least 43 per cent, and environmental studies fees will be forced to increase by 110 per cent. Not even Charlie Sheen would be addled enough to think that these students were 'winning'.

When these increases in fees are combined with the rise in interest for HECS debt, the result will cripple our graduates for a longer period of time. Modelling suggests that our graduates will be burdened by larger amounts of debt for longer periods. It is particularly seen in the work of Universities Australia, tracking the increased costs of engineering and nursing degrees under this deregulated system. Universities Australia modelling found that, taking a conservative prediction of a medium increase in fees and a four per cent interest rate, engineering graduates would face a HECS debt of between $98,000 and $113,000—an increase of over $50,000 to what they could expect today. This would take them an extra seven years to repay the current cost of a degree—a period of up to 25 years. The cost of these debts will be borne by families and will force them to choose between study and a mortgage
or study and children. Nursing graduates will see their fees double from $25,000 to $50,000, taking them over 20 years to pay off the HECS debt.

It is absurd to think that these massive increases in fees will not have an impact on the decisions of potential students looking to undertake higher education. That is why these higher education changes have been condemned so widely, not only by the students forced to pay the increased fees but also by the experts who know how to best run the higher education system. Bruce Chapman, the architect of HECS, has been bleak in his assessment, noting: 'Fees will go up and they will go up quite significantly.' Universities Australia has been frank about the increase in fees that university students will be facing. Even the leaders of our universities, those who would benefit most from the ability to increase fees, have voiced grave concerns about the proposed reforms. Peter Dawkins, Vice-Chancellor of Victoria University in my electorate, has stated:

Unless there are some changes to the plan as outlined in the budget, these risks look too high.

Vice-Chancellor of the University of Adelaide, Professor Warren Bebbington, has suggested that the student debt burden in Australia could be 'worse than the United States'. For the benefit of the House, I inform those present that, in the United States, student debt is currently larger than credit card debt. Speaking of these inflated debt levels, Professor Warren Bebbington noted, 'No-one here wanted that.'

The area that the university leaders show most concern for is the bright students from disadvantaged families looking to undertake further study. It is these students, the first in their families to consider higher education, whom this government seems to have forgotten. There is a special pride in being the first member of your family to attend university. It is an emotion I see often in my electorate when talking to families in Melbourne's west. Under the new system, however, these students will be unable to separate their future study options from the exorbitant price tag attached to them—a price tag that says to them that a university degree is a luxury only for those who can afford it. Students who do not have the freedom to take on these large debts and study the course will be the students who are turned away from improving themselves. Australia, along with them, will pay the true price of these university reforms. It is a concern that has been echoed by Vice-Chancellor Dawkins from Victoria University, a university that sees many students attending their university as the first in their family to receive a degree. He recently noted:

It is the likely equity effects of the reforms that are most concerning and while these policies are aimed at expanding tertiary education, they would be counter-productive if they discourage disadvantaged students from participating in their preferred course of study … This is a real risk.

What these reforms then lead to is a society where university is for the rich, not the smart. We have seen this sort of unequal society flow from a broken higher education system before, in the United States. It is an observation pointed out by Joseph Stiglitz, the Nobel laureate I mentioned earlier, who noted:

America's failed financial model for higher education is one of the reasons that, among the advanced countries, America now has the least equality of opportunity, with the life prospects of a young American even more dependent on his or her parents' income and education than in other advanced countries.

In the words of Joseph Stiglitz, it would be 'a crime for Australia to follow the United States towards a higher education system that breeds exclusivity and discourages the brightest of our
students from succeeding'. It would be a crime to pass the reforms of a man who shrugs off legitimate criticism of his botched reform package with derisive comments such as: 'It’s not like we’re asking someone for their left kidney.’

Replacing equality of opportunity with purchasing power is anathema to the Australian way of life. It is against everything that Labor stands for. The Leader of the Opposition, Bill Shorten, in his budget-in-reply speech, could not have been clearer on this—and I fully endorse his views. He stated:

Only through education will Australia fully develop our economic potential, our scientific potential, our artistic potential—our people's potential. Labor will vote against these cuts to university funding and student support. Labor will not support a system of higher fees, bigger student debt, reduced access and greater inequality. We will never tell Australians that the quality of their education depends on their capacity to pay.

Labor will never stop fighting the efforts that threaten this fundamental tenet of Australian life. We oppose this bill and all efforts by this government to threaten the bright futures of students and their families around the country. The Australian people did not vote for these reforms and they do not want them. The Australian Labor Party will fight these reforms in this chamber, in the other place and in communities across our country. We will fight them until this government is defeated.

Mr BROAD (Mallee) (18:54): I normally associate myself with the words of the member for Gellibrand but on this occasion I will not. I have thought long and hard about higher education reform. I take my role as an elected member very seriously and I understand the importance of education within my electorate. Education has an incubator role, a role of potentially diversifying our rural economy—and we do need to invest in capacity. When I started as a member of parliament one of the first things we did was develop a strategic plan for our development. Our strategic plan was this: 'To build wealth by building capacity and to build community by building interaction.' There is no doubt that, when you invest in people, it translates to building their capacity—and that creates innovation, opportunity and wealth.

I have a vision for rural Australia, and that is that it will not just be a service industry to agriculture. Our towns will not just be retirement villages and tourism. We need a diversified economy. And there are challenges for our regional students. No student in my electorate can live at their home and catch a tram to university. There is a reason for that. It is because in my whole electorate, which is a third of the state, we do not have a tram. In fact, we only have one passenger train station. So you can start to understand that, when we think about these university reforms, it is important that they work.

We recently had a visit to Mildura from Minister Pyne. It was a very worthwhile time. I am a strong believer that 'to jaw-jaw is always better than to war-war'—a great quote from Winston Churchill. Rather than fight, you should talk; and, rather than talk, you should listen.

One of the people at a forum where the minister spoke and listened was the father of a first generation university graduate. It was a great pride to him that his son had a business card. That is something that everyone in this chamber takes for granted. We all have business cards.

We have exchanged so many business cards that we are sick of them. Also raised with the minister was the story of a woman who for cultural reasons would never be able to travel to Melbourne to study and thus needed to study at a regional campus.
So why change? Why make these changes—and can we make it better? The challenge is that we have lifted the cap on placements without giving an incentive to our universities to innovate. The system currently is not working. In my electorate, 28 per cent of people who finish year 12 go on to university. This is too low. It is for a combination of reasons—aspirations, affordability and distance. In what we are trying to do with these changes, you cannot just look at it as university funding in isolation. We are actually broadening opportunities—opportunities for loans for those who are going to do apprenticeships, which will certainly help mature-age apprentices; opportunities through VET courses; and opportunities through diplomas. Not everyone is going to do university.

It is inappropriate that, in my electorate, at least 50 per cent of people are inadvertently subsidising those who are going to university and creating opportunities for themselves. And it is important that, if they choose not to go to university, there are also opportunities in other forms of education. This is one of the key parts of the reform that is getting lost in the debate. We subsidise our university students to the tune of 60 per cent of their course cost. It is anticipated that, through these changes, we will be subsidising them to the tune of 50 per cent of their course cost. In real terms, that does add more than an additional 10 per cent to the cost of their university degree; it is more likely to add 25 to 30 per cent to their university fees. We need to have a look at the figures because I think there is a lot of scaremongering going on. The average fee for an undergraduate university course in Victoria is about $16,800. Taking that to $22,000 is a long way short of the $100,000 that Bill Shorten was talking about this morning.

So are these changes evil? Is this an insidious attack on our society? I think the answer to that is no. There is great danger in creating fear among the parents of young students who at this time of year are considering whether they will go to university. There is always hyperbole in politics, there is always overemphasis to make a point. But as we talk about getting these reforms right we need to be very careful that we are not scaring our students, particularly those from poorer families who are considering whether going to university is worthwhile.

I want to state very clearly that it is not going to cost you $100,000 to do a course—unless you are going to be there for eight years, have a whale of a time and keep on going back and back. To do an undergraduate course is not going to blow out to a disproportionate amount. It is still a good investment. I can say to the parents in my electorate and to the students who are considering going on to higher education, 'Look at the long-term investment that this will offer you. Please, do not be scared off by the hyperbole of politics, because it is very important that at this time you make the right choice for you and are not scared by the Leader of the Opposition.'

I commend the minister because he is listening. I think there are things that we can do to enhance these reforms to allow regional students to have greater opportunities. The higher education participation program is a very important part of how we fund our universities now. I think there is a significant justification for increased funding for the higher education participation reform and weighting that across some of our regional campuses which have low socioeconomic status students. That is in line with creating opportunity right across Australia and that is something I hope the minister will enhance.

I want to commend John Dewar on his guidance as he looked at the Higher Education Loan Program. He has put out options to give consideration to changes to interest on the loans,
particularly for someone who is not earning as much. I also want to say that it is not entirely bad policy to say to a student, 'We will loan you the money by using the total equity of the Australian Commonwealth so you can get a low-interest loan.' The reason that I say this is not necessarily bad policy is that I think of my own experience of not going to university and trying to get a loan to get started in business. I had to borrow at seven per cent to get my earning capacity. What we are saying to you as a student is, 'We will essentially be the guarantor for your loan.' But there are arguments, as John Dewar has put forward, for allowing for that threshold in interest to be a little lower, perhaps for people who are earning under $40,000 or $50,000.

I think the Commonwealth scholarships are fantastic idea. There needs to be some definition around 'disadvantage' and 'regionality'. Scholarships that target, invest and partner with regional schools may be something we need to look at. If we think of the AFL, when they look at their drafting—we do need to look at the AFL because often what happens in sport is a great diagram for how it should happen in life—if they are drafting players, they also invest in the club. If we have strong universities, it is not unreasonable for them to invest in the school. That is something that the scholarship fund has some freedom around, and in doing that we have the potential to start to lift aspiration.

Even with the current system, I still do not concede that 28 per cent completion of university in my electorate is necessarily completely built on economic disadvantage. It is also partly built on aspiration. We need to lift people's eyes. A partnership between universities and our year 12 level schools in our regional areas could go a long way to allowing people to see that they can aspire to greater things than where they are.

The other part, that is not part of this package but sits under a different portfolio, is that we need to look at assistance for country kids who have to move to go to college. I do not quite know how we put the framework around the definition of that, but there is no doubt that there is a disadvantage that comes with distance. There is no doubt that it costs more for a student to move away, where they have to live under another roof—whether it is in a unit, on campus or with a group of friends—than to live at home. As I have outlined before, there is no tram in the electorate of Mallee. There is only one train station in the electorate of Mallee. The opportunity for country kids to be able to stay at home and go to university is limited. There is a strong argument for diversifying our economy and for spreading wealth and opportunity across Australia when we look at how we can provide additional assistance for students who have to shift from a regional area to a city to study. It could be in the form of additional money or supported accommodation so that the student can have similar opportunities to what a lot of our city based kids have.

My concern at the end of these reforms, and I believe we will get it right, is that we are scaring people who have aspirations and dreams, and we should not do that. The Leader of the Opposition has made comments saying that a university course is going to cost $100,000 and students are going to be saddled with debt. To a 16-year-old or a 17-year-old who is considering their future, that seems like a lot of money—when in fact it is not going to be anywhere near that. We need to be responsible. Once these reforms are through this parliament there will be a need to ensure that there is a well-funded package to promote, educate and inform parents and students of just what these changes mean to them. Then they
can make informed decisions and not base them on what is essentially hyperbole that comes from the opposition seeking political points.

We cannot stay as we are. We must change. I commend the minister for having the guts to make great reforms. All reforms at the time look difficult. I am sure every major reform that has ever gone through this place has been controversial. But with good discussion and less debate I think we can get this right and the students of Australia will be the beneficiaries of good policy.

Ms BIRD (Cunningham) (19:06): I rise—and this probably will not surprise the House—to speak against the Higher Education and Research Reform Amendment Bill 2014. The previous speaker, the member for Mallee, said that he is concerned that people are being frightened by the sort of money that is being talked about by the opposition and that they have no reason to be. I would very much caution him about going out to his electorate and making assurances that people will not be facing the potential costs of university in those sorts of figures, because the very point of deregulating is that you cannot make those guarantees, you cannot make those commitments to the electorate, and that is exactly the concern that the opposition has.

The bill seeks to implement the government's unfair budget changes to higher education. There are two aspects that are particularly a problem for the opposition in dealing with the proposal put in the budget. The first was that yes, this is massive change and reform in the higher education sector, and there has been no lead-up to it whatsoever. There was nothing about these proposals before the election. There was no conversation with the community more broadly about what the government was proposing to do in the university sector. For a government that in opposition regularly scaremongered about what reforms meant and how they should appropriately be introduced, this government is completely contradicting every benchmark it has set for any government in this place. It did not put the reforms before the population before the election. It did not engage in an extended and detailed conversation with the community about them.

One year ago, before the election, the Prime Minister—the then opposition leader—actually promised the Australian people that there would be no cuts to education. He said:
I want to give people this absolute assurance, no cuts to education, no cuts to health, no changes to pensions and no changes to the GST.
I acknowledge that the last point might be a contentious one for those opposite today. The Liberal Party policy document was Real Solutions. What did it say? It said:
We will ensure the continuation of the current arrangements of university funding.

After the election, in November last year, Minister Pyne further reinforced the government's promise from before the election. He said:
We want university students to make their contribution but we're not going to raise fees.
When asked at the time, 'Why not?' he replied 'because we promised we wouldn't before the election'.

And then, in the Liberal government's first budget, they broke these promises. It was a triple whammy of higher education changes. Course funding was cut, fees were deregulated and, to add the final hit, compounding interest was introduced. These changes reflect the government's twisted priorities. We need to be investing in education—exactly the point that
the previous speaker, the member for Mallee, raised—and in particular in regional and rural Australia. We need to be investing to create a future workforce where we can ensure that the demands of our modern economy will be met and, most importantly, that our children are able to receive the education, skills and training that they need in order to start a pathway to their lifetime career. This bill seeks to deregulate university fees. So, as I said, the previous speaker and many of those on the other side cannot, despite their claims to the contrary, make any guarantees about what will happen with university fees. In fact, universities holding O weeks for students across the country at the moment cannot make guarantees to students as they seek to get them to enrol for the beginning of next year on what their fee structure will be before they finish their courses.

Mr Nikolic: How do you know it is going to be $100,000?

Ms BIRD: Well, let me take the member through that. Let us talk first of all about the fact that current undergraduate degrees have had a funding cut of, on average, 20 per cent. At the moment, what the Commonwealth funds towards the cost of running a course has been cut, on average, by 20 per cent. The figures produced by University Australia indicates that some of those will be up to 67 per cent.

Mr Nikolic: 'Indicates'—oh, 'indicates'!

Ms BIRD: If the member has any evidence—and I am sure he will speak after me—any evidence at all that courses will go down in cost, I am waiting breathlessly to hear it, because we have challenged those on the other side to give us one piece of evidence, one piece of international research, one piece of domestic research that says that the cost of university courses will go down or indeed stay the same, and they have produced no evidence. We have relied on the work that has been done by people like Universities Australia.

Mr Nikolic interjecting—

Ms BIRD: The member laughs at them.

Mr Nikolic: Where is your data and evidence?

Ms BIRD: Universities Australia have produced research on what the impacts will be, if the member wants to look at that. He could also look, for example, at the cost structures that are put in place under deregulation for international students and the sorts of costs that are there. There is plenty of evidence available. Currently the government proposes, first of all, to decrease the amount the Commonwealth pays towards the cost of courses. Then, of course, universities have their fees deregulated. So, what they will seek to do—and most universities will have to do this—is at least increase the fee to cover the cut in the amount that is Commonwealth-supported funding. So, for students who are looking at those courses, their share will increase, at minimum, by the amount that the Commonwealth funding for that course has been cut so that universities are not actually going backwards.

Then, of course, the government touts its Commonwealth Scholarships Program. Well, how are the scholarships funded? It is not Commonwealth government money. What actually happens is that universities, once they have covered the cost of the cut to the subsidy for the course, can then charge whatever they like. So, if they decide to charge additional, above and beyond making up that cut, they then are required to use $1 in every $5 to create a scholarship. To give an example, I and my colleague the member for Melbourne Ports are at university and we are enrolled in a class.
Mr Hartsuyker: What a class it would be!

Ms BIRD: It would be a class of great quality. The member for Melbourne Ports is paying his fees, so the university thinks, 'Well, we'll charge an extra 20 per cent to the member for Melbourne Ports.'

Mr Danby: I'll drop out.

Ms BIRD: And with the poor old member for Cunningham, the university thinks, 'We'll be charitable to her and give her one of these Commonwealth scholarships.' The member for Melbourne Ports is actually paying for that scholarship. The reality is that those students who will be paying additional costs for their courses will be funding people who will be sitting with them in the classroom but who will have a scholarship. So let us be honest: this is not a Commonwealth scholarship; students will be funding their colleague students through the increased costs that they will be paying for their education. This is what is going on here.

Then of course added to the deregulation is the introduction of interest that compounds over time. Much information has been produced which shows that this particularly impacts on women who take breaks from the workforce. I also want to point out that it will also impact on those who get professional qualifications but who may want to work in the more charitable based sectors of our economy. I am talking here about people like doctors who might want to work for some of the Indigenous health services or lawyers who might want to do community based legal work, where they will get a much lower income. They will probably still earn enough to be required to pay their HECS debt back, but they will be paying it back at a much lower rate because they will be earning much lower incomes. The real pressure is going to be on them to say, 'I've got this debt and it is actually accumulating compound interest, and so can I really afford to take time out in my earning life to do the sort of work where I am going to earn a very low income and accumulate interest on my debt at a faster rate than if I took a high-paying or more lucrative job?' So it will not only be women who will take a period of time out of the workforce who will be impacted by the pressure of accumulating interest; it will also impact on people who have high-level professional qualifications but who want to do low paid community based work—work that I hope we would all want to encourage. So there are some real inequities and there is some real unfairness in the way that this bill will impact on people.

The other point that I want to draw to the attention of the House is the significant impact that this legislation will have on universities in regional and rural Australia. It is certainly the case in my own area that the University of Wollongong is looking at a significant cut to its funding. The amount by which that funding is potentially being reduced is around $98 million over the period of this reform. The University of Wollongong is in an area of high youth unemployment. I have to say that it is a university that a lot young people from regional and rural New South Wales attend. I regularly go out and meet with the student body over there, and young people from all around New South Wales come to Wollongong university. So the reality is that, with the best will in the world, universities that may not want to put up their fees will not be able to avoid doing that.

An important point for people to understand is that there is a retrospective aspect to this bill. Recently, I was talking to a young lady who I know. She graduated in 2008 from the University of Wollongong, with a bachelor of arts in human geography and sociology. Then she went to the University of Sydney and did a masters in public policy. Her total HECS debt...
is approximately $35,000. She has recently purchased a house with her fiance, and they plan to get married next year. She was stunned that the government could change the terms and conditions of her existing HECS debt and that she could now be liable to pay interest of up to six per cent per annum. She said to me that, when she looked at the announcements initially, she had no understanding that this was going to apply not just to current university or potential or prospective university students but also to people who have graduated and, indeed, who graduated many years ago. If they carry forward a HECS debt, the change from the CPI indexation to an interest rate being charged will affect them as well. So for many young people who are starting out, who are relatively recent university graduates, undertaking mortgages and starting families and so forth, it is going to be a bit of an unpleasant shock when they discover that this bill actually means that the conditions of the loan that they entered into—thinking that they understood how it was going to operate over time—has actually been changed by the bill that is before us.

I think many people are aware of this. Belinda Robinson, who is the Chief Executive of Universities Australia, recently said:

... if we're not careful, what we will start to see is a situation where students are being deterred not only from participating in university study but from in fact taking time out of the workforce to do things like raise children, because it will be such a financial burden for them once they re-enter the workforce. These changes will have a very detrimental effect on women and young families who are trying to get a start on life, such as getting a mortgage. This legislation creates a particular concern in terms of it being a disincentive to young people.

As I indicated, the so-called 'sweetener' is a scholarship program. I make the point again that it is not a Commonwealth scholarship; it is a scholarship funded by other students, who are paying higher amounts of money in order to provide that scholarship. It is also not accurate to say, as the minister constantly does, that at the moment people pay 40 per cent of the university costs and now we are only asking them to pay 50 per cent—as if that is not a significant change when the cost of a course has gone up significantly to start with and then there is compound interest on top of that. I think that is a misleading way to indicate how the impacts will be felt.

At the end of the day I think those opposite who get up to speak in support of this package will find that it creates quite a bit of grief in their electorates. I do not think it is a fair proposal to put before the electorate. I would suggest that, if those opposite really think it is such a great policy reform, they should hold off and take it to the next election. See how well it goes then. Put in your newsletters and your election campaigning material that this is what you want to do. See how well it goes down.

Mr Danby: Do as John Howard did with the GST.

Ms BIRD: As my colleague said: do as John Howard did with the GST. Run it by your electorate. Try and convince them of the arguments that you are putting to this House and let us see if they endorse the package. I profoundly believe that they will not, because it is fundamentally unfair at its heart. It makes university access based on your wallet not on your capacity, and that is never going to be acceptable.

Mr NIKOLIC (Bass) (19:21): I appreciate the opportunity to make a contribution to this second reading debate on the Higher Education and Research Reform Amendment Bill. Having listened to the opposition leader's speech and those of his colleagues to date on this
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bill, I am keen to make that contribution because there is a lot to correct. What is most
disappointing is that we are seeing yet more of the politics of envy and division—the politics
of the Rudd, Gillard and now Shorten era where we talk about the rich and the poor and no-
one in between. It is frustrating to hear that every day, but even more frustrating to hear
appalling scare campaigns and claims that students will not be able to afford tuition costs.

It is audacious for the opposition leader to talk about a 'debt sentence' when it comes to
university education. He was at the heart of Labor-Greens decision making over the last six
years, which started when the Howard government left office with big surpluses, money in the
bank, a Future Fund and a Higher Education Endowment Fund. Consider what the Labor
government left us. The member for Melbourne Ports smiles about that. If you want to hear
about a debt sentence, Member for Melbourne Ports, I will tell you about a debt sentence:
$191 billion of achieved deficit, and $123 billion of deficit forecast in the forward estimates
dead on its way to $667 billion. We borrow $1 billion every month just to pay the interest on
that debt, and, if we do nothing, paying our interest rises to $3 billion every month. So you
can laugh about that and think that is really funny. You can think about your leaders talking
about a debt sentence. The only debt sentence we have in Australia today comes as a legacy
of your government's reckless spending over the last six years.

Like a thief in the night, Labor has made a conscious choice to steal the prosperity of future
years by living unsustainably today and leaving future taxpayers to mop up the mess. There
was no thought about the quality of life for taxpayers. Mr Rudd, Ms Gillard and Mr Shorten
thought only of the daily media news cycle, the next announceable—let the next generation
worry about the mess that they are left. I ask the Leader of the Opposition to spare us the glib
lines about a 'debt sentence' when it comes to higher education, because Mr Shorten and the
Labor Treasurers have bestowed an appalling debt legacy on our country.

The previous speaker, the member for Cunningham, talked about selling the higher
education reforms, and that is exactly what I have been doing with my colleagues, every day
reinforcing the strategic nature of the government's higher education reforms. One such
occasion was on 21 August—almost a fortnight ago—at a forum which was coordinated at
Launceston College in my home town. The member for Kingston, shadow assistant minister
for higher education Amanda Rishworth, flew in from Adelaide and joined me on the panel.
We also had Senator Peter Whish-Wilson on the panel, telling us that Greens Party policy was
to give everyone free university degrees. That demonstrated once again that the Greens have
dealt themselves out of the rational debate, whether it is on higher education policy or a range
of other policy areas. As Group of Eight universities have recently pointed out, the total
additional funding required to provide a free university education in the next 15 years would
be almost $133 billion. What an irresponsible and reckless statement from Senator Peter
Whish-Wilson and the Greens!

When it came time for the member for Kingston to respond, she ran the same Labor lines
that she and the Leader of the Opposition ran earlier today in this debate. She claimed, as
other Labor members have, that university fees would double and triple, with many above
$100,000, but she provided not one skerrick of evidence. It would not have escaped the
member for Kingston's attention on 21 August that the legislation at that point had not even
entered the parliament and that not one university in Australia had yet set its fees. Yet, Ms
Rishworth, Mr Shorten and their colleagues falsely claim to know what the fees are going to
They will double and triple,' they say, but they do not present a scintilla of evidence to back up that ridiculous claim.

The Provost of the University of Tasmania also joined us on the panel that day at Launceston College. We only have one university in Tasmania, and the provost was a voice of relative reason when it came to some of these claims. On fees he said:

Any change to our fees can't be predicted at this point in time. There is no legislation, we have no details.

He went on to say:

We'll make changes that are very responsible and ones that we hope don't put you off a university career.

He was talking to the people in the audience, the year 11 and 12 students, who are being scared senseless by this mendacious claim run by this mendacious opposition. He was saying to them, 'Yes, there is scope for some fees to rise and some to fall. But the scare campaign about a doubling, tripling, quadrupling of fees is frankly malicious.' The government, by the way, is not increasing fees or telling universities what they can charge because that would be inconsistent with deregulation. What the universities charge is up to them and what students choose to pay. The member for Fraser, Labor's shadow Assistant Treasurer, has backed deregulation. He said on page 106 of his book *Imagining Australia: Ideas for our future*:

Australian universities (should) be free to set student fees according to the market value of their degrees. A deregulated or market-based HECS will make the student contribution system fairer …

He is absolutely right, and members opposite should look to their own shadow Assistant Treasurer when it comes to policy in this area. They should read Dr Andrew Leigh's book. It has some common sense in it. He makes the point that no rational university will price itself out of the market, otherwise it will lose students to other institutions. This is particularly the case when it is confronted by the competitive pressure of 40 universities and 140 new entrants into the system who will be providing pre-degree courses. Instead of scare campaigns, I would encourage those opposite to look at more considered analysis. The member for Fraser went on to say in his book:

Universities will have a strong incentive to compete on price and quality.

He said that any concerns about fees are 'readily alleviated.' This is a member of Labor's own frontbench. Professor Ian Young, the Vice-Chancellor of ANU, said:

The deregulation debate here has resulted in what I think are highly unlikely claims of enormous fees that will saddle students with debt for life.

Professor Scott Bowman, the Vice-Chancellor and President of Central Queensland University, said on 2 July 2014:

If premium universities now do start to lift their fees substantially, then the regional universities and UNE in particular, if it holds its prices, might find that it can compete on price and retain its student load.

These learned gentlemen and the Provost of the University of Tasmania know, as does the member for Kingston, deep in her heart, and her Labor colleagues that those universities who raise their fees too high will have no students. It fails the common-sense test that fees would double, triple or quadruple. It is a ridiculous scare campaign with no evidence behind it. The member for Kingston also stated in her speech earlier today that these higher education
changes will 'abolish opportunity' and 'quarantine university only to those who can afford to pay'. She said that low-SES students will be dissuaded from doing a degree. What an appalling addition to her scare campaign.

The Provost of the University of Tasmania said to that crowd of year 11 and 12 students at our forum, 'We are not going to change what we do for students and I hope you are not discouraged from engaging with us by the present debate.' In other words, do not be scared from going to university by these mendacious claims. In fact, the provost said this to his audience about the beneficial impacts of tertiary study: 'You will be happier. You will earn more income, the vast majority of university graduates are in the top 40 per cent of income earners in the country and you'll live longer. There's a big incentive for you.' He is right.

The member for Fraser, Labor's shadow Assistant Treasurer, has written on this subject as well, stating that under a deregulated system 'there is no reason to think that it will adversely affect poorer students'. That is from Labor's own frontbench. The member for Kingston, both at the Launceston forum and in her speech in the second-reading debate, also tried to draw a parallel between our system and the US system, knowing full well that she is not comparing apples with apples. Unlike the US system, Australian students remain protected by the HECS or HELP scheme, under which no Australian student needs to pay a cent up front to go to university. That is the fact of the matter. By contrast there is no HECS in the United States.

The member for Fraser, my doctor of choice, said, 'Under HECS, every Australian, regardless of financial circumstances, can invest in a university education.' The member for Fraser is right. Students here can borrow their full share of the cost of their education through HELP and do not need to repay anything until they earn in excess of $53,345 a year, and then only at two per cent at that level of income. If they are earning below $53,345 they pay nothing. If their income dips below that level—for example, if they are working part-time or are on maternity leave—then their repayments pause until their income again exceeds the $53,345 threshold. Those opposite also know that students only pay 40 per cent of their degree, with taxpayers paying the rest, and that all these reforms ask is that the cost of a degree is shared fifty-fifty between students and taxpayers. What a remarkable gift that is from the taxpayer—particularly the 60 per cent of taxpayers who do not do a university degree and subsidise those who do.

Another prescient observation from the member for Fraser, who said on p. 103 of his book: 'Government alone cannot provide all the additional funding necessary for our universities … More money is required from all sources, including students.' Professor Ian Young, Vice-Chancellor of the Australian National University has said:

Through HECS we can ensure that academic ability, not financial background, is the only barrier to university entry.

The member for Kingston and her colleagues also falsely claim that funding for higher education has been cut, yet the budget papers show that funding for higher education has increased under the Abbott government, opening up thousands of higher education opportunities for Tasmanian students. Contrary to Labor's claims, higher education funding goes up from $8.97 billion in 2013-14 to $9.465 billion in 2017-18. I am not sure how they get 'cut' from something that goes up by that amount. The budget papers also show that, under Labor, funding of higher education and research was cut by $6.65 billion. That is a clear example of Labor's duplicity.
So hang your head in shame, Leader of the Opposition, member for Kingston and your colleagues, because your fraud is revealed for all of Australia to see. Hang your head in shame, Senator Helen Polley, for your cruel and deceptive campaign in northern Tasmania to mislead our seniors that pensions and pensioner concessions have been cut and for your attempt to scare current and future higher education students. Pensions and pensioner concessions have not been cut. Higher education funding has not been cut. The government’s Higher Education and Research Reform Amendment Bill 2014 will provide education opportunities for thousands more young Tasmanians through access to HELP for undergraduate, diploma and trade courses. It is time that Ms Rishworth, Senator Polley and their colleagues looked to their consciences and stopped using the vulnerable and the young as political pawns to try and score cheap political points.

The truth is that, for the first time, expansion of the HECS-HELP scheme to those doing pre-degree courses—diplomas and associate diplomas—will give opportunity to 80,000 additional students by 2018. Our university, the University of Tasmania, has previously applied for hundreds of diploma places, which the government was not able to give them. This higher education reform package now makes it possible for them to have all of the diploma and other undergraduate places that they want.

I believe in the transformational power of higher education—it transformed my life. I came from a disadvantaged background. I did not start studying at university until eight years after I had entered the workforce. This higher education reform package not only spreads opportunity for students but also ensures that no Australian student is left behind and that Australia is not left behind in an increasingly significant global competition. That is why we are expanding the demand-driven system; that is why we are raising funding for universities and that is why this parliament should get behind this bill.

Mr STEPHEN JONES (Throsby) (19:37): When the subject matter of these bills first came before the House, I said some rather unfair things in the context of the budget debate. I characterised the minister responsible, the member for Sturt, as a person who—when he looks at the graduation halls and sees them full of shabby students from the suburbs and regions—sees not the operation of an equity program, but universities that have lowered their standards, because they are undermining the elitism that he thinks should be the feature of the Australian university system. That was a bit unfair because, whilst there is the truth in that statement, it runs the risk of trivialising what in effect is a very serious set of reforms. Make no mistake about it: the legislation which is before the House today is going to have the effect of transforming a sector of our economy, which is one of our greatest exports and one of our most important assets. It is going to be the only driver of productivity for our workforce into the future it and it is that sector of the community which we rely on to produce educated and productive citizens.

I will make a harsh criticism of the minister by saying this: normally you would expect some of the most intelligent contributions in a debate to be made by the minister who is responsible for a particular set of bills. That is not the case in the course of this debate. I had the benefit of being in the chamber earlier today and listening to the contribution of the member for Pearce. I will have a few observations to make about his contribution. I note that he has been in the news quite a bit today. Apparently, he had a spat with the Treasurer in the party room and apparently the Treasurer came off second best. But that is not the force of my ...
The point I want to make is this: an intelligent contribution can be made but we have not heard it from the minister and we did not hear it from the member for Bass just now. I will also have something to say about his contribution and some of the things he did not say. I fundamentally disagree with the points that have been made by the member for Pearce but they do need to be joined.

The measures before the house are a part of a series of reforms in the education space. In part, they relate to the dishonouring of the commitment made by the new government before the 2013 election to match Labor's commitment to implement the Gonski school education reforms. That is the first part a three-pronged education reform by the government. The second part is the streaming of students, in which the government is effectively saying: 'We see a university sector which is there for elite students; and we see a vocational education system for those who are not the elite students and we think it is the role of government to somehow stream and encourage those who would otherwise go to university to go to the VET sector.' That is the proposition that I fundamentally reject. Both sectors have an important part to play, but one should not be given primacy over the other.

The bill before the House does three important things—all of them very dangerous. It takes the cap off student fees, and I will have something to say that the consequence of this. They reduce the Commonwealth per capita funding to universities, via the Commonwealth grants for undergraduate places, by an average of 20 to 30 per cent. This is a point I would make in response to the contribution from the member for Bass: this becomes the baseline for the increase in fees that university students will have visited upon them from next year—this 20 per cent cut in funding becomes the baseline. This must be increased by next year if universities are going to have a chance in hell of keeping their heads above water—a 20 per cent increase to make up to the 20 per cent cut that this government is imposing. The third change is the change in the HECS payment indexation rate and the threshold at you start repaying your HECS debt. The bill changes HECS from the current CPI indexation, which is approximately 2 per cent to the government bond rate capped at six per cent. What this effectively means is a tripling of the interest payments on the ever increasing HECS loan.

These are dangerous propositions and they will serve to put more obstacles in the way of students—particularly students from regional Australia. I have personal experience in this: I attended a regional university; I have the benefit of having put myself through two university degrees by working part-time through both of them. There is no way that I would have attended a university if there was not a first-class regional university in my town to provide me with that first step into higher education. It is going to hit hard in regional Australia—we know that for a fact. The cost of university courses is going to go up, and the vice-chancellors themselves are saying that the cost of fees will go up. My own vice-chancellor—the vice-chancellor of the university of Wollongong, Paul Wellings—says that international student fees will become the yardstick for what our domestic students might pay. He has some experience of a deregulated market, because previously he was the vice-chancellor of Lancaster university when the UK government brought in changes that allowed university fees to be tripled. On deregulation, Professor Wellings has this to say: 'We should expect to see fee hikes across the country. It means the level of HECS debts will rise and I am sure that will be a concern for students and their families.'
I put that to the member for Bass, who has said there is no evidence, and no university vice-chancellor around the country is saying, that fees are going up. Well, there is the evidence, straight from the horse's mouth, from the vice-chancellor of my university. I am sure other universities are saying the same—why on earth would they be arguing for deregulation of university fees and the uncapping of university fees if they did not intend that university fees would go up? It just does not make sense.

We have heard it said that we are scaremongering when we contemplate the prospect of $100,000 university degrees. Leaving aside the examples of the United Kingdom and the United States, there is already a domestic benchmark. Look at the price of a law degree, looking at my own profession, at Bond University. It is the only university in the country that is currently providing a law degree on a full fee-for-service basis to domestic students. It is $127,000 for a law degree from Bond University. You do not need to look overseas; we can look to our own country to see where some of the benchmarks might be. As I have said, we know what the floor on increases in university fees is going to be. The floor on the increase of university fees is going to be 20 to 30 per cent—which is the slashing of funding that we have seen as a result of this bill and as a result of this government's rotten budget—on per capita funding to each university in the country.

The member for Bass had a bit to say about a higher education forum that he attended when the shadow assistant minister for education was in Tasmania recently. I have got to say I was very surprised that he stood in this place and made reference to that forum, because I understand he copped a bit of heat at that forum. In response to the heat and the anger that he received from university students in that forum, he undertook to come back to this place and to lobby his own side—the government—to scrap their proposal to introduce changed interest rates on the HECS loan and to try and moderate other aspects of the package. I ask the member for Bass how he has gone on that score. He made a big promise when he was in his electorate. He was a lion in his electorate but a lamb when he came to Canberra. It is not as if there was not a bit of argument going on in the government party room today! I understand the member for Pearce got up and he had a bit to say to defend his state. Where was the member for Bass? He promised his electorate that he was going to get up and speak about this and there was not a word of it. No doubt he will come back and correct the record on his failure. He will maybe come back in here and explain why he failed either to take it up with the minister, as he promised to do, or deliver for his state.

I said I was going to address some of the claims made by the member for Pearce. I thought he made an intelligent contribution, albeit one that I disagree with. He made an intelligent contribution, which was much more intelligent than the contribution from the minister responsible. He referred to a paper entitled *Social justice in Australian higher education policy*, authored by Gale and Tranter. It is a good read and I commend it to all of you on that side of the House. Unfortunately, he quoted selectively from the paper. The crux of the member for Pearce's argument was this: we have tried for 100 years to introduce price-based equity measures into the higher education system, but those measures have failed because there is a complete inelasticity of demand when it comes to the demand for higher education services in this country. Put in layman's terms, the member for Pearce's argument is simply this: we have tried equity measures by providing some regulation on price; that did not work and in fact it does not matter how much you charge, as people still demand and pay for a
university degree and the HECS scheme introduced by Labor is helping to offset any inequities in the scheme.

I did read the paper with great interest. The claim that we have not seen any improvement in equity is simply not true. The authors themselves have said that we have seen great advances in improving the equity outcomes for higher education over the last 50 years, as a result of successive government policies. That is, I have got to say, a tribute to the Menzies government—who had a commitment to higher education in this country, to building new universities and to expanding access, so I pay tribute to those on the other side for that—but it is also a tribute to the Whitlam government, who had a vision for opening up access to educational institutions in this country, and to the reforms of the Hawke-Keating and Rudd-Gillard governments.

The member for Pearce said that the equity measures introduced in relation to higher education had had no impact on demand or the entry of people from low-SES backgrounds into the university system. Although he did give an intelligent contribution, he did not quote the observation from the authors that our failure to improve the participation of people from low-SES backgrounds in our higher education system did not have as much to do with our higher education pricing policy as what we were doing at the primary and secondary school level. Effectively, what the authors are saying here is that if you invest in school education, you will see more people from modest backgrounds finding their way into university.

I return to where I started. You need to have a joined-up policy when it comes to education. There are the Gonskis that these guys like and the Gonskis that these guys do not like. Actually, Gonski had a vision for the entire education system. He said, 'Invest in school education and you will see a greater improvement and a greater participation of people from low-SES backgrounds into the higher education system.' He is right. This is a message to those on the other side, including the member for Bass. (Time expired)

Mr NIKOLIC (Bass) (19:52): Mr Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Mr Goodenough): Does the honourable member claim to have been misrepresented?

Mr NIKOLIC: I do.

The DEPUTY SPEAKER: The honourable member may proceed.

Mr NIKOLIC: The member for Throsby just made a number of incorrect claims in relation to a forum on 21 August in Launceston. The incorrect claims were that this was a university forum. There were no university students at the forum.

Mr Husic: Mr Deputy Speaker, I rise on a point of order. There is a time and a place for the type of intervention that the member is trying to undertake. There is no provision for this under the standing orders, and he is not permitted to do this.

Mr Hartsuyker: Mr Deputy Speaker, the good member sought your indulgence, and members opposite did not object

The DEPUTY SPEAKER: The honourable member may proceed, and he should be succinct.

Mr NIKOLIC: The member for Throsby made a number of incorrect statements in relation to a forum that was conducted at Launceston College on 21 August. He said that there...
were university students at this forum. That is incorrect—they were year 11 and 12 students. He said that there was 'heat' from the floor of the forum. That is not correct—it was a very civil forum with questions from the floor and panellists responding. He has also obviously missed my comments in the media where I have been advocating for a better deal for my constituents with the education minister. The matter he is referring to has been reported in newspapers in my electorate, so I am not sure what he is talking about with there being a line here or whatever he said there. The fact is that he has been caught out misrepresenting me.

Mr HAWKE (Mitchell) (19:54): To put some context on that charade, the member for Throsby clearly asked the member for Bass to explain himself, and the member for Bass has eloquently explained himself. There is no need to interrupt him, member for Throsby. You called for it, you asked for it, and you got it. You got the facts straight up from the member for Bass.

It is a privilege to rise tonight on this very important set of education reforms from a competent reforming education minister, Christopher Pyne. It is pertinent to note that at the time of his recent birthday we saw some student protests around the country. I think it is emblematic of the case against these generation-breaking reforms—these leading reforms that are going to be once-in-a-generation according to the Go8—that the protesters protesting against his birthday could not even burn an effigy of the Minister for Education effectively. It is emblematic of the case against these measures because the Labor Party know in their hearts that these reforms are absolutely correct. While the member for Throsby says 'Go and read the social justice paper', we are too busy reading Dr Andrew Leigh's *Imagining Australia* book. It is a book I would recommend to you—it is a good read. I have a signed copy in my office, signed Dr Andrew Leigh himself, and he said:

A deregulated or market-based HECS will make the student contribution system fairer because the fees students pay will more closely approximate the value they receive through future earnings.

I have to say to the Labor Party that I could not have expressed that better myself than the shadow Assistant Treasurer, Dr Andrew Leigh, who says that a deregulated or market-based HECS will make the student contribution system fairer. That is the whole point of the government's reforms. It is important to note at the start of this debate that the government is increasing access to higher education opportunities. We are increasing those opportunities to tens of thousands more Australians. These education reforms are needed. They are necessary. They are necessary because the Labor Party started the process of deregulation. To anybody who is listening, to understand this debate we are having today we have to understand that Labor deregulated student numbers at universities. Once you have deregulated student numbers at universities, you have to deregulate the fees—you cannot simply deregulate student numbers without having a mechanism to fund those numbers of students. This is the exact position of the Group of Eight chairman and ANU Vice-Chancellor, Ian Young, who said:

We have created a perverse incentive that rewards universities for enrolling as many students as possible and teaching them as cheaply as possible.

Deregulation is a game-changer, as he describes it. It is a game-changer because you cannot deregulate the numbers attending university without having a finance mechanism for governing those numbers at university, which of course is the competition between universities. The competition will bring great benefits. There will not be $100,000 degrees in
Australia until that is appropriate in the market. There will be fees set by universities according to the demand, and, to address the concerns of the member for Throsby, regional universities will be right in the competitive space. As many of the vice-chancellors have acknowledged and publicly said, regional universities can now compete on cost to maintain numbers as a competitive advantage. So this is going to not be bad for regional universities, as you would think from listening to some of those opposite—it is going to be good for regional universities. It is going to be a winner because they can compete on things that the big universities cannot compete on. I know that is the case from speaking to the UWS—the University of Western Sydney—one of the most competitive, innovative, modern universities in the country. It competes on cost, it competes on facilities and services and it competes on degrees. I think this reform will allow UWS to compete with the bigger universities—the University of Sydney and the University of New South Wales in Sydney—in a way they are unable to currently.

There is nothing to fear here, because the government is preserving equality of access. Anybody who is considering this package of reforms has to understand that unless equality of access is preserved—that is, no-one will pay anything for a degree up-front if they do not want to; nobody pays a cent up-front for a degree if they do not choose to—then you have no equity access issues because, as per the current system, you are making a contribution to your own education. I have to say, without speaking out of class, that every single member in this chamber agrees with that. Every single member in this chamber agrees that a student ought to contribute to his or her own education. There is no such thing as a free education. The taxpayer has to foot the bill and at the moment we know, as the minister has put very eloquently, that 40 per cent of contributions is made by the student and 60 per cent is made by the taxpayer. We are changing those arrangements under these proposals to a fifty-fifty arrangement. Given we know that university educated people who successfully graduated on average earn more over a lifetime—

The DEPUTY SPEAKER (Mr Goodenough): Order! The time being 8 pm, I interrupt proceedings. Earlier today the honourable member for Throsby drew the attention of the Speaker to the state of the House. In accordance with standing order 55(c), I will count the House if the member so desires. The member for Throsby not being present the matter lapses.

Mr HUSCE: Mr Deputy Speaker, I draw your attention to the state of the House. (Quorum formed)

Mr HAWKE: I thank the member for Chifley for bringing into the House the Minister for Education, the sponsor of these important reforms, because Paul Kelly, one of the most respected and trusted journalists in the country, describes these reforms as 'a game changer'. He knows that higher education reform is absolutely necessary in this country and this government and this minister are delivering those reforms for the benefit of students around Australia. Thank you member for Chifley because these members here know that higher education reform is absolutely vital—that is, your government deregulated student numbers; we now need to deregulate the fees. That of course will ensure greater opportunities for access and also greater opportunities to have a world-class education sector.

It is fantastic to see so many enthusiastic supporters here of these reforms. There are almost as many people here tonight as those who attended the student protest against Christopher Pyne at Sydney university when I was there—almost as many and they are almost as fervent.
Watching the student protest against the minister and the government is almost like watching a throw-back to the 1970s—railing against the machine, raging against the machine, protesting against protesting. What are they protesting about? They do not even know because many of these students are professional left-wing students on campus at small gatherings inspired by former compulsory unionism, sent out by the Labor Party against these reforms, which are absolutely necessary and vital. I know most young people in this country will go forth and ask, ‘What are the benefits to me of these reforms?’ They will understand that they can make a rational choice about what is best for them in their higher education field—that is, they will consider, ‘What is the cost of my degree and how much can I afford to pay?’ When earning $50,000 you are only paying two per cent of your income in repayments. That is a very small amount for the taxpayer to ask back from $50,000. It is a reasonable amount. It is a practical amount. It exists in arrangements almost similarly at the moment. It is not a question of changing the system. The Labor Party agrees that there should be a contribution to students' education made by students. We are saying it should be 50-50, not 60-40.

It is not the outrageous attack on education that the Labor Party wants to make this. They know that, as most of the vice-chancellors know, as most of all of the education experts in this country, including David Gonski, understand. I think the member for Chifley in particular well remembers David Gonski. I remember his orange 'I give a Gonski' T-shirts, which the member for Chifley proudly supported all through the last election. Well give a Gonski, member for Chifley! Give a Gonski and understand that these higher education reforms are absolutely necessary! If I could borrow your T-shirt, I would be happy to wear it for you and to make sure that you understand these reforms are supported by David Gonski. He understands they are necessary. He understands that they are the next evolution of education reform in this country, that reform is not something we should always instantly fear and run away from but something we can and should embrace.

We have seen the Labor Party unwilling to even have a discussion about higher education reform, even though they deregulated student numbers. So they have created an incentive. They introduced HECS. They introduced co-payments. We have the shadow assistant Treasurer talking about how the deregulation of HECS fees will be of great benefit and will be—let us use the magic work—‘fairer’. The student contribution system will be fairer on deregulated market based fees. Remember 'Forward with fairness'? Remember the fairness line you have been running against this government? The shadow assistant Treasurer says a deregulated system will be fairer for students. It is fairer for students. It enables them to make rational choices. It enables them to think about what the best degree is for them, and what the cost is that they are going to have to repay over their lifetime, and make an appropriate choice. It allows universities to compete with each other and offer lower fees. It enables our university system to have the benefit of competition and, because equality of access is preserved, no student in the country, no-one from a disadvantaged background, ought to fear anything this government is doing, because equality of access is preserved for all Australians. In fact, we are massively expanding access, and that is being absolutely overlooked by the members opposite in some of the commentary.

There are many other important parts of these reforms that are essential. No student will be paying a dollar up-front, and with the HELP system they will not be paying until they are earning over $50,000.
In summary, there are many things to say about these education reforms. The scare campaign is just that—it is a purely fear-driven campaign. It is a fear-driven campaign that is not catching on.

When you look at the facts of how the system will operate under this reform package, no student will be unable to access the system. Students will be able to make rational choices about their future. They will put more thought into what degree they are going to do because there will be a cost imperative. So degrees that take longer, that are going to provide more income, will cost more—that is a logical outcome of this. All of the senior medical degrees will cost more; there is no doubt about that. But that, of course, will mean that you will have a rational decision to make about how much you are going to earn over your lifetime, and you will invest in the choice, the right choice, for your education up-front. There is nothing to fear from these reforms except fear itself.

But when you have David Gonski, and the shadow Assistant Treasurer, and the university vice-chancellors, and the Group of Eight—the peak body representing universities in Australia—saying that these are not just necessary but absolutely game-changing reforms that will produce huge improvements to the education system in this country and will not disadvantage regional campuses or regional students, then really the Labor Party is out of arguments. Their only argument is: they are in opposition and need to make some political capital to try and return to office. This will not be it.

I will make this prediction: there will be negotiations with reasonable people in the Senate; these reforms will happen. If the Labor Party manages to block them, these reforms will happen one way or the other. But I believe that the Australian parliament ought to take advantage of this minister's and this government's opportune putting forward of these very important reforms, enabling our education sector to become world-class and compete on the world stage.

Ms COLLINS (Franklin) (20:09): I rise to speak on the government's Higher Education and Research Reform Amendment Bill 2014—I think as probably one of the very few people in this place who has never had an education at a university. As I think back on that decision that I made not to go to university, I recall my first speech in this place, where I said:

Looking back at my experiences I came to realise that access to education and information was just as big a barrier to equality as being poor was.

In fact, I went on to say that I would:

… work to ensure that all people have access to a quality education—that the barriers are removed and that quality education remains a right and not a privilege.

I went on to say that:

These barriers are more than just economic. Access to different experiences is also vital, as is providing support services enabling families and children to have choices—real choices—about their own future.

That is what really concerns me about the changes that are in this bill, because I believe that these changes will profoundly affect people in regional and rural Australia, that they will profoundly affect people from my home state of Tasmania, that they will affect people from low-income households, and that they will also profoundly affect women.

I am proud to stand in this place and talk about Labor's higher education reforms since I have been in this place and the reforms of Labor governments past. Labor has always had two
things at the heart of our reforms: equal access for all, and quality of education and research at our universities. Unfortunately, I think this bill will fail these two tests.

Under Labor's reforms there was an increase nationally of children from low-SES backgrounds attending university—an increase, indeed, of 21 per cent. They also saw Indigenous students increase by 26 per cent and regional students by 30 per cent. Labor increased funding for universities in our last term in office from $8 billion in 2007 to $14 billion in 2013. It is a record that I am and should be proud of. But the changes in this bill will undo many of these achievements.

So what is the government actually doing with this bill? Well, to start with, this bill represents broken promises, because we all remember, of course, the promise of 'no cuts to education' and then of the 'continuation of current arrangement of university funding'—clearly, two promises broken with the introduction of this bill.

This legislation represents a massive funding cut to higher education in this country—in total, $5.8 billion in cuts from higher education, teaching, learning and university research. This legislation is making these cuts by slashing funding for Commonwealth supported places in undergraduate degrees by an average of 20 per cent and, for some courses, by up to 37 per cent. It is also reducing the indexation arrangements for university funding to CPI in 2016, down from the appropriate rate the previous Labor government had introduced. This means $200 million in cuts over the forward estimates period, but is a major contributor to the $2.5 billion per annum shortfall in 10 years' time, according to the Parliamentary Budget Office. There is the cutting of the Research Training Scheme, by $174 million—the scheme which supports training of Australia's research students, our scientists of tomorrow. There is also the introduction of fees for PhDs.

And of course there is the change to the interest rate on HECS, from the current CPI rate to the 10-year bond rate, up to six per cent. This highly regressive measure applies not only to existing and future students, but to anyone who will still have a HECS debt when this measure passes. So why is this so bad? Well, existing HECS- and HELP-debt students—currently about 1.2 million people in Australia—will be hit with thousands of dollars extra in interest on their loans after 2016.

Both existing and new HECS-HELP debts will feel the impact of the Abbott government's changes to interest rate indexation from CPI of two per cent to the government bond rate, capped at six per cent. This will be applied retrospectively and will not be grandfathered, so all current and former students with a HECS debt will be hit by these changes.

Then we heard a lot of kerfuffle from the other side about how deregulation will be great and will not lead to substantial fee increases. But the estimates range from 30 to 60 per cent, depending on the course and depending on who is doing the research. But whether it is the Group of Eight or the NTEU, everybody agrees that fees are on the increase.

We know from looking overseas the impact this has on students. In Britain, fees were deregulated in 2012 with a cap of 9,000 pounds. For the 2015-16 academic year, there will be only two universities, out of 123, that will not be charging 9,000 pound fees. In the United States, the system Christopher Pyne seems so keen to emulate, university fee rises are out of control and student debt now exceeds credit card debt. We do not want that here in our
country. So we know that the cost of a degree will go up substantially and that this will deter students from low socioeconomic backgrounds from actually attending university.

The imposition of a real interest rate, when the implications of this set in, will also deter those who are likely to earn lower graduate salaries: teachers, nurses et cetera—and this will disproportionately affect women who undertake these courses. Bank of America Merrill Lynch chief economist Saul Eslake has warned of the consequences of higher interest rates on student loans, particularly for women:

It would be irrational for people not to consider the cost in relation to their working life, in the same way as when you borrow to buy a house.

We are talking about the decisions that people make about whether or not they should get a university degree, so it will certainly be deterring people from my home state of Tasmania, where people are on low incomes.

We know that these changes will impact regional Australia. Former Vice Chancellor of the University of Melbourne and eminent higher education specialist, Professor Kwong Lee Dow, has said that the government's package means that 'students will be paying significantly more, and rural and regional students will be disproportionately affected'. Deregulation of the student contribution is unlikely to place many regional universities in an advantageous position given that price will be seen by prospective students as a proxy for quality—that is, that higher fees are associated with higher status—even though that may not be the case.

Regional universities recruit up to 75 per cent of their domestic students from the regions they serve, where students and their families tend to be financially risk-averse. The key factor for students not completing their studies usually relates to their financial situation.

I want to talk a little bit about the impact of these changes on my home state of Tasmania. We are in a unique position where we only have one university. We have had come into this chamber two other members from Tasmania, the member for Braddon and the member for Bass, to talk about these higher education reforms, and I notice the member for Lyons is in the chamber at the moment. Interestingly, the Vice Chancellor of the University of Tasmania is concerned by these changes. Indeed, he said:

The ability of the University to recoup those reductions in revenue through fee premiums may be limited by the economic circumstances of the island. …

… Those subjects that we do not teach, the research that we do not conduct, or the social programs that we do not support are unlikely to be replaced easily by other providers.

That means they will not be taught in Tasmania.

The vice chancellor has also indicated that University of Tasmania's budget will be cut by approximately $30 million to $35 million per annum—each and every year. The University of Tasmania is one of Tasmania's largest employers and we know that Tasmania has the highest unemployment rate in the country. So there are grave concerns that these changes will impact right across the state and right across the economy in Tasmania.

Indeed there is so much concern that we have had the member for Bass come out publicly and talk about his concern. We heard the member for Throsby refer to it earlier. Even the new Liberal state education minister in Tasmania is pushing for a special deal for the University of Tasmania. Just a few weeks ago he requested an urgent meeting with the federal Minister for Education to talk about how these cuts will impact the University of Tasmania. The state
government is so concerned, and we know that others are so concerned, that they are talking about what Tasmania needs to compensate.

For Tasmania to require compensation means that it is actually going to hurt the state. It is going to mean that Tasmanian students will be worse off if this bill goes through. We know that Tasmanian students are already from lower socioeconomic backgrounds—higher than the national average. We know that Tasmanian students already do not have a lot of choice. We know the vice chancellor has talked about closing campuses in the state. We know that there has been a discussion about splitting the university from the research and the teaching, so that the university may be viable under these changes. There is grave concern right across the Tasmanian economy and indeed right across the Liberal Party and all the parties in Tasmania about these changes. There is concern everywhere in Tasmania.

It is interesting that the member for Bass talked about going to a forum on higher education reforms in Tasmania. I went to a forum there. I spoke to the students at the campus in Hobart. Jackie Lambie was there. The member for Denison was there. I was there. The state Labor member was there. But there were no Liberals in sight.

Mr Hutchinson: None of us got invited.

Ms Collins: They did get invited, and they all turned it down. They were called by the organisers of the event, Member for Lyons.

Mr Hutchinson: It was only 24 hours beforehand.

Ms Collins: The Tasmanian senators were given much more notice than that. They were invited to the forum, but they would not front up.

Mr Hutchinson: It was a setup.

Ms Collins: Why wouldn't they front up? Because they did not want to hear the concerns of the students at the University of Tasmania about these changes.

Everybody on that panel heard the concerns of the Tasmanian students and everybody on that panel undertook to not support these higher education changes—because we know that they are bad for Tasmania. We know that they are bad for the University of Tasmania. We know that they will be bad for unemployment in Tasmania and we know that they will be bad for the Tasmanian economy.

These changes are bad across the board. We have heard from so many people that these changes are bad. Australians are against these measures. Have any of the members opposite actually talked to people in their electorates? Do they know how unpopular these changes are? Have they actually spoken to the mums, the dads, the aunts, the uncles and the grandparents about their aspirations for their children and how frightened they are about these changes? Have they actually done that? Did they do that during the parliamentary break? Did they talk to anybody in their electorates? From the way they have come in here and spoken on this bill, I would think not.

If they have actually talked to people, clearly they have not been listening because they could not then come in here and say the things that we have heard from the members opposite. They could not possible come in here and say that there is widespread support for these reforms—when we know there is not. They could not possibly come in here and say that these reforms are not going to lead to higher fees—because they will. They could not possibly
come in here and talk about these reforms and how good they are, knowing that students will have higher debts. I do not understand how so many of them are willing to stand up and defend this appalling piece of legislation. I absolutely cannot understand how they are doing it.

Australians are absolutely against the measures in this bill that I have spoken about. They are against cutting public funding to undergraduate courses. They are against $100,000 degrees for their family members. They are against these things because they understand the value of an education. They understand that education should be available to everyone and that, no matter their means, no matter where they come from and no matter whether they live in an island state, they deserve the opportunity of a university education if that is their choice. I proudly stand and say that I and Labor will be opposing the measures in this legislation.

Dr HENDY (Eden-Monaro) (20:24): I will start this speech by saying what I said in a speech earlier today in this chamber, which is that I have a question for the Leader of the Opposition, and that is: 'Where is the money coming from, Mr Shorten? Where is the money coming from to pay for all these things that you think need to be done?'

I am very happy to speak on the Higher Education and Research Reform Amendment Bill 2014 and support its second reading. This bill forms part of the significant macroeconomic reform contained in the May budget. I believe it is both necessary and vital for the Australian economy. We all know that a first-class higher education system is a necessary condition for maintaining a First World economy. It is the difference between having a wealthy and an also-ran country. Australia is a first rank economy and one of the most developed in the world. That is not a matter of luck. Many countries have abundant natural resources but have poor and weak economies because they do not possess the intellectual fire power to utilise those natural blessings.

As John Howard often said, economic reform is like participating in a running race with an ever-receding finish line. The reform task can never end if Australia is to stay in the front rank of nations. As a former chief of staff of a former minister for education, I know a little bit about this issue. At the time I was in that position during the Howard government, we tried to initiate some university reform. It was a hard task and we got a little way down the road. I wish all strength to the current Minister for Education for the hard battle he has ahead. He can be assured that members on this side of the House understand the task at hand and fully support him.

Some people point to the fact that we have 39 universities and that the higher education sector in Australia is robust. However, I note that when I lived and worked in Bahrain, in the Middle East, they also had 39 universities for a population of only 700,000 indigenous people and another 700,000 foreigners. However, that was no indicator of quality, I can assure you.

This package of reforms has a large number of key elements, and I want to catalogue them to indicate the breadth of the reform process that is going on here. The government is expanding the demand driven Commonwealth funding system for students studying for higher education diplomas, advanced diplomas and associate degrees—costing $371.5 million over three years. We are extending Commonwealth funding to all Australian higher education students in non-university higher education institutions studying bachelor courses—costing $449.9 million over three years. Over 80,000 students each year will be provided additional support by 2018. This includes an estimated 48,000 students in diploma, advanced diploma
and associate degree courses and 35,000 additional students undertaking bachelor courses. This is a huge reform.

Putting a lie to the opposition’s scare campaign, there will be more opportunities for students from low socioeconomic status backgrounds through new Commonwealth scholarships—the greatest scholarship scheme in Australia's history. This would effectively mean free education for the brightest students from the most disadvantaged backgrounds.

Critically, we will be freeing universities to set their own fees and compete for students. This competition will enhance quality and make higher education providers more responsive to the needs of students and the labour market. It is our firm view that, when universities and colleges compete, students win. That is backed up by historical evidence. Just ask the Labor Party members who originally introduced the fee system with the Dawkins reforms in the Hawke government. We are strengthening the Higher Education Loans Program, which sees the taxpayer support all students' tuition fees upfront and ensures that students only repay their loans once they are earning a decent income—that is, over $50,000 per annum. As the minister says, no-one needs to pay a cent upfront. Removing all FEE-HELP and VET FEE-HELP loan fees which are currently imposed on some students undertaking higher education and vocational education and training will help thousands of students.

We will secure Australia’s place at the forefront of research, with $150 million in 2015-16 for the National Collaborative Research Infrastructure Strategy; $139.5 million to deliver 100 new four-year research positions per year under the Future Fellowships scheme; $26 million to accelerate research in dementia; $42 million to support new research in tropical disease; and $24 million to support the Antarctic Gateway Partnership. These are a fantastic boost to research and will be complementing the $20 million Medical Research Fund that the government is also setting up.

Of course we also have to make some tough decisions. We will be reducing the Commonwealth Grant Scheme by 20 per cent and we will be adjusting the interest rate on student HELP loans—the money taxpayers lend students up-front for their tuition—to instead the 10-year bond rate with a capped maximum of six per cent, away from the current interest rate which is CPI. I note that taxpayers borrow the funds at the bond rate.

My electorate of Eden-Monaro is a rural and regional electorate so a lot of constituents, alarmed by the scare campaign of the ALP and Greens, asked me what the implications of the changes will be for regional areas. I can assure my constituents that the reforms are overwhelmingly positive. The government's higher education reforms offer many advantages and opportunities for regional universities and the regional communities they serve. Many will take advantage of the new-found freedom to offer funded places in higher education diplomas, advanced diplomas and associate degrees. This will advantage people in regional communities, especially those who might not have done so well at school but who deserve the chance to develop their skills and prove that they have what it takes to succeed at higher education.

In addition to providing pathways to higher degrees, many sub-bachelor qualifications provide a ticket to a job in their own right. They provide training for engineering technologists, paralegals, construction managers and aged care professionals—the kinds of skills that many regional communities need. To attract more students, some regional institutions may seek to offer their courses at a lower cost than their city counterparts. If
towns and cities get behind it, this could see more students from urban areas choosing regional cities and towns to undertake study, which would be a boon for regional economies. Indeed, the Cooma-Monaro Shire Council in my electorate has been working with the ANU and the University of Canberra in just this manner. The Eurobodalla Shire and the Bega Valley Shire in my electorate have been talking to the University of Wollongong as well as the other last named two universities.

The government's higher education reforms are also likely to see a bigger higher education footprint in regional areas with non-university higher education institutions including some TAFEs and private colleges being able to offer subsidised places to students. TAFE and universities have the freedom to work together to deliver the kind of education opportunity students need. The new Commonwealth scholarship scheme will ensure that more students from regional areas have the opportunity to study at a range of universities. The scholarships will help to cover fees, living expenses and relocation costs as well as mentoring and tutorial support.

In reducing per student funding under the Commonwealth Grant Scheme, the government has taken care to ensure that the reduction does not impact regional universities disproportionately. Teaching and nursing courses, which are the mainstay of many regional universities, are particularly looked after. But you do not only have to take the government's word for this matter. There are many endorsements of our position. For example, on 13 April this year the Regional Universities Network put out a media release welcoming the release of the review of the demand-driven student funding system otherwise known as the Kemp-Norton report. The regional universities network stated:

The provision of demand-driven places to non-university providers could build on the significant partnerships or dual arrangements that already exist between regional TAFEs and regional universities. More options for higher education study including sub-bachelor pathways will be available to regional Australians including low SES students.

The reforms would be good for regional Australia. More highly skilled graduates are what our economy and communities need. Extension of the demand driven system to sub-bachelor places would allow universities to be more responsive to the needs of less academically prepared students.

The Regional Universities Network chair, Prof. Peter Lee, noted in another release on 29 April:

... given the current funding climate, RUN is open to robust discussion of fee deregulation in a broader context of university funding, including research and regional loading funding.

If there is fee deregulation, there should also be support, including scholarships, to ensure the continued growth in the participation of low SES students in higher education.

That is what they asked for and that is what we are doing. Or, as Prof. Scott Bowman, Vice Chancellor of the Central Queensland University said to The Australian newspaper on 2 July 2014:

There are two types of universities. Those that see change, wring their hands and say, 'Oh woe is me,' and then there are others that lick their lips and say, 'We are a lip-licking university.'

Prof. Jim Barber, former Vice-Chancellor of the University of New England, said on ABC radio on 19 May 2014:
If premium Universities now do start to lift their fees substantially, then the regional Universities and UNE in particular, if it holds its prices, might find that it can compete on price and retain its student load.

The good professor went on to say in an article published in the *Australian Financial Review* on 16 June 2014:

Taken together, these budgetary and regulatory developments should increase the range of educational options on offer in Australia providing students with genuine choice rather than Mao suits.

And Paul Wellings, Vice-Chancellor of the University of Wollongong, wrote in an article in the *Australian Financial Review* on 23 June 2014:

...there is a real chance that [Education Minister] Pyne's reforms will ... the sector while maintaining our ability to offer university education free at the point of delivery to all students, irrespective of their social circumstances.

That is a ringing endorsement both on the need for change and what the government is actually proposing.

The ALP has been running an unprincipled scare campaign on these necessary reforms. The genesis of this scare campaign runs deep in the ALP. Interestingly, that astute political observer, Paul Kelly—the member for Mitchell was referring to him with respect to another quote—comments in his recent book, *Triumph and Demise*, on the character of the Rudd-Gillard-Rudd circus of a government. On page 57 he wrote:

But Beazley—

That is Kim Beazley, the former Leader of the Opposition and when he was the ALP leader—made a contribution that shaped Labor's thinking for more than a decade—his 2001 Knowledge Nation policy, a manifesto for office. Its central idea was that the next wave of economic reform would arise from public investment in education, skills and technology. Beazley was seeding agent for the Rudd Gillard 'education revolution'. His starting position, critically, was that the Hawke-Keating pro-market reforms were completed.

But what was Kelly's assessment of that change? He made this observation:

It implanted a false choice in Labor's head: investment in education was essential but not as the substitute for the next round of market-based economic reform.

And who in the Labor Party did not actually support what Kim Beazley was saying those many years ago? It was actually someone who is on the front bench of the Labor Party now, the shadow assistant Treasurer, the member for Fraser.

In a book entitled *Imagining Australia: ideas for our future*, which he co-wrote with a number of other people, he said a number of really interesting things. On page 104 he said, 'Contrary to popular opinion, HECS did not reduce the fraction of poor students attending university, giving the lie to those who say that abolishing HECS would improve educational access for students from poorest families.' He also said on page 105, 'Indeed we believe that HECS should be extended to cover those tertiary students not currently covered under the scheme, including those attending TAFE, accredited private trainers and the small number of private Australian universities,' something that we are actually doing in the Minister for Education's reforms.

He also said this—amazingly. How he remains on the frontbench of the Labor Party I do not know. He said on page 106, 'We propose that Australian universities be free to set student
fees according to the market value of their degrees. A deregulated or market-based HECS will make the student contribution system fairer, because the fees students pay will more closely approximate the value they receive through future earnings.' Well—very good, member for Fraser. That is really what we are proposing in these reforms. I hope that he will actually cross the floor and vote for us when we get to the time of the division, which I expect will happen because of, as I said, the unprincipled scare campaign of the opposition on this matter.

In conclusion, I strongly endorse the reforms of the Minister for Education. They are farsighted and will massively boost Australia's economic performance in years to come. I commend the bill to the House.

Ms CHESTERS (Bendigo) (20:39): This Higher Education and Research Reform Amendment Bill 2014 and its reforms in it speak volumes about the kind of political party that you are. And this bill and its reforms can be no greater example of the difference between Labor and the Liberals, of the difference between Labor and the Nationals and, quite frankly, of the difference between Labor and the Greens.

Labor has always stood in this place and argued that more people—people from working-class backgrounds; ordinary people—should have access to and an opportunity for tertiary education. As of the people on this side of the House have said, it did start with Whitlam when he gave working people and their children the opportunity to go to university to become teachers and nurses. It continued with Hawke and the Dawkins reforms, which gave more working people, including me and many in this House, the opportunity to go to university by creating more universities, more courses and more opportunities.

It is wrong for the government to say that this is just an extension of that original idea because the fees that they are proposing to charge will price out people like me and the next generation of ordinary people from attending university. The cost of the course becomes a barrier if it is too much. This is not the original version of the Hawke-Dawkins reforms for higher education. This is a Liberal agenda that seeks to exclude people from university, and which will have the reverse effect of encouraging people to go to university.

I note that there are a couple of other regional MPs in the House. I do not think that they understand that this bill puts regional campuses under threat. I will just explain about a few areas where I believe that my own campus in Bendigo, which is a campus of La Trobe University, as well as a number of other campuses, could be at risk, not of immediate closure but from a slow death as numbers dwindle because the cost of going to higher education will become a debt—a debt for life. It is wrong and divisive politics to say to a person that it is either a house and a mortgage or it is a university degree. That is the big difference between this side of the House and that side. We have always stood up and said that everybody should have the opportunity to go to university if there is a place at that university made possible by the former government—by the Gillard government—and if you have the pass mark and the entry score. But what the coalition is doing is saying that it now comes down to price.

The previous speaker talked about how a strong economy needs fine intellectual power. It needs to have an intellectual powerhouse. I agree, but the difference is that they are now saying you need to have a decent income, you need to have a trust fund, you need to be part of the right boys' club or you need to sign yourself up for a debt for life to have that opportunity. They have now put a price on whether you take up that opportunity.
When we talk about regional universities, they are the ones that I feel will be most at risk. At my own campus at La Trobe we recently met with a number of students and just asked them why they chose Bendigo. For a lot of them it was because it was the local campus. There are a higher proportion of first-in-family students who go to regional university campuses. There are also higher proportion of mature-age students at regional campuses, and that is because they choose to go to their local campus because that is where the kids are and because that is where they have established their lives. But these campuses are also quite small, because they have smaller townships that they support and so have fewer students who go to them.

Last week at Bendigo the students said to us that they fear with these reforms that they are not willing or not able to sign up to a debt for life. They fear that if too many students do not choose to go to this campus that this course could close and that is something that the other side will not talk about when they talk about deregulation. We have seen it happen in the TAFE system in Victoria, where it has been opened up. They have deregulated fees and they have cut funding—exactly what this government is trying to do at the university level.

What has happened to the Bendigo TAFE? They have lost a third of their courses, fees have tripled and student numbers have dropped. When you triple fees, student numbers drop because people cannot afford them. Therefore, courses face closure because the university cannot turn a profit if they cannot get enough students studying. It will be a slow death for our universities in regional areas if these reforms go through. But the other side have suggested, 'Don't worry, you can get into the space that has been vacated by TAFE.' The previous speaker suggested that we should go back even further, past Hawke and Dawkins reforms, where regional communities could deliver not university degrees but go back to diplomas, go back to training paralegals. Important, but regional universities and regional centres should not just be the provider of sub university degrees; they should have the funding and the support to provide real degrees—degrees that they are providing now.

My mother's example is probably one of the strongest examples of Labor's plan for higher education compared to the Liberal's. Mum grew up in Western Sydney in Mount Druitt. She had to leave school at 16 to get a job to help the family pay the bills. She finished her high school through night school. She had the marks to get to university but could not because her family needed her wage, so she deferred the opportunity to go to university. When I was young, my parents owned a small business. When they sold that small business and she tried to get a job, she was told she did not have the qualifications, so she took a job as a cleaner. At the age of 43, she decided: 'My girls have left home. They are off at university. I am going to go to university.' Living in a regional area, she went to her local regional university. If these reforms go through, I doubt whether that university, the University of the Sunshine Coast, will be there in a decade. It is one of our newest universities and it will struggle to have the student numbers. So mum went to university at the age of 43. She did her undergraduate. She got top marks and then enrolled in the University of Queensland to do her honours then her PhD. Today she is in Barcelona speaking at a conference on wealth inequality and it is linked to education. She is an academic at the University of Canberra.

She has a career because she enrolled at university as a mature age student after the market said that she did not have enough skills. I asked mum, 'Would you still have gone to university if this package had gone through?' She laughed and said, 'Lisa, would the debt pass.
to you? What would her debt be under this reform for, first, an undergraduate then an honours then a PhD? What would the debt be under these reforms and would she earn enough in her career to pay it off? Who does it go to? She has a HECS debt currently that she is paying back, but what would it be under these reforms? If this package had gone through under the Howard government, like the previous speaker said he tried to do in his former role, she would still be cleaning the Buderim private hospital and not contributing—and not overseas right now speaking on her research as a proud Australian.

Perhaps that is exactly the person that the government does not want to go to university—a working-class kid who gave up her chance at university who grew up in Mount Druitt who had to drop out of school to support her family. This is just one story of hundreds of thousands of stories of people who, when they had the opportunity and when the circumstances in their lives enabled them, chose to go to university. On this side of the House, we do not think that that should be defined by any age; it should be when you choose to go. On this side of the House, the Labor side, we do not believe that the size of your pay packet or your post code should decide where or when you go to university.

It is not just me speaking out about this in my electorate; it is also a number of people. Rachel from the La Trobe University says that she writes to me not only on behalf of herself and her friends but also on behalf of her brothers. She says: ‘We are all aged between 18 and 22 and completely outraged by the government’s proposed cuts to higher education and also the real rate of interest that they plan to attach to our debts. Most of us were really concerned about the debts of our courses as they currently are, but are now seriously thinking about dropping out because of these reforms if this appalling budget and the measures go through. We simply do not believe we can afford to pay it back and when will we pay it back?’

The government are purely in denial about the fear that people have around these debts—a nursing degree tripling in fees, a teaching degree tripling in fees. These are people who are worried about the future. They are worried because they are talking to their universities and they are already being told that this will be the cost of education if these reforms go through. The goal of any government should be to ensure that every student no matter their post code or the size of their bank balance, or their parent’s, has the opportunity to go to university. Background and circumstance of their birth should not be a barrier to an excellent education and every Australian should have the opportunity to contribute to our national success.

The other side talk about being able to pull yourself up by your boot straps, yet they put barriers in place and want to restrict people by imposing this system. They are trying to engineer a new generation of university students by excluding so many who simply cannot afford to go to university under these reforms. We know that deregulation of university fees will not lead to lower fees. We know that because of what we have seen occur in the UK. Deregulation in 2012 actually had a cap of £9,000. Yet despite the cap we have still seen a drop in university students. Even in the UK, they were willing to put a cap on fees. This government has not even gone there with a cap.

One of the things that people fear the most in regional campuses is what they call the Americanisation of our education system and that is exactly what this government has done. That is another thing it does not understand; this is not what regional people want. They do not want to become a little America. What they want is a fair go and the opportunity to go to university.
In conclusion, I believe that Gamal Babiker's words expose who, as a result of these reforms, will be excluded from higher education. Sixteen years ago, he arrived in this country as a refugee from Sudan. He says that he is a happy man. But happiness does not stem from his work as a shopping centre cleaner, on the midnight shift, being paid a minimum wage. His happiness is the fact that his three children, who all arrived with him when his family fled from Sudan, then Egypt, where they were in a camp, have completed a tertiary education.

He is 59 and holds a law degree. But it is worthless here. He says, 'I had my chance at life and now I have to give the chance to my children. We sacrifice a lot to support our family.' He fears the deregulation of university fees will lock out many young people like his children from education and believes we should fight these changes. Labor will stand with him. (Time expired)

Mr HUTCHINSON (Lyons) (20:54): I am really pleased to speak on this bill, the Higher Education and Research Reform Amendment Bill 2014. The member for Eden-Monaro described those lip-licking universities. However, I was going to describe it as being more like the glass half full. You can look at the world in two different ways and at the opportunities that are presented in these reforms, with a glass half empty or a glass half full. These are perhaps the only true reforms that we have seen in the 2014 budget. They are indeed challenging.

The Australian National University vice-chancellor, Ian Young, and chancellor Gareth Evans, in an article in The Australian in April this year, said:

It is time to change our one size fits all funding system and let diversity develop. Changes to the system will be controversial, but real change is required if Australia is to offer its young people a real choice in education and produce graduates to match the best in the world.

And I reckon that we as a nation are up for it and that our universities are up for it. The scare campaign that we see from the other side simply diminishes the capacity of students, whether they be students from metropolitan Melbourne or from central Tasmania. True reform is indeed difficult and sometimes controversial, but I say in the case of higher education it is needed.

Some of my comments are directed at Tasmanian senators. I will name them because some may not be aware of the Labor Party senators for the state of Tasmania. They include: Senator Polley, Senator Bilyk, Senator Singh, Senator Brown and Senator Urquhart. My comments also go to our two Tasmania Green senators: Senator Milne and Senator Whish-Wilson. Indeed, we had high hopes for Senator Whish-Wilson. We really did and how he has let us down! But this is an opportunity for you to deal yourself back into the game. It is an opportunity, because I know you truly understand that students in Tasmania and the University of Tasmania are up for competition. It has enormous capacity.

My comments are also directed at one of the new senators, Senator Lambie. Playing popular politics is short term. Here is a chance to grow a set of principles based on what is right: good policy. Why do we need reform in education? We need to make the case. Of course we do. I absolutely compliment the Minister for Education, Christopher Pyne. He has truly consulted widely. He has the support of industry, Universities Australia and indeed many on the other side who have, in the past, been reformist. The case for reform is truly compelling. For those of us who believe in markets, competition, reform and deregulation can bring enormous opportunity not only to our institutions but, most importantly, to the students
who attend those institutions. Again, Ian Young and Gareth Evans, in their article on higher education, said:

… every university in the country is funded in exactly the same way for its Australian undergraduate students, regardless of the quality or type of educational experience the students receive. This fixed funding model means little diversity in the type of education offered. It means disciplines are disappearing as institutions decide they can no longer afford to offer them, creates a perverse incentive for universities to cram hundreds of students into lecture theatres, and constrains innovation. It badly needs rethinking.

It has no consideration for those courses that are in demand in respect of the employment opportunities that lie for the students undertaking those courses. Labor only did half the job of reform. In office, Labor deregulated student numbers to create a demand model, but it declined to deregulate fees to enable universities to finance the new model and drive it forward. Again, to quote Australian journalist and Editor-at-Large at *The Australian*, Paul Kelly: 'The case for reform has been made.'

The government believes in the transforming power of higher education. There is $37 billion in funding over the next four financial years. Our institutions are not just competing domestically but internationally, and they are competing online as well. *(Time expired)*

**ADJOURNMENT**

**National Aboriginal Sporting Chance Academy**

*Mr THISTLETHWAITE (Kingsford Smith) (21:00):* In mid-August I was fortunate to travel to the remote Aboriginal community of Ntaria, or Hermannsberg, 130 kilometres west of Alice Springs. This is Western Arranta country on the edge of the beautiful McDonnell Ranges and the birthplace and former home of great Australian artist Albert Namatjira. I was in Ntaria to volunteer at the local school as a member of the National Aboriginal Sporting Chance Academy's role model tour. NASCA is a wonderful not-for-profit that uses leadership figures and trained professionals to encourage healthy living, education and employment amongst Aboriginal and Torres Strait Islander Australians.

Over the course of my week in Ntaria, I was fortunate to meet some very special people: the hardworking teachers and staff of the school whose passion for and dedication to Aboriginal education is inspiring; the wise elders and community leaders striving to give their kids more opportunity through education; and of course the wonderfully talented students whose infectious spirit and broad smiles brighten your day.

Our role as members of the NASCA tour was to help out in the school, but also to experience firsthand the challenge of improving living standards in remote Aboriginal communities and, importantly, providing Aboriginal kids with a decent education. My time volunteering in Ntaria highlighted the enormous challenge of remote community education. Australia is a wealthy country, with a modern economy and high living standards, yet the ancestors of our First Australians in some communities still live with unacceptably high rates of preventable disease, unhealthy diets, domestic violence, alcoholism, incarceration and low levels of literacy and numeracy. When you experience the tragedy that is many remote Indigenous communities, you cannot help but ask yourself: where did we go wrong? How could it be that in modern day Australia we have treated and failed our First Peoples so badly? And how do we right this wrong? The truth is that there is no easy answer to those questions. Although we are making some very slow progress in improving Indigenous living standards
and opportunities, we have a very long way to go in closing the gap, particularly when it comes to Aboriginal education. Despite the bleak social outcome, you cannot be immune to the happiness and positive attitude of the kids whose energy and innocence brighten your day.

Our days in the Ntaria community began early, travelling around on the school bus to pick kids up from their homes. Despite the freezing morning temperatures, many of the students coped remarkably better than we did with the cold, often hoping on the bus in shorts and T-shirts oblivious to bone-chilling wind. Once at school, it was breakfast and then playtime. Throughout the day, I was fortunate to sit in on classes and assist teachers stretched to the absolute limit by some very spirited students. We also helped out with school sports and healthy lifestyle activities. The sporting prowess of these kids is something to behold. A touching community unity occurs at the footy oval as the kids kick the ball with the senior players from the Ntaria Bulldogs AFL Club.

The challenge of remote Aboriginal education is not only mammoth but complex. How do we as a nation and government provide the kids with a decent education that offers the same opportunity as other Australians, yet still allow them to maintain the very important connection with their land, their Dreamtime, their heritage and their culture? It is great to see the kids communicating with each other in Western Arranta language. They all speak it and they all understand it. Yet some start school without having spoken a word of English and naturally struggle with literacy. The teachers expressed frustration at kids who are doing well in literacy and numeracy and then disappear from school for a couple of weeks and return behind the eight ball.

My experience highlighted the importance of one reform that we can and should make that will make a difference: reform and the introduction of a needs based school funding model. All the problems with the current system perfectly highlighted by the Gonski panel were acutely on display in my week in Ntaria. The teachers are stretched to the limit and often without trained teacher aids in classes. The teachers simply cannot devote the necessary time to many kids who are challenged when it comes to learning. As a result they achieve substandard results. The Gonski model was put in place to rectify this. Unfortunately, the Abbott government is removing this.

I want to thank NASCA for the opportunity to join the wonderful role models on this tour.

**St George Illawarra Dragons**

Mr VARVARIS (Barton) (21:05): I rise to commend the ongoing community initiatives of the St George Illawarra Dragons and inform the chamber of the important work that is being undertaken by sporting associations such as the Dragons in each of our electorates. I met last week with Peter Doust, CEO of the St George Illawarra Dragons, and Mark Gasnier, nephew of the legendary late Reg Gasnier and founder of the Gasnier Foundation. Our meeting came ahead of the NRL’s community programs showcase here in Parliament House on Wednesday, 27 August. I know that many honourable members relished the chance to get engaged with the innovative community programs that are being run right around our country. There has always been a strong connection between sporting life and community development.

Sport is a character-building activity which instils values of sportsmanship, selflessness and teamwork. Sportpeople can become the most effective ambassadors for charitable and
educational causes, as the St George Illawarra Dragons have attested. The breadth, scope and quality of the work that the St George Illawarra Dragons are doing through their community program, Dragons Community, was nothing short of breathtaking. I was interested and impressed with the great variety and comprehensiveness of programs that the Dragons undertake in our local St George community. The Dragons have an enormous commitment to the region and to the notion of partnering with existing organisations to galvanise the work they are already doing, while pioneering with new programs in the fields of resilience and education. The figures presented last week really brought home the immensity of the contribution by the Dragons community programs. In 2013 alone, they supported local charities and associations with $265,000. The Dragons supported a raft of 46 different community organisations over the past year. Under the leadership of CEO Peter Doust the Dragons have shown their commitment to the achievement of public health outcomes in the region in their work with the St George Hospital, the Mark Gasnier Foundation and the Heart Foundation.

The Dragons' programs, taken together, are focused around helping people in the local community make positive life choices. There is a strong focus on young people at formative periods of their life—from early childhood visits, to preventive bullying programs and reading tuition for vulnerable kids. The Dragons' children's anti-bullying programs, which are focused on building personal resilience, are remarkable because they focus equally on both preventing kids from engaging in bullying behaviour and helping them deal with being bullied. One great output of this program has been the rugby league themed Dusty and Friends illustrated children's books authored by the talented Sarah Tillott.

Another important component of the Dragons' work is the Graduates of League program in conjunction with the University of Wollongong. This program strengthens the connections between the St George and Illawarra areas and promotes opportunity for players to have dynamic careers after the game. It is clear that the Dragons' community initiatives reach out to individuals at every stage of life—from early childhood to children, vulnerable youth, women's and family services and 'high tea at the footy' for senior citizens.

I have been a lifelong supporter of my local team, the St George Illawarra Dragons—as was my predecessor, the Hon. Rob McClelland, and his father, the Hon. Doug McClelland, before him. May it always be said that the member for Barton maintains a strong partnership with the mighty Dragons. The Dragons as a team have been the subject of deep affection through the years and have a loyal fan base which enables them to reach out to the community at large. Their community programs and the hundreds of hours that players have spent off the field investing in the community demonstrate to other sporting bodies the often untapped potential of well-respected community figures to make a difference.

It is so often the case that voluntary associations and sporting teams such as the Dragons have so much more to teach government about effective community engagement than government has to teach these free associations. As a conservative, I am of the strong belief that the community truly flourishes on its own two feet but society is strongest when government lends its support and contribution. As Prime Minister David Cameron of the United Kingdom puts it, organisations that operate with a strong local focus foster a broad culture of responsibility, mutuality and obligation. The Dragons have done so much in encouraging this very culture in the St George region. As the federal member for Barton, I
commend them and commit myself to partnering with them in the future in whatever way I can. I commend the work that the St George Illawarra Dragons' community program is doing in my electorate and call on all members to find ways to partner with sporting organisations in their groundbreaking community initiatives.

Melbourne Electorate: Fitzroy Chinese Association

Mr BANDT (Melbourne) (21:10): I rise to acknowledge the important recent achievement of an organisation in my electorate, the Fitzroy Chinese Association. The Fitzroy Chinese Association brings together residents living in Fitzroy and Melbourne to participate in the broader community. This organisation plays a vital role in supporting older members of our Cantonese and Mandarin speaking community. The average age of members of this association is 77 years young.

For 24 years this association has provided opportunities for social engagement, learning and community connectedness by delivering a range of weekly activities every Thursday. These activities include English language classes, choir singing, swimming, lawn bowls, seminars on health and welfare, walking groups, tai chi and social outings. During the four major festivals in the Chinese calendar, the organisation also holds formal events such as forums, plays and banquets. The key festivals are Chinese New Year, Mid-Autumn Festival, Duan Wu Jie—Chinese Dumpling Day—and International Mothers Day. Throughout its active history the Fitzroy Chinese Association has gained recognition and support from the Victorian Multicultural Commission and the City of Yarra. It has been my pleasure to be present at many of their events.

Their most recent achievement has been the establishment of a Chinese University of the Third Age. U3As are self-funded, voluntary organisations that provide to people over the age of 50 who are retired or not employed on a full-time basis the opportunity to participate in education courses on a range of topics. All of the teachers are volunteers and also students of the U3A themselves. There are no academic prerequisites, examinations, grades or degrees awarded for undertaking their courses. Rather, their ethos is underpinned by a passion and commitment to lifelong learning regardless of age. U3As enable older members of our community to remain socially active and intellectually stimulated as a way of promoting their overall wellbeing and quality of life. Unfortunately, up until now there has never been a Chinese speaking U3A in Melbourne, which has meant that non-English-speaking citizens have not been able to participate in this enriching experience.

The endeavour for developing a Chinese U3A was led by community members. I would like to acknowledge the work of Limm Mon Louey, Chap B Chow and Xiao Yue Wang, the principal of the newly established U3A. I would, furthermore, like to acknowledge the contribution of Sussan Chow—a resident of Fitzroy and a very active member of her community for over 15 years. In a letter to my office Sussan Chow articulated very beautifully the vision in seeking to establish the U3A Chinese in Yarra. She wrote:

The purpose of a U3A is very clear to us: to cultivate an optimistic spirit, based on the characteristic of us elderly, to help us to learn and to enjoy life.

It was my pleasure to be invited to attend the launch of U3A Chinese in Yarra. I attended this event on 6 August at the Fitzroy Town Hall. I was accompanied by Kathleen Maltzahn, who is the Greens candidate for Richmond, and by Amanda Stone, who is the Yarra Greens councillor representing Langridge ward and chair of Yarra's Active Ageing Advisory
Committee. I acknowledge the valuable contribution made by the City of Yarra in supporting the establishment of this important community organisation and extend my sincerest thanks on behalf of the constituents who are able to benefit from this institution in so many ways.

U3A Chinese in Yarra is the 104th member of the Victorian U3A Network. Importantly, it will now service many of the people who live in public housing in the electorate of Melbourne. There are now three U3As in my electorate, including U3A Yarra City, U3A Chinese in Yarra and U3A Melbourne City. Each plays a vital role in enriching the lives of older members of our community. They provide opportunities for keeping people physically and mentally healthy and connecting them to social networks. Community connection is a key determinant for positive health and wellbeing no matter what age and stage of life you are at. U3As value the skills and knowledge that older people contribute to our society.

I am incredibly proud to take this opportunity to pay tribute to the wonderful work the U3As do in promoting healthy communities within broader Australian society generally as well as within my electorate of Melbourne. I would like to thank the U3As for their unwavering energy and perseverance in creating new and innovative opportunities for members of our diverse Melbourne community to actively participate in a meaningful and accessible way regardless of ability, formal education level or age.

**Bonner Electorate**

Mr VASTA (Bonner) (21:15): I rise to give an update on some of the positive outcomes that have been achieved in my electorate of Bonner. As I have previously spoken about in this chamber, Bonner has benefited from a significant amount of federal funding and we have continued to deliver on our commitments to the area. This month, I received the extremely good news that the Queensland RSL Manly-Lota Sub Branch will be receiving $13,525 in government funding. This will be provided under our restored Building Excellence in Support and Training, or BEST, grants program. The Manly-Lota RSL provides vital support to local veterans, and it is wonderful to be able to supply this funding that will help many of the volunteers at Manly-Lota with their day-to-day work. I am extremely proud of Bonner's active veteran community. It was a privilege to attend services for Vietnam Veterans Day in August at the Wynnum RSL and also at Brisbane East Branch of the National Servicemen’s Association at the Manly-Lota Sub Branch hall. It was a great honour to be asked to do a Bible reading at the Brisbane East Branch service on the day. On top of Manly-Lota's BEST grant, the government will also be providing $125,000 to Bonner under our Anzac Centenary Local Grants Program. These funds will help local groups and organisations with projects and events that commemorate the coming Anzac Centenary. I look forward to seeing these wonderful projects that have been set up to honour the centenary being rolled out throughout Bonner.

This month has also seen the rollout of a number of Green Army projects in Bonner. The government is now recruiting young people aged between 17 and 24 to take part in rehabilitation projects in Mansfield, Wynnum North, Minnippi Parklands, Rochedale and Carina. Local youths who sign up will be among the first in Australia to take part in this crucial environmental initiative. Several young people in Bonner have also benefited from individual grants to help them pay for the costs of participating in state, national or international sporting competitions. A total of 15 young sportsmen and sportswomen from Bonner, whom I was happy to nominate for funding, have received Local Sporting...
Champions grants of $500 to help with their costs. I was so happy to hear from Laura Tyson and her mother Dee about how the $500 grant she received helped her attend the World Acrobatic Gymnastics Championships in Paris. I am glad Laura was able to have this wonderful experience, and I look forward to helping many more young athletes like her in future.

Primary school students across Bonner will benefit from $100 million that the government is putting into its new Sporting Schools initiative over the next three years. From next year, local primary schools can apply for grant money that can be spent on their sporting activities throughout the year. I am pleased that primary schools in Bonner will have these funds available to them to help their students into a more active and healthy lifestyle. Students who would benefit from this wonderful initiative are the girls and boys from St. Catherine's Catholic Primary School, whom I was thrilled to meet with last month. They had some great questions for me about Australian politics and life in Parliament House. I want to thank them and their teachers for their insight and for a lovely morning out.

Following up my previous update, I am pleased to report that the improved safety measures at Minnippi Parklands in Tingalpa are going ahead quite smoothly. We have provided $70,000 in funds to go toward safety measures that will include new CCTV cameras in the area. I would like to thank the members of the Tingalpa Model Aero Club, who have given their time and assistance in implementing these new safety measures at the parklands. They are a great bunch who are doing their annual fly-in to Norfolk Island this October. I was happy to arrange some meetings for them for their time over there. I wish Allen Danvers and the rest of the TMAC team all the best. I look forward to hearing about the outcomes of their trip.

Finally, I am also pleased to report that the volunteers at the Mount Gravatt Men's Shed have been doing very well. Just last week I heard that five volunteers at the shed have been working on an important G20 project. They are constructing a giant 3D 'E', which will be used to form a 25-metre-long sign of the word 'Brisbane' that will go on display in the lead-up to the G20 Cultural Celebrations later this year.

South Australia

Ms KATE ELLIS (Adelaide) (21:20): I rise tonight to talk about the absolute betrayal felt by South Australians with this government looking to break another election promise, one which would have created thousands of much-needed jobs in our communities. I want to remind the House of the words coming from this government before the election. In May last year, the Minister for Defence, Senator David Johnston, stood at ASC in Adelaide and made an ironclad promise to the people there when he said:

We will deliver those submarines from right here at ASC in South Australia.

The Coalition today is committed to building 12 new submarines here in Adelaide. That is a pretty clear promise that was given to people before they went to the polls and a very clear promise which this government is now intent to add to its pile of broken promises. But it was not just the words of the now minister. The coalition's election policy booklet spelt it out and black and white. It said:
We will also ensure that work on the replacement of the current submarine fleet will centre around the South Australian shipyards. The Abbott government has walked away from that commitment and is now looking to buy their submarines offshore.

This broken promise is not just about politics. It is not just about the parliament. It is not just about a breach of trust on a promise that was made to the South Australian public. It is actually about the result of thousands of jobs that will be lost in my home state, along with the skills and training that support this strategically vital industry, at a time when South Australia desperately needs more jobs, not less.

I come here and stand in this parliament today to ask, 'Where are the South Australian Liberals now?' Not one has said boo about this government once again selling out South Australia, breaking its promises to our state and flogging off our jobs overseas. At least under the Howard government we had South Australian Liberals like Senator Minchin, like Alexander Downer, like Senator Hill and like Senator Vanstone, who would stand up for South Australia when it came to the crunch. Now all we have in our current South Australian federal Liberals are pathetic, spineless members who blindly follow the Prime Minister to the detriment of our state and in doing so breach the responsibility they have to stand up for their community and our state. They are content to see South Australia's unemployment grow and to rip jobs away from our state at a time when we desperately need them. The Liberals today who come from my state are a pathetic shadow of their former selves. All we have now is a bunch of career climbers who are more interested in weakly following the Prime Minister and the Treasurer, as they destroy our local jobs and treat us like fools, than in actually doing the job they were elected to do: stand up and advocate for South Australia, for our community and for our jobs.

At the last election Tony Abbott looked South Australians in the eye and promised to keep building submarines in Adelaide. We now know that was nothing but another deliberate deception. And this is not just about the jobs of today. It is about our national capacity, it is about our economic growth and it is about South Australia's place in the nation's future. The first real display of spinelessness and betrayal from the South Australian Liberals came in December last year, when they not only did not stand up and fight for Holden workers but were in fact at the forefront of advocating for the complete destruction of the automotive industry in Adelaide. But we see that they are not content with that level of destruction. They intend to then build on that with this horrid broken promise to the people of South Australia.

I want to put in to context exactly what this means. South Australia has 27,000 defence jobs, 3,000 of them in shipbuilding. The submarine project alone would deliver $250 billion over 30 years to South Australia's economy. I know that many of the people I represent are amongst those people who work in the defence sector and who work in shipbuilding. And I know that they expect me to stand up in this parliament and fight for their jobs. But I also know that many of them live in the electorates of those opposite, and they are being let down and let down again. I am utterly appalled and disgusted at the spinelessness of South Australian members and senators. I truly feel despair for the people they represent. We need good people to stand up for South Australian jobs. This is what I and my colleagues on this side of the House will do, but it would be really nice if members opposite could join us.
Ms PRICE (Durack) (21:25): In my electorate of Durack there are four Regional Development Australia offices servicing the Mid West and Gascoyne, the Pilbara, the Kimberley and the wheat belt. As I work across the electorate, the RDA CEOs keep me informed of their work, priorities and plans for regional development. Front of mind for me is the future of RDAs—their funding, function and tenure, which is currently subject to review by the Minister for Regional Development. The RDAs have economic development at their core and each has responded to local priorities in a different way.

I would like to take this opportunity to focus on the good work of the RDA Mid West-Gascoyne, which has its offices in Geraldton and Carnarvon, servicing an area of over 600,000 square kilometres from Exmouth in the north to Coorow in the south and east to Wiluna. It includes the Indian Ocean Territories. Led ably by Executive Officer Alan Bradley, it has had a direct hand in securing significant investment in the region over the past four years on major works, including the Shire of Carnarvon flood mitigation works, the City of Greater Geraldton West End Foreshore development, the Shire of Cocos Keeling Islands Emden/Sydney memorial gazebo, the Shire of Christmas Island Senior Citizen Centre, and the Shire of Exmouth multiservice tourism and community facility. RDA Mid West has led the way in preparing economic development strategies for four regions in this area, including the North Midlands, the Batavia Coast, the Gascoyne—which is known for the Learmonth Defence base—and the Murchison, with the historic mining towns of Cue, Mount Magnet and Meekatharra.

The Mid West-Gascoyne RDA collaborates with the state-based development commissions to deliver economic outcomes for their communities. Their five priorities are food production, implementation of a regional tourism strategy, the Oakajee deepwater port and serviced industrial estate, the Mid West Energy Project, and Freight Link, which is hopefully developing linkages between the regions, with corridors such as the Oakajee-Narngulu Infrastructure Corridor, and Wiluna-Meekatharra road upgrades. Further north, we see the work of the RDA Pilbara, which operates out of the new city of Karratha. This services an area of some 500,000 square kilometres and includes the town of Port Hedland, the Shire of Ashburton, the City of Karratha and the Shire of East Pilbara. Led by CEO Diane Pentz, the Pilbara RDA has a direct hand in securing funds for the region, such as regional development funding of $15 million towards the Karratha Leisureplex, $5 million for five years for the West Pilbara Communities for Children program, and the Pilbara Regional Children's Services Plan, which details the provision of early-years services across the Pilbara, considers trends and informs government of the challenges facing service providers.

This non-profit, community-based organisation makes an important contribution to planning and regional development through forums, workshops, studies, working parties and committees. In the past 12 months alone, RDA Pilbara has released a number of key studies, which include the RDA Pilbara Regional Plan 2013-2016, the Pilbara State of the Environment report, and Cost of Doing Business in the Pilbara 2013/14. These studies underpin economic development planning in the region and for the state.

Assisting the economic and social imperatives of child care and education, the Pilbara RDA has established two Strengthening Early Years groups, in Port Hedland and in Newman. They are very active in the planning process and the RDA has also made numerous
submissions on behalf of the people of the Pilbara, including the State Planning Strategy 2050, the inquiry into the development of northern Australia, and the submission on fly in and fly out. RDA Pilbara works in partnership to deliver economic programs such as the Pilbara Pulse conference, the Karratha Business Expo, Northern Australian Alliance, and so on. As you can see, they are very busy. Major collaborations are concerned with the delivery of social service support for remote Indigenous communities, support for disenfranchised youth, and economic diversification projects.

Both the Pilbara RDA and the Mid West-Gascoyne RDA play a valuable role in my electorate of Durack in understanding community needs, without which communities would be less empowered. Building stronger regions and providing information and advice to all levels of government is a highly valued role of all RDAs. Every opportunity I get, I am promoting the ongoing, valuable role of RDAs and in particular to the Minister for Regional Development.

The SPEAKER: It being 9.30 pm, the debate is interrupted.
(b) Government has failed to fund the vital fifth and sixth years of the Gonski reforms and has opened the door to state and territory cuts by promising not to enforce their obligations under the Gonski agreements;
(c) Government has restricted school funding changes to the Consumer Price Index from 2018; and
(d) importance of equity and quality—for every child in every school—in improving student results and building a prosperous future; and

(2) calls on the Government to recognise the Commonwealth’s role in funding schools by:
(a) keeping its commitment to honour the signed Gonski agreements; and
(b) reversing its $30 billion cut to schools.

Ms L. M. Chesters to move
That this House:
(1) notes that:
(a) Family Day Care (FDC) is a flexible, quality early education program in Australia that:
(i) provides flexible programs that cater to the needs of thousands of working parents;
(ii) operates under the National Quality Framework; and
(iii) currently has the capacity to care and educate children in their own homes; and
(b) the Government:
(i) is cutting $157 million and implementing changes to the Community Support Program (CSP) that will remove the funding of over 80 per cent of FDC services around Australia; and
(ii) informed the FDC sector that the program changes would only impact new applicants, then introduced a budget proposal to apply the new guidelines to all services; and

(2) calls on the Government to:
(a) genuinely consult with FDC providers about what sensible rule changes are needed, if any; and
(b) re-instate CSP funding for all FDC services currently funded under the program.