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SITTING DAYS—2013

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FORTY-THIRD PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia, Commander of the Royal Victorian Order

House of Representatives Office holders
Speaker—Ms Anna Elizabeth Burke MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Steven Georganas MP
Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP, Mr Darren Cheeseman MP, MP, Ms Sharon Joy Grierson MP,
Dr Andrew Keith Leigh MP, Ms Kirsten Fiona Livermore MP,
Mr Geoffrey Raymond Lyons MP, Mr Robert George Mitchell MP, Mr John Paul Murphy MP,
Mr Robert James Murray Oakeshott MP, Ms Deborah Mary O’Neill MP,
Ms Amanda Louise Rishworth MP, Mr Michael Stuart Symon MP,
Ms Maria Vanvakinou MP, Mr Anthony Harold Curties Windsor MP

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

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Hon. Joel Andrew Fitzgibbon MP
Government Whips—Ms Janelle Anne Saffin MP and Mr Ed Husic MP

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

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

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<td>Moore, WA</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party;
CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent;
AG—Australian Greens

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
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<td>Minister for Tertiary Education, Skills, Science and Research</td>
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   Minister Assisting for Industry and Innovation
   Parliamentary Secretary for Higher Education and Skills
Minister for Finance and Deregulation
   Special Minister of State
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Minister for School Education, Early Childhood and Youth
Minister for Employment and Workplace Relations
   Minister for Early Childhood and Childcare
   Minister for Employment Participation
   Minister for Indigenous Employment and Economic Development
Parliamentary Secretary for School Education and Workplace Relations
   (Manager of Government Business in the Senate)
Minister for Agriculture, Fisheries and Forestry
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Minister for Tourism
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   Parliamentary Secretary for Climate Change and Energy Efficiency
Minister for Health
Minister for Mental Health and Ageing
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Parliamentary Secretary for Health and Ageing
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Minister for Emergency Management
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Minister for Human Services

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

BILLS

Broadcasting Legislation Amendment (Digital Dividend) Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Albanese.

Bill read a first time.

Second Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:01): I move:

That this bill be now read a second time.


This will facilitate the early commencement of telecommunications services in the spectrum identified as the digital dividend, while that spectrum is still considered part of the broadcasting services bands.

In 2010, the Australian government announced its decision to release 126 megahertz of broadcasting spectrum as a digital dividend.

This spectrum is expected to be cleared of all existing services by 31 December 2014.

The release of this broadcasting spectrum is a significant benefit of the digital switchover process.

The auction of this spectrum in April 2013 will pave the way for next generation mobile broadband services in Australia, such as 4G mobile services.

Following completion of the auction, the Australian Communications and Media Authority (ACMA) may agree to allow successful bidders to commence services prior to the digital dividend spectrum being redesignated out of the broadcasting services bands.

The ACMA will consider applications for this on a case-by-case basis.

To facilitate the potential early commencement of new services, the bill will amend the Broadcasting Services Act to limit the scope of datacasting regulation.

This will ensure that successful bidders are not unduly restricted in the types of services that can be provided in the interim period prior to the relocation of the digital dividend spectrum.

For the foreseeable future, only commercial and national broadcasters are required to hold a datacasting licence for the delivery of datacasting services in broadcasting spectrum.

However, these amendments will not affect the existing regulation that applies to datacasting services currently provided by the commercial broadcasters such as the Seven Network’s 4ME, WIN Television’s GOLD, the Nine Network’s Extra and Network Ten’s Television Shopping Network.

These services will be unaffected by the bill and will be able to continue in accordance with existing datacasting licences.

To achieve this limitation in the scope of datacasting regulation in the Broadcasting Services Act, the bill will introduce the concept of ‘designated datacasting services’.

This is defined as a datacasting service that is provided by a commercial television broadcasting licensee, a commercial radio
broadcasting licensee, or a national broadcaster.

The bill will also empower the Minister for Broadband, Communications and the Digital Economy to specify, by legislative instrument, other kinds of services that are also ‘designated datacasting services’.

This will allow flexibility to expand the scope of the datacasting regime if the circumstances warrant.

For example, this may apply where a provider seeks to use broadcasting spectrum to provide a datacasting service that the minister considers should be subject to the conditions of service and codes of practice that apply to licensed datacasting services.

The bill will also make a number of minor consequential amendments to the Broadcasting Services Act and the Radiocommunications Act in order to implement these changes to the datacasting regime.

The bill will amend these acts to refer to ‘designated datacasting services’ where those provisions most appropriately apply to services that are licensed under schedule 6 to the Broadcasting Services Act.

For example, the transmission licences held by commercial broadcasters or national broadcasters that authorise the provision of designated datacasting services.

Similarly amendments to the Radiocommunications Act will also alter some of the statutory conditions of a datacasting transmitter licence to accommodate the transmission of a datacasting service not required to be licensed under the Broadcasting Services Act.

The bill will also repeal a spent provision in the Broadcasting Services Act that refers to a statutory review regarding digital radio that has already been conducted and tabled in parliament.

Datacasting regulation under the Broadcasting Services Act will not apply to any services using digital dividend spectrum after the minister removes this spectrum from the broadcasting services bands.

This is intended to occur after the broadcasting services bands are cleared of digital television services as a result of the restack, which is scheduled for completion by 31 December 2014.

The amendments to communications legislation proposed by this bill will provide certainty and clarity to the conditions that will be placed on the digital dividend spectrum in the interim period prior to its reallocation.

The sale of this spectrum will facilitate the provision of new and exciting services that will greatly benefit all Australians. I commend this bill to the House.

Debate adjourned.

**Australian Capital Territory (Self-Government) Amendment Bill 2013**

**First Reading**

Bill and explanatory memorandum presented by Mr Crean.

Bill read a first time.

**Second Reading**

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (9:08): I move:

That this bill be now read a second time.

Today I introduce the Australian Capital Territory (Self Government) Act Amendment Bill 2013.

The purpose of this bill is to amend the Australian Capital Territory (Self Government) Act 1988 to grant the ACT Legislative Assembly the power to determine
its own numbers without reference to the Commonwealth.

Under the current act, the process to change the number of members of the ACT Legislative Assembly requires a resolution to be passed by that assembly, then regulations to be made by the Commonwealth to change the size of the assembly and then acceptance, by the assembly, of the regulation. This bill grants the assembly the power to independently determine and amend its own numbers and removes a complex, untimely and unnecessary process.

The Centenary of Canberra this year presents us with timely opportunity to reflect on our national capital and all it has achieved over the past 100 years.

Since 1913, this city has not only grown as the nation's capital, but as a city state and a home to over 300,000 people. Following the granting of self-government 25 years ago, the ACT has grown into a fully functional, self-governing territory. It has a vibrant and engaged community and a legislative assembly that is strong, mature and representative of that community.

So, this bill acknowledges the capacity of the ACT to run its own affairs, and provides it the power to determine the number of members it requires to do so in the legislative assembly.

So it is clear, this bill does not change the size of the assembly. It simply amends the mechanism by which the size of the assembly can be changed by removing the Commonwealth’s role in the process of approving the amendments to the size of the assembly, and vesting this power back with the assembly. Appropriately, the bill incorporates a requirement for any change to the size of the assembly to be passed by a two-thirds majority of members. By promoting the need for bipartisan support for such changes to the governance of the territory, a safeguard is present, protecting our democratic traditions.

Questions about the size of the ACT Legislative Assembly and the datedness of a mature parliament relying on another parliament to determine its size have been raised on multiple occasions. Only last year the ACT Legislative Assembly Standing Committee on Administration and Procedure conducted a review of the Australian Capital Territory (Self-Government) Act. The committee’s report, released in August recommended amending the act to allow for the legislative assembly to determine its size without reference to the Commonwealth.

This is not only a recommendation of the ACT Assembly.

In his 2011 review of the relationship between the Commonwealth and the ACT, entitled Canberra: a capital place, Dr Allan Hawke AC, provided advice to this government on how to find the right balance of responsibilities between the Commonwealth and the ACT government.

In response to that review this government and the ACT agreed to work collaboratively to:

- improve the structure and expression of matters of national significance;
- simplify the capital’s planning system;
- reduce the overlap and duplication by better alignment of land management and planning responsibilities;
- by clarifying the National Capital Authority's role in the promotion of the capital; and
- to take account of both local and national interest through the appointment of an ACT Government nominee from the Canberra community to the board of the National Capital Authority.
I am pleased to report to the House that all these initiatives are underway.

We also considered the gravity of Dr Hawke’s discussion on political representation of the territory and the size of the assembly.

Whilst his review did not make a specific recommendation around the size, because it was outside his terms of reference, he did make it clear:

In light of the importance of robust and accountable democratic processes in the ACT—characterised by high standards of parliamentary debate, a legislative program covering a range of complex issues, and an active Assembly Committee process—and the significant under-representation of the citizens of the ACT, there is an overwhelming case for increasing the size of the Assembly.

So, this government is responding to this additional challenge in Dr Hawke’s 2011 report.

The reasons for pursuing this bill are clear and sound.

It is appropriate. The ACT Legislative Assembly is a mature parliament. It is appropriate it should assume responsibility for determining the number of members needed to ensure its efficient functioning and the mechanism with which the size of the assembly is altered.

The ACT Legislative Assembly is capable and ready. The passage of the bill would provide just recognition of the maturity and capacity that the legislative assembly has demonstrated since it attained self-government. It is a vote of confidence in the capacity of the ACT to manage its own affairs and its governance arrangements.

Finally, it simplifies what is currently a very complex process. The bill reduces administrative effort and it streamlines the process to effect change in the numbers of the assembly.

So in this centenary year, it is both timely and appropriate for the Commonwealth to make this simple yet enduring change for the future of the ACT—for its people and for democracy as a whole. I commend the bill to the House.

Debate adjourned.

Royal Commissions Amendment Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Dreyfus.

Bill read a first time.

Second Reading

Mr DREYFUS (Isaacs—Attorney-General and Minister for Emergency Management) (09:15): I move:

That this bill be now read a second time.

In January this year, on the recommendation of the Prime Minister, the Governor-General issued Letters Patent appointing six commissioners who will work together as the Royal Commission into Institutional Responses to Child Sexual Abuse. This bill makes important changes to the Royal Commission Act to assist the commission in conducting its inquiry.

This government has a proud track record of helping the vulnerable, and working to deliver reforms that will help future generations of Australians.

The Gillard Labor government has not shied away from the big challenges. It has not been afraid to take action and introduce the reforms, for example the Clean Energy Future Plan, the National Disability Insurance Scheme and the Gonski education reforms, which will shape this country for years to come.

Establishing a royal commission into institutional child abuse is another of these important initiatives—one which will shine a
light on the injustices that have occurred in places where the most vulnerable in our society should have been cared for and protected.

The commission will investigate and make recommendations on how to improve laws, policies and practices to prevent and better respond to child sexual abuse in institutions. Its recommendations will provide an opportunity to make sure that the failings of those institutions in the past are never allowed to happen again, and that survivors receive the support and justice they deserve.

The establishment of this commission is the government’s recognition of all those who have tried to bring the horrors of institutional child abuse out into the open and been ignored, scorned, shunned or simply disbelieved.

The voices of these individuals must be heard. Victims must feel properly supported to stand up to tell their stories, and the government must acknowledge how such horrific crimes have affected their lives.

The government recognises that for many people this will be very difficult. It is not going to be an easy process, but that does not mean that any of us should shy away from the challenge. We need to do away with the culture of silence. We need to listen to what has gone before so we can do everything possible to stop these crimes happening again.

Those affected should draw strength from the knowledge that, through their bravery, the royal commission will truly understand the horrors it is dealing with and be assisted in developing recommendations on what institutions and governments should do in the future to better protect children against child sexual abuse.

In developing the terms of reference for the commission, the government worked with people from all parts of Australia. The government listened to organisations representing survivors of child abuse, community and legal leaders, law enforcement, governments and religious organisations.

One of the key themes that arose in this consultation process was the importance of having hearing processes sensitive to the needs of victims, so that they feel supported in preparing and giving evidence. And this bill will assist the commission to put into place the most appropriate processes to hear the stories of those affected.

The bill will allow the chair of the commission, the Hon. Justice Peter McClellan AM, to authorise a fellow commissioner to hold a private session to receive information from victims and others affected by child sexual abuse. A traditional royal commission hearing setting will not generally serve as the best way to facilitate participation in the royal commission by those people affected by child sexual abuse.

For many, telling their story will be deeply personal and traumatic. While we cannot know at this time how many people will wish to participate, sadly we know that this crime has affected many in our community.

In order to carry out its inquiry, the private session mechanism will give the royal commission greater flexibility to directly hear from a potentially large number of people. Participants will not need to tell their accounts on oath or affirmation. These private sessions will not be open to the public and participation will be voluntary.

Acknowledging the distressing nature of these personal accounts, the commissioners will be able to authorise support people to attend with witnesses giving information at a private session. Importantly, the bill will also establish protections for those giving
information at a private session. These protections are in essence the same as would apply when a witness is giving evidence at a hearing.

The second main purpose of the bill is to enable the chair of a royal commission to authorise one or more members to hold a hearing to take evidence. The bill refers to this measure as an 'authorised member hearing'. Currently under the Royal Commissions Act 1902 a hearing can only be held by the commission as a whole or by a quorum.

In the case of multimember commissions, the proposed amendment will give a chair commissioner the means to efficiently distribute hearing workload where he or she is satisfied that this would be appropriate. This measure would have general application to royal commissions, including the Royal Commission into Institutional Responses to Child Sexual Abuse.

The royal commission must be thorough, but it must also move as quickly as possible to cover the masses of evidence, and personal stories, to help craft the necessary institutional reforms. This amendment will help to achieve that goal.

Child sexual abuse is a terrible crime. The royal commission will expose the far-reaching consequences of children affected by this abuse. It takes away the right of every child to grow up safe and happy. But as a community we have previously refused to face the fact that the systems and processes in place may have not only allowed this crime to occur in institutions where children should have been safe, but also assisted in making sure that the crime never came to light.

The government cannot undo the past. It cannot take away the pain. But we can listen and we can bear witness. And, when the royal commission has completed its work, we can act to prevent these crimes and injustices from happening again.

I commend the bill to the House.

Debate adjourned.

Family Assistance and Other Legislation Amendment Bill 2013
First Reading

Bill and explanatory memorandum presented by Ms Collins, for Ms Macklin.

Bill read a first time.

Second Reading

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (09:23): I move:

That this bill be now read a second time.

This bill introduces changes to the baby bonus announced in the 2012-13 Mid-Year Economic and Fiscal Outlook. These changes will maintain support for new parents with the upfront costs of having a baby, while ensuring the family payments system is sustainable into the future.

From 1 July 2013, the baby bonus for second and subsequent children who come into a family will be reduced to $3,000.

Baby bonus will continue to be paid at the rate of $5,000 for a family’s first child.

The changes introduced by this bill recognise that families buy the big-ticket nursery items for their first child.

Most families do not face the same upfront costs for a second or later child as they do for their first child.

Expensive items such as the cot, pram, change table and baby capsule are generally reused when the younger siblings come along.

For multiple births, the baby bonus will continue to be $5,000 for each child. This
recognises that, with the arrival of two or more children at once, for example, with the birth or adoption of twins, families clearly face greater financial pressure.

Other forms of assistance are also available to eligible parents through paid parental leave, dad and partner pay, family tax benefit and childcare assistance.

This Labor government is delivering more assistance than ever for low- and middle-income families with paid parental leave and dad and partner pay, dental care for kids, the schoolkids bonus, boosts to family payments and the childcare rebate, and tax cuts.

We have also made responsible and targeted decisions to ensure this support is available to families for the long term.

This change will provide a saving of $505.9 million over the forward estimates.

The bill will also ensure that families remain eligible for family tax benefit until the end of the calendar year their child finishes secondary study. This is the government’s current policy, and amendments in this bill make sure that this policy applies for high school students who finish their school year in November, as well as for those who finish in December.

In addition, beneficial changes are made to the double orphan pension to align it with the rules for family tax benefit. This means, for example, that a carer can continue to receive double orphan pension for a young person in their care until the end of the calendar year in which the young person turns 19 if they are still in secondary study, or until their 18th birthday if they have already completed secondary study.

Lastly, the bill includes some minor clarifying and technical amendments to portfolio legislation, in line with the intended policy.

Debate adjourned.
super funds regulated by the Australian Prudential Regulation Authority (APRA), which pay the superannuation supervisory levy in the same financial year it is levied. The government considers that this is appropriate for a cost recovery levy.

It should be noted that the lodgement of returns will continue as normal, and the timing of the collection of the levy will be phased in over two years to give the sector time to adjust.

Accordingly, in 2013-14, SMSFs will pay the $191 levy for the 2012-13 income year, and half the $259 levy for the 2013-14 income year (that is, a total of $321, rounding up).

Then in 2014-15, they will pay the other half of the $259 levy for the 2013-14 income year, and the $259 levy for the 2014-15 income year (or a total of $388, rounding down).

And from 2015-16, funds will pay the $259 levy in the relevant income year. Just to clarify, the amount of the levy payable for a year of income will not exceed the cap, as the total amount payable for 2013-14 and 2014-15 each represents the levy for 1½ years, while the levy for the particular income year will be below the cap.

In addition, the ATO is working to minimise any compliance costs associated with these measures.

I note that the SMSF levy is intended to help offset the costs of implementing the government’s SMSF Stronger Super reforms, which aim to improve the operation, efficiency and integrity of the SMSF sector.

This bill will enhance the ATO’s ability to deliver these important reforms and continue to effectively regulate the self-managed super fund sector.

Finally, as I mentioned before, SMSFs are a rapidly growing and diverse sector. For example, between 30 June 2008 and 30 June 2012, the number of SMSFs increased from almost 376,000 to over 478,000, representing growth of over 27 per cent.

Let’s be clear—the government strongly supports self-managed superannuation funds. At their core, these reforms are about improving the integrity of the SMSF sector, and providing for better regulation, and ultimately better protection, for fund members. I commend the bill to the House.

Debate adjourned.

Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms GILLARD (Lalor—Prime Minister) (09:31): This parliament is the gathering place of our nation’s representatives, but we stand on land that was from time immemorial the gathering place of the Ngunawal people. So I speak here today, as I always do, in a spirit of friendship and respect for the First Australians and with honour to elders past and present. I am also conscious that on this special anniversary we acknowledge the courage that enabled Kevin Rudd to offer the apology and the generosity of spirit that enabled Indigenous Australians to accept it. We are only able to consider this act of recognition and constitutional change—the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012—because the apology came first.

The Constitution of our Commonwealth came into force on 1 January 1901. It was the start of a new century and a new year. Alfred Deakin wrote:

Never on this side of the world was there a New Year’s Day with such high expectations.

Those expectations were high because with the Constitution had come Australia’s birth
as a nation. But not all our people shared those expectations. In the decade of deliberation that created our Constitution, there were conventions and debates across the land, but there is no record of any Aboriginal or Torres Strait Islander person taking part. Indigenous people did not ordain our Constitution or contribute to its drafting. They had no opportunity to vote for it, and yet all were affected by what it said and what it failed to say. They were affected by provisions that even by the standards of the time seem questionable and strike us now as harsh and inhumane. But they were also affected by the great Australian silence which fell upon our founding document, because among the 128 sections of the Constitution there is no acknowledgement of Australia's first peoples—no mention of their dispossession, their proud and ancient cultures, their profound connection to the land or the unhealed wound that even now lies open at the heart of our national story.

In 1967, the people of Australia sought restitution and repair, but their work was incomplete. Today a new generation dreams of finishing the job with the same idealism and the same means—not through protests or lawsuits but by this parliament summoning every Australian elector to a referendum and there, in the sanctity of the polling booth, to inscribe their agreement to a successful constitutional amendment.

On that day, as the polls close and the ballots are counted, individual assent will merge into a collective 'yes'. In that way, we will forge an accord, bipartisan and unanimous, to right an old and grievous wrong—a step that will take us further on the path of reconciliation than we have ever ventured before.

Voting is the solemn act of our democratic order, but amending the Constitution is even more profound because it occurs so rarely and succeeds more rarely still. At the election of 2007, it seemed that the prospect of constitutional recognition was very close at hand, supported as it was by both major parties. But, in difficult and volatile times, we have not found the settled space in our national conversation to make the promised referendum a reality. So the government has advanced this bill for an act of recognition, to assure Indigenous people that our purpose of amendment remains unbroken and to prepare the wider community for the responsibility that lies ahead. This bill is thus an act of preparation and anticipation. In this legislation, we—the nation's 226 legislators—will serve as proxies for Australia's 14 million voters, bridging the time between now and referendum day. That is why this bill has a sunset clause of two years: so that the 44th Parliament can achieve what the 42nd and 43rd have been unable to do.

This bill was introduced by my friend and colleague the Minister for Families, Community Services and Indigenous Affairs and has two main purposes. First, it acknowledges in law that Aboriginal and Torres Strait Islander people are the first inhabitants of this nation. It acknowledges that they occupied this land from time immemorial. They honoured and cared for it, and do so to this day. Second, this bill seeks to foster momentum for a referendum for constitutional recognition of Aboriginal and Torres Strait Islander peoples. The bill gives the parliament some of the tools it will need to build the necessary momentum for constitutional change. These include a new legislative requirement for a review of public support for a referendum to be tabled here in parliament six months before any referendum bill is proposed.

The bill and the referendum to come are closely informed by the work of the expert panel—itself an outstanding example of
Indigenous and non-Indigenous Australians working together. The expert panel's report was informed by intensive consultations across the nation, from Sydney to Ceduna, Longreach to Launceston. That work gives us the solid foundation upon which to build parliamentary and community consensus. I again thank the expert panel, ably co-chaired by Patrick Dodson and Mark Leibler, for its important work, and I acknowledge the panel members who are present here today. But, ultimately, a referendum bill will be the creation of this parliament, so I also commend the work to date of the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples—and I look forward to their continued work in the months ahead to prepare the way for the parliament, most likely in the course of 2014, to debate and pass the referendum bill.

This is critical work because it will require all of us in this parliament to find consensus around the wording and the content of the proposed constitutional amendment. The work of preparation is timely and vital, but, ultimately, recognition is not a matter for politicians or experts. Instead, the Constitution belongs to the people; it was created by them, it serves them and it can be amended by them alone. This is a task in which all Australians must share.

I do believe the community is willing to embrace the justice of this campaign, because Australians understand that Indigenous culture and history are a source of pride for all of us. But I also believe that their goodwill needs to be galvanised. Some of the work of building consensus is being led by the joint select committee. Some of the work is being led by Reconciliation Australia and other organisations that are building grassroots support for change. The government is investing $10 million in this community based work, but most of all the push for change is increasingly being led by ordinary Australians, Indigenous and non-Indigenous alike.

This morning I met with some remarkable young Indigenous leaders who are deeply engaged in the campaign for recognition, men and women who were not born in 1967 but who share the spirit and optimism of those days. They will be among the many Australians actively working in communities around the nation in coming weeks and months. I trust that we will be out there too, every one of us in our electorates doing the same, campaigning with optimism, campaigning with hope. The experience of 1967 gives us abundant cause for such hope. In an era when the nation was perhaps less open and socially aware than our own time, the ballot yielded the highest yes-vote ever recorded in an Australian referendum, almost 91 per cent. I believe we can do it again.

This year the youngest voters of that referendum are turning 67. I hope they will soon be able to return to the ballot box, perhaps with their children and grandchildren, and again make history. After all, a foundation document is more than just a set of rules and procedures. It can articulate a nation's sense of itself. But our nation cannot articulate such a sense of self when there are still great unanswered questions in our midst. How do we share this land and on what terms? How adequate are our national laws and symbols to express our history and our hopes for the future?

We must never feel guilt for the things already done in this nation's history, but we can and must feel responsibility for the things that remain undone. No gesture speaks more deeply to the healing of our nation's fabric than amending our nation's founding charter, so I commend this bill to the House as a deed of reconciliation in its own right.
and as a sign of good faith for the referendum to come. We are bound to each other in this land and always will be. Let us be bound in justice and dignity as well.

Mr ABBOTT (Warringah—Leader of the Opposition) (09:43): I rise to follow the fine speech of the Prime Minister and I really am pleased to have this chance to join with her in supporting this bill. Australia is a blessed country. Our climate, our land, our people, our institutions rightly make us the envy of the earth, except for one thing—we have never fully made peace with the First Australians. This is the stain on our soul that Prime Minister Keating so movingly evoked at Redfern 21 years ago. We have to acknowledge that pre-1788 this land was as Aboriginal then as it is Australian now. Until we have acknowledged that we will be an incomplete nation and a torn people. We only have to look across the Tasman to see how it could have been done so much better.

Thanks to the Treaty of Waitangi in New Zealand two peoples became one nation.

So our challenge is to do now in these times what should have been done 200 or 100 years ago to acknowledge Aboriginal people in our country's foundation document. In short, we need to atone for the omissions and for the hardness of heart of our forebears to enable us all to embrace the future as a united people.

Let us acknowledge that there have already been two big milestones on our national journey to healing: the 1967 referendum and the national apology, the fifth anniversary of which we mark today. So I want to acknowledge and honour all the people who have brought us thus far. I acknowledge Harold Holt and Gough Whitlam, who sponsored the 1967 referendum. I honour Kevin Rudd and Brendan Nelson, who together made the national apology. I acknowledge my predecessor as coalition leader, former Prime Minister John Howard, who first sought to acknowledge Indigenous people in the 1999 referendum bid. I particularly acknowledge and thank Pat Dodson, Mark Leibler and other members of the expert panel whose work began the process that today's bill takes forward. I also honour the Prime Minister. So often in this place we are antagonists but today on this matter we are partners and collaborators. Most of all, I honour the millions of Indigenous people, living and dead, who have loved this country yet maintained their identity and who now ask only that their existence be recognised and their contributions be acknowledged. I particularly honour their representative in this parliament, my friend and my colleague Ken Wyatt, the member for Hasluck.

There is much hard work to be done. It will, as the Prime Minister candidly admitted, be a challenge to find a form of recognition which satisfies reasonable people as being fair to all. It will not necessarily be straightforward to acknowledge the First Australians without creating new categories of discrimination, which we must avoid because no Australians should feel like strangers in their own country. I believe that we are equal to this task of completing our Constitution rather than changing it. The next parliament will, I trust, finish the work that this one has begun.

So much of what happens here passes people by; sometimes it even annoys them. May this be an occasion when the parliament lifts people's spirits and makes them feel more proud of our country and more conscious of our potential to more often be our best selves. As the Prime Minister said, we should not feel guilty about our past but we should be determined to rise above that which now makes us embarrassed. We have that chance; let us grasp it.
Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:48): It is an honour to be commending the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012 to the House today. I thank everyone who has contributed to the debate, particularly the Prime Minister and the Leader of the Opposition. Five years ago we all wept together and we began to heal together. In the years since that momentous apology we have been able to begin a new conversation to progress the work that still needs to be done towards a successful referendum to recognise Aboriginal and Torres Strait Islander peoples in our Constitution. We appointed an expert panel made up of respected and accomplished individuals, including Aboriginal and Torres Strait Islander and community leaders. They travelled the country and gathered views and advice and, for the first time, we now have meaningful proposals for change.

I would like to thank again the expert panel for their hard work and dedication to constitutional recognition. Many of them are here with us today. Today this House takes up that work, with an act of recognition acknowledging the unique and special place of Aboriginal and Torres Strait Islander peoples as the first peoples of our nation. With support across the parliament for this act of recognition, we continue to build the momentum we need for successful constitutional change. We do not intend the act to be a substitute for constitutional reform. To maintain momentum towards a successful referendum, a sunset provision in the bill limits the effect of the act to two years. We expect this will also provide an impetus for a future parliament to assess how the campaign for change is travelling and the appropriate timing for a successful referendum. The bill also provides for a review to consider and advise a future parliament on proposals to submit to a referendum, taking into account the valuable work that has been done by the expert panel.

We know that legislation is not the appropriate forum to make all the changes we want to see. These changes must ultimately be in our nation's foundation document. On this important day, I make it clear that this government is committed to recognising Aboriginal and Torres Strait Islander peoples in the Australian Constitution. We believe the Constitution should recognise Aboriginal and Torres Strait Islander peoples and their unique history, culture and connection to the land; reflect our country's fundamental belief in the importance of equality by removing all references to race; and acknowledge that additional effort is needed to close the gap on Indigenous disadvantage in this country. We are determined to continue working to achieve this change, to build stronger relationships with Indigenous people based on mutual respect.

As well as a reconciled future where all Australians are equal partners, with equal opportunities in shaping the future of our country, we know that the momentum for a successful referendum will build not only from those of us here in the parliament but also from our wider community—in conversations in workplaces and around kitchen tables. This morning I was very pleased to join the Prime Minister to meet with the young campaigners who are out there already spreading the word about recognition to spark those conversations that we all need to have. The Australian Constitution is the foundation document for our laws and our government, but it is silent on the special place of our First Australians. Today those of us here play our part in recognising this special place. I commend this bill to the House.
The SPEAKER: I thank the minister, and I welcome to the gallery today Indigenous leaders and elders and others involved in this process and thank them for enhancing the debate on the floor. Often we speak in this place and no-one is listening, so it is wonderful that we have had an audience to such a momentous occasion.

Question agreed to.
Bill read a second time.

Third Reading
Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:53): by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

Export Finance and Insurance Corporation Amendment (Finance) Bill 2013
First Reading
Bill and explanatory memorandum presented by Dr Emerson.
Bill read a first time.

Second Reading
Dr EMERSON (Rankin—Minister for Trade and Competitiveness and Minister Assisting the Prime Minister on Asian Century Policy) (09:54): I move:

That this bill be now read a second time.

The Export Finance and Insurance Corporation Amendment (Finance) Bill 2013 will amend the financial arrangements of the Export Finance and Insurance Corporation (EFIC) to provide for the payment of special dividends and any adjustments to EFIC’s callable capital that may be necessary in the future.

The bill will implement a 2012 budget measure and follows recommendations and findings of the 2012 Productivity Commission inquiry report into EFIC’s operations. The Productivity Commission found that where EFIC retains capital above its minimum requirements this surplus capital has an opportunity cost that is borne by the taxpayer. It recommended that the Export Finance and Insurance Corporation Act 1991 be amended to allow the minister to direct EFIC to return surplus capital to the government.

The bill also provides a mechanism to adjust EFIC’s callable capital through a legislative instrument should the minister, in consultation with the Prime Minister, Treasurer and finance minister, consider this necessary in order for EFIC to meet its future prudential requirements.

The government’s broader response to the Productivity Commission’s report was announced in late January and further legislation will be introduced to give effect to EFIC’s new mandate later this year. EFIC’s new mandate will greatly benefit Australia’s small and medium sized businesses, ensuring they get the support they need to compete in this the Asian century.

In conclusion, this bill will provide greater flexibility in EFIC’s financial arrangements and will help support EFIC’s continued sound operation.

Debate adjourned.

Export Market Development Grants Amendment Bill 2013
First Reading
Bill and explanatory memorandum presented by Dr Emerson.
Bill read a first time.
Second Reading

Dr EMERSON (Rankin—Minister for Trade and Competitiveness and Minister Assisting the Prime Minister on Asian Century Policy) (09:57): I move:

That this bill be now read a second time.

The changes proposed in this bill, the Export Market Development Grants Amendment Bill 2013, deliver on the recent Mid-Year Economic and Fiscal Outlook (MYEFO) decision to concentrate the EMDG scheme more heavily on small businesses exporting to East Asian and frontier and emerging markets. The MYEFO decision and associated policy changes in this bill will deliver annual savings of $25 million. The changes will better help Australian exporters maximise the potential of the Asian century by increasing the number of grants available in East Asian and frontier and emerging markets from seven to eight. This offers Australian small- and medium-size exporters a slightly longer and more commercially realistic period to become established in these markets.

To offset the additional grant expenditure associated with an increased number of grants to East Asian and emerging and frontier markets the number of grants to the United States, Canada, United Kingdom and the European Union, which is where the Australian brand is already well known and accepted and small businesses typically face less barriers to doing business, will be reduced from seven to five. The increased focus of the EMDG scheme on emerging and frontier markets brings EMDG into closer alignment with Austrade's broader trade priorities following its review in 2011 and the government's Asian century policy agenda. The government is seeking to introduce this bill now to avoid creating considerable uncertainty for small businesses as they adjust to the new arrangements, which become operational on 1 July 2013.

Debate adjourned.

Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Bradbury.

Bill read a first time.

Second Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (10:00): I move:

That this bill be now read a second time.

This bill amends the income tax law to protect the integrity of Australia’s income tax system. These reforms come forward at a time of unprecedented global recognition that base erosion and profit shifting must be addressed.

Last night, the OECD released its latest report on Addressing Base Erosion and Profit Shifting, which identified modern transfer pricing rules and effective anti-avoidance rules as two of the key weapons in the fight against base erosion and profit shifting.

As the OECD report says, ‘What is at stake is the integrity of the corporate income tax.’

The government is committed to taking steps where necessary to ensure the integrity and sustainability of the tax system.

Without these amendments, significant amounts of revenue that should be available for the benefit of all Australians would be at risk of not being collected.

Schedule 1 amends part IVA of the Income Tax Assessment Act 1936, which is the income tax law’s general anti-avoidance rule. The amendments ensure that part IVA
continues to counter schemes that comply with the technical requirements of the tax law but which, when viewed objectively, are conducted in a particular way mainly to avoid tax. Without this, there would be significant scope for taxpayers to plan their way around the law’s intended operation and to undermine the revenue base.

Part IVA applies when three elements exist. There must be a scheme; there must be a tax benefit obtained in connection with the scheme; and it must be reasonable to conclude that someone entered into the scheme for the sole or dominant purpose of obtaining a tax benefit in connection with the scheme.

Some recent cases have focused on the ‘tax benefit’ element of part IVA’s operation. A tax benefit exists if a scheme produces a tax advantage (for example, reduced assessable income or increased deductions) being an advantage that would not have been obtained, or might reasonably be expected not to have been obtained, if the scheme had not been entered into.

There are two limbs to ‘tax benefit’. The first limb—concerning tax advantages that ‘would’ not have been obtained without the scheme—deals appropriately with cases where simply removing the scheme reveals a coherent taxable situation consistent with the substance of what happened.

The second limb—concerning tax advantages that ‘might reasonably be expected’ not to have been obtained absent the scheme—deals with cases where what is left after simply removing the scheme would not make sense or would be inconsistent with the taxpayer’s actual commercial objectives and instead requires a prediction about alternative ways that the substance of what happened might reasonably have been achieved.

The amendments reinforce the view that the two limbs of the tax benefit element of part IVA are alternative tests; that there is not just one test that merely spans a spectrum of likelihood.

The amendments also ensure, in deciding whether an alternative to the scheme is reasonable, that regard is had both to the substance of the scheme and to the non-tax results or consequences for the taxpayer that the scheme achieved. In making that decision, the tax consequences of the alternative are ignored.

The proper role for the tax benefit test is to compare the tax consequences of what the taxpayer actually did with the tax consequences of a reasonable alternative that achieves substantively the same thing. It makes little sense in an anti-avoidance provision to allow the tax consequences of what the taxpayer has achieved to act as a shield against the operation of part IVA.

These amendments ensure that a taxpayer who, having achieved something from a scheme (tax results aside), cannot say they did not obtain a tax benefit by arguing that, absent the scheme, they would have pursued completely different objectives, or done nothing at all.

These amendments have been through an extensive consultation process. In addition to the government’s usual public consultation on draft legislation, the design process included a lengthy series of consultations with a round table of academic, legal and tax experts, and advice from a number of senior counsel.

As a result, the government is confident that these amendments will ensure that part IVA properly protects the integrity of the tax law without unnecessarily interfering with taxpayers’ normal commercial activities.

Schedule 2 to this bill modernises Australia’s transfer pricing rules in
accordance with the government’s announcement in November 2011. It provides a new, comprehensive and robust transfer pricing regime that is aligned with internationally accepted principles.

The transfer pricing rules are critical to the integrity of the tax system. They ensure that an appropriate return for the contribution of Australian operations of a multinational group is taxable in Australia for the benefit of the broader Australian community.

The transfer pricing rules do not depend on the existence of a tax avoidance purpose. Transfer pricing rules ensure an arm’s-length tax outcome is achieved for non-arm’s-length arrangements or transactions, even where those arrangements or transactions have a legitimate commercial purpose.

A key feature of the new rules is their alignment with international best practice as set out by the OECD. Alignment with international norms improves the integrity and efficiency of the tax system, and reduces compliance costs and uncertainty for taxpayers.

The OECD’s Transfer Pricing Guidelines are widely used by tax administrations and multinational enterprises globally. The amendments provide a clear legal pathway to the use of OECD guidance material to assist in applying the arm’s-length principle.

As well as alignment with the OECD guidance material, several design features of the new rules will further promote efficiency and certainty.

The new rules operate on a self-assessment basis, bringing the transfer pricing rules in line with the overall design of the Australian tax system. In contrast to the old rules, which relied upon the Commissioner making a determination, taxpayers will now be able to self-assess their Australian tax position in accordance with the arm’s-length principle.

Specific rules linking voluntary documentation with a reduction in administrative penalties are included under the new rules. This approach balances compliance costs for taxpayers with incentives to adequately document issues relevant to transfer pricing matters. It allows taxpayers to risk assess matters that could be the subject of administrative penalties and prepare documentation accordingly.

The new rules also introduce a time limit in which the commissioner may amend a taxpayer’s assessment to give effect to a transfer pricing adjustment. Under the previous rules, the commissioner had an unlimited period in which to amend an assessment. These rules reduce this period to seven years. Given that transfer pricing audits often require information from other jurisdictions and involve complex arrangements spanning several income years, this time limit strikes an appropriate balance between providing the commissioner with the time required to conduct an audit, and providing taxpayers with increased certainty as to their tax affairs.

The new rules also maintain the existing interaction between the transfer pricing and thin capitalisation rules that were developed in close consultation with industry during amendments to the transfer pricing rules last year.

The government has engaged extensively with industry, corporate and community representatives over the course of the reforms to Australia’s transfer pricing rules. The bill has benefited significantly as a result of the consultation process. And I would like to acknowledge these important contributions from those who have contributed to the policy design process.

The measures contained in this bill are vital for maintaining the integrity of the Australian income tax system.
Robust and properly functioning integrity rules are critical to maintaining a healthy tax system so that the government can continue to deliver the public goods and services that Australians expect and require, like world-class health and education systems, a strong social safety net and public infrastructure.

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

Debate adjourned.

Tax and Superannuation Laws Amendment (2013 Measures No. 1) Bill 2013
First Reading
Bill and explanatory memorandum presented by Mr Bradbury.

Bill read a first time.

Second Reading
Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (10:10): I move:

That this bill be now read a second time.

This bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.

Schedule 1 exempts the interest paid by the government on unclaimed money returned after 1 July 2013 from income tax. This ensures that the real value of unclaimed money does not diminish over time.

Under the amendments contained in this bill, individuals who are former temporary residents and who subsequently return to Australia will be treated in the same way as other Australian residents—that is, they will not be subject to tax on any interest paid on their unclaimed superannuation.

In the case of interest paid on the unclaimed superannuation of departing temporary residents who do not subsequently become permanent residents, these amendments ensure that such interest payments are appropriately subject to the departing Australia superannuation payments tax. This removes the benefit of the taxpayer funded superannuation tax concessions from those who will not retire in Australia.

Schedule 2 amends the Fringe Benefits Tax Assessment Act 1986 to align the special rules for calculating airline transport fringe benefits with the general provisions dealing with in-house property fringe benefits and in-house residual fringe benefits.

The method for determining the taxable value of airline transport fringe benefits is also updated to simplify the practical operation of the law and to better reflect the value of the benefit received.

Schedule 3 amends the income tax treatment of Commonwealth payments to irrigators under the Sustainable Rural Water Use and Infrastructure Program. The payments are for upgrading rural water infrastructure and improving the efficiency of rural water use. Some of the water savings from those improvements will be returned to the Commonwealth for environmental activities.

There can be a timing mismatch between assessing the payments and the deductions for relevant expenses. In particular, the payments will often be assessed right away but the depreciation deductions recognised only over several years. That mismatch can mean that an irrigator has to fund the gap until the expenditure has been fully recognised.

To address that timing mismatch, this measure allows taxpayers to treat the payments as non-assessable non-exempt income. Where they do, their corresponding expenditure is also not recognised for income tax purposes.
However, because some taxpayers would be better off under the existing law, the measure also provides taxpayers with a choice between the new treatment and the existing law.

Schedule 4 introduces specific rules for trustees and investment managers of self-managed superannuation funds in relation to acquiring certain assets from related parties and disposing of certain assets to related parties.

The Super System Review Panel, which included an expert on self-managed superannuation fund issues, found that the current provisions concerning related party acquisitions and disposals are insufficient to mitigate the potential risk of transaction date and asset value manipulation to achieve favourable outcomes for the self-managed superannuation fund or the related party.

Consider an example of a member who decided to contribute shares valued at $30,000 to their self-managed superannuation fund in June 2012 which were worth $25,000 in May 2012. The member could complete and lodge an off-market transfer form and record May 2012 as the date the transaction took place. The contribution would be recorded as $25,000 even though the fund now owns shares worth $30,000.

In this way, parties may seek to manipulate the timing and the valuation of transactions to achieve favourable outcomes, most commonly to stay under the contributions caps and avoid paying excess contributions tax or for capital gains tax advantages.

Recommendation 8.13 of the Super System Review was that where an underlying market exists, all acquisitions and disposals of assets between self-managed superannuation funds and related parties must be conducted through that market.

Where an underlying market does not exist, acquisitions and disposals of assets between related parties must be supported by a valuation from a suitably qualified independent valuer.

The amendments will provide greater transparency to related party acquisitions and disposals. This will enable approved self-managed superannuation fund auditors and the Commissioner of Taxation, as regulator, to monitor these transactions more effectively, which will in turn enhance the integrity of the self-managed superannuation fund sector.

This measure will only apply to self-managed superannuation funds as there are key differences between these funds and those regulated by the Australian Prudential Regulation Authority that minimise the risk of manipulation of in-specie transfers. Funds regulated by APRA have an independent trustee and consequently their members do not have direct control over the choice of transaction date or asset value.

Schedules 5 and 6 introduce loss carry-back for companies into the income tax law.

The introduction of loss carry-back implements recommendation 31 of the 2010 Australia's Future Tax System Review, which stated that ‘...companies should be allowed to carry back a revenue loss to offset it against the prior year’s taxable income, with the amount of any refund limited to the company’s franking account balance’.

It is also in line with the recommendations of the Business Tax Working Group made in its final report on the tax treatment of losses, which found that loss carry-back would be a worthwhile reform in the near term.

The working group recommended that loss carry-back would be a worthwhile reform and proposed a model that is limited to companies, provides a two-year loss carry-back period on an ongoing basis and limits
the amount of losses that can be carried back to $1 million a year.

This measure implements that recommendation by amending the taxation law to permit a corporate tax entity that makes a loss in one year to carry that loss back to the two preceding years. The entity must have a tax liability in the year it carries the loss back to and must have a franking account balance at the end of the year it claims the loss carry-back. If those requirements are satisfied, the entity will be able to convert the loss into a tax offset at the corporate tax rate. This will produce an effective refund of tax paid in the past of up to $300,000 a year at current rates.

As a transitional measure, corporate tax entities that make a loss in the 2012-13 year will be able to carry back their loss for one year. In its first four years, it is estimated that this major tax reform will provide much-needed assistance to nearly 110,000 corporate tax entities. Almost 90 per cent of these entities are expected to be small businesses.

Small business is the engine room of the Australian economy, employing almost five million Australians and contributing more than 20 per cent of GDP. The government is determined to create the environment in which small businesses not only survive but thrive.

Allowing loss carry-back will encourage businesses to invest and adapt, and will mean companies in the slow lane can use their tax losses now—when they need to—rather than in the future when their businesses are performing better.

Finally, Schedule 7 to this bill addresses some minor deficiencies in the taxation laws. The government often progresses miscellaneous amendments, such as this, to rectify technical and machinery problems in the taxation laws. In doing so, the government is giving effect to its longstanding commitment to maintain the integrity and the efficient operation of the taxation system.

Full details of these measures are contained in the explanatory memorandum.

Debate adjourned.

COMMITTEES

Human Rights Committee

Report

Mr JENKINS (Scullin) (10:19): On behalf of the Parliamentary Joint Committee on Human Rights I present the committee’s second report of 2013 entitled Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011: Australian Sports Anti-Doping Authority Amendment Bill 2013.

Ordered that the report be made a parliamentary paper.

Mr JENKINS: by leave—In this second report of the Parliamentary Joint Committee on Human Rights for 2013 the committee sets out its comments on the Australian Sports Anti-Doping Authority Amendment Bill 2013.

In the normal course of events the committee would not table its comments on this bill until Wednesday, 13 March 2013, when it will publish its comments on bills introduced during the period 5 to 28 February. I would therefore like to take a few moments to outline to the House the committee’s reason for expediting publication of its comments in this instance.

This bill has been referred to the Senate Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by 12 March 2013. The PJCHR has identified a number of human rights matters in relation to this bill and has decided to seek further clarification from the minister in
relation to some of them. These include matters relating to civil penalty orders, the right to privacy and the right to family life. The committee has raised similar concerns in relation to a number of bills considered in previous reports. I stress that the committee's sole intention in publishing its comments on this bill at this early opportunity is to ensure that the Senate Rural and Regional Affairs and Transport Legislation Committee has the benefit of these comments early in its own consideration of the bill. The committee hopes that this will result in the minister's response to the committee's comments on the bill being available to the Senate committee before it concludes its inquiry.

From its earliest days, the committee has recognised the desirability of placing information regarding the human rights implications of bills and instruments before the parliament at an early opportunity. The volume of bills and instruments, together with the realities of the sitting pattern and the committee's preference for tabling reports in a predictable cycle when both houses are sitting, can present challenges to achieving this.

In my statement to the House at the end of last year, I said that in 2013 the committee would focus on working more effectively with other parliamentary committees, particularly where they have been charged with examining particular bills and instruments. I said that it was the committee's aim to draw the attention of these committees to its reports where such comments are relevant to particular inquiries. I noted two important reasons for the committee approaching its work in this way. First, it makes effective use of resources both within and outside the parliament. Second, determining the human rights implications of legislation is frequently complex and contentious. It makes sense to examine legislation from a variety of angles and shed as much light as possible on how legislation works and how it relates to Australia's human rights obligations in practical terms.

Since the resumption of parliament in 2013, the committee has been focused on establishing clear and regular communication with other parliamentary committees to assist in the examination of human rights issues. It has addressed this in three ways. First, the committee has stepped up its practice of writing to House and Senate committees drawing attention to its work where it overlaps with specific inquiries being undertaken by these committees. Second, the committee has decided that it will endeavour to expedite its consideration of bills and instruments where it considers that this may assist inquiries being undertaken by other parliamentary committees or deliberation in either house. Finally, the committee has resolved to make a submission to the Senate Legal and Constitutional Affairs Committee's inquiry into the exposure draft of the Human Rights and Anti-Discrimination Bill 2012. The committee recognises that, while it will have an opportunity to comment on the bill when it is formally introduced into parliament, it is appropriate and timely to make some comments on human rights concerns now, while amendments to the exposure draft of the bill are under consideration. Without binding the committee, this is an approach the committee may consider adopting with regard to future parliamentary inquiries into exposure draft legislation.

I have noted before that consideration of the human rights implications of legislation is not solely the responsibility of the PJCHR. The committee hopes that by striving to complete its own work in a manner that is sensitive to the nature and timing of the work of other parliamentary committees, it can contribute more effectively to the consideration of human rights throughout the
legislative process. I commend the report to
the House.

The DEPUTY SPEAKER (Mr Oakeshott): I call the very noble member
for New England. He may like to assist us by
keeping his presentation to less than
seventeen minutes!

Mr Windsor: Yes, I am sure that as on
previous occasions all of us, Mr Deputy
Speaker, would prefer that.

Regional Australia Committee
Report

Mr WINDSOR (New England) (10:25):
On behalf of the Standing Committee on
Regional Australia, I present the committee's
report, incorporating a dissenting report,
entitled Cancer of the bush or salvation for
our cities?: Fly-in fly-out and drive-in drive-
out workforce practices in regional Australia
together with the minutes of proceedings and
evidence received by the committee.

Order that the report be made a
parliamentary paper.

Mr WINDSOR; by leave—The Mayor
of Kalgoorlie called the workforce practice
of 'fly-in fly-out, drive-in drive-out' the
'cancer of the bush'. He claimed, and many
others agreed, that it is eroding the way of
life in traditional mining communities and
other communities. For those who are really
interested in the committee's deliberations, I
would suggest that they go a little bit further
and actually look at the Hansard of the
committee proceedings in Kalgoorlie. I think
Kalgoorlie, Mount Isa and Broken Hill
presented a real snapshot into genuine
concerns about changing work practices.
Those three communities do not have an
agenda against mining—some communities
do—but they are very proud of their mining
history and they want to preserve that history
and advance their communities into the
future. So I would recommend that those
community groups and journalists that are
really interested in this story go through what
the Mayor of Kalgoorlie had to say, that they
look at what the business community had to
say and at what some of the religious leaders
had to say in that town—a city that people
are very, very proud of.

Fly-in fly-out, or FIFO, is also presented
as offering work opportunities to ease
unemployment in cities and coastal areas,
spreading the wealth of the resources
industry and raising the question: could this
be the salvation for our cities? A century
ago, many country people migrated to the
cities in search of work as technology
dictated fewer jobs on the land. A century
later, many see jobs being created in the
mining sector, particularly in inland
Australia, with many of those jobs being
taken up by city or coastal people who do not
live where they work.

There are warning signs for inland
Australia, as well as opportunities for coastal
regional centres. Many communities are
concerned about the negative impacts on
their towns and feel that although they may
be the sites of the resource activity, they are
not the major beneficiaries. The report
examines the implications for those towns
wishing to become 'FIFO hubs' and the
towns to which the workers travel, and
highlights the challenges for all levels of
government.

Above all else, the inquiry heard the
mantra of 'choice'—that choice must be
provided to workers to fuel the high-speed
mining economy. However, the work
practice is eroding liveability of some
regional communities to such an extent that
it is increasingly removing the choice to
'live-in' rather than simply 'cash-in'. The
subsidisation of fly-in fly-out work practices
through taxation concessions to mining
corporations distorts the capacity of workers
to make the choice to live and work in regional communities and in fact encourages the practice.

Despite the rapid increase in fly-in fly-out workers in Australia and the impact the practice is having on regional committees, state and federal governments and some companies appear to be oblivious to the damage that it is causing to the lives of some regional people, fly-in fly-out workers and their families.

There are simple and practical measures that can be put in place to provide more incentive for fly-in fly-out workers to become residential workers. But foremost, governments at all levels must acknowledge that, for some communities—particularly those traditional resource communities and others in quite developed areas—fly-in fly-out is a cancer.

Regional communities need a champion. This report calls for that champion. It recognises that there are some circumstances in which fly-in fly-out is warranted but that, for operational positions located near existing regional communities, every effort should be made to make fly-in fly-out the exception rather than the rule. This was a major concern that came through time and time again, particularly in Queensland and New South Wales but also in parts of Western Australia. Established communities with established economies feel as though there is some degree of threat from this work practice. The report goes into a lot of the detail on that.

The same resource companies operating in Australia demonstrated both in Canada and Mongolia that they are capable of operating profitably while building regional communities. This report challenges them to extend this approach to their Australian operations.

The report addresses the benefits that fly-in fly-out can bring for both medical practitioners and small communities without the population to support full-time medical specialists. The report supports measures to encourage the continuation of this service practice as long as it is not at the expense of regional health care.

I thank the deputy chair, Steve Gibbons, and the members of the committee for their work throughout the inquiry and the secretariat, the members of which have put an enormous amount of work into this particular document, particularly given that they had to make a couple of references to bills that were before the House during the writing of this report. I thank all of those people in the various states that the committee visited for their attention to detail, their sincerity and their genuine concern for regional Australia and the opportunities that the mining sector presents. In many cases, the cry was that they want to be part of that process and not be bypassed by a work practice if they happen to live in a regional centre near some of the resource activity. I commend the report to the House.

The DEPUTY SPEAKER (Mr Oakeshott): Does the member for New England wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr WINDSOR: I move:

That the House take note of the report.

The DEPUTY SPEAKER: In accordance with standing order 39(d), the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Report and Reference to Federation Chamber

Mr WINDSOR (New England) (10:32): by leave—I move:
That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

BILLS

Marine Safety (Domestic Commercial Vessel) National Law Amendment Bill 2013

Report from Federation Chamber

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

Bill agreed to.

Third Reading

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (10:32): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HUNT (Flinders) (10:34): On a day on which this House historically has unanimously passed the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012, it is a great honour and appropriate for this House to address the Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013. Let me begin by noting that it is my sincere hope and belief that the process started today on the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012 will see that bill pass through the Senate and in turn lead to a question for constitutional recognition to be put to the Australian people through a referendum. It is my hope and belief that will ultimately be passed if good faith can be shown by all sides, which I believe will be the case. It is a very momentous occasion today and I am delighted that this House has played its part.

This particular bill addresses broader questions about engagement with Indigenous Australia, the preservation of our environment and the maintenance of our resources. The history of this bill is that in previous decades, prior to the creation of Kakadu National Park, there were at least three areas within what is now the Kakadu region that were considered for mining and exploration, primarily for uranium. These were the Coronation Hill area, the Ranger uranium mine and the Koongarra area.

At a personal level, having had responsibility for Kakadu National Park for two years as parliamentary secretary and having spent considerable time there under the guidance of traditional owners and the still Director of National Parks, the very professional Peter Cochrane, I can say that when people talk about the majesty of Kakadu they are also and in particular referring to the majesty of the Koongarra region. This really is what people refer to as ‘Kakadu’: Jim Jim, Twin Falls, Ubirr Rock, Koongarra and Yellow Water. Those places are some of the most majestic Indigenous land and natural features in all of Australia.

Against that background, our policy position—at least since I became involved, which was in 2005, with particular thanks to the work of Senator Nigel Scullion and the member for Solomon, Natasha Griggs—has been that we will be guided by the views of the traditional owners.

The traditional owners have made it absolutely clear not only that do they not envisage Koongarra ever being mined but that they now seek for it to be returned from
its status as an island for potential development excluded from the rest of the national park and for it now to be reincorporated into the national park. We respect that decision, and, in fact, we welcome that decision.

I also note that this bill is symbolically important, but its basic aims, I am advised by the Northern Territory government, have in fact been achieved by the domestic legislation within the Northern Territory. To a certain extent I want to represent the views of the territory government that they feel as if it has been presented in a way which undermined their laws. Having worked with the Chief Minister's office and the mining minister's office, I appreciate enormously their contribution, but I do want to speak up for and represent their views that the Northern Territory law, in their judgement, was already adequate to protect Koongarra. Having said that, they have been very cooperative. The Minerals Council has supported this decision. Natasha Griggs and Senator Scullion have also shown great respect for the traditional owners, and that has been the coalition's position since at least 2005. It is one which I reaffirm on behalf of the coalition today.

In short, what occurred was that the Koongarra Project Area Act 1981 carved out the Koongarra project area and allowed for possible development. Over the years, there have been attempts to have this area given consent; none has been given. I believe that none will ever in the future be likely to be given, and nor would I like to see this area mined because of its majestic status, its environmental status, its iconic status and, above all else, because of its absolute centrality to the heart of Indigenous identity within the Kakadu and Arnhem regions. As part of this process I note that in 2006 I had the great privilege of signing off on the reincorporation of 29 other mining leases which were within the Coronation Hill area back into the Kakadu National Park. That was the completion of a long and, shall we say, challenging process which dated back to some very significant times. But our history and our heritage has been to recognise that the traditional owners should have the ultimate say.

Against that background, I am delighted to offer the coalition's support. I recognise that the territory has legitimate concerns about it being presented that there is inadequate protection when my belief and their belief is that it was already the case, but this bill ultimately gives voice to the concerns of Indigenous people and to the will of Indigenous people, and for that reason the coalition fully supports the Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013. I note in offering that support that this should not be taken as a licence on other areas and other issues. Each will be considered on its merits, but we have considered the merits, we have considered the will of the Indigenous people and we are delighted to add support to that as well as the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:40): Firstly, let me acknowledge the passage of the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012 earlier this morning. Whilst I do not want to take up a lot of time talking about it, I do want to make mention of what a privilege it is to be a member of this parliament at times when we actually effectively shake hands across the aisle and join in supporting a single piece of legislation. In this context, as I spoke in
support of that legislation in the other chamber earlier this week, I made the observation that there are a few of us in this place who have had the privilege to be a party, in one way or another, either as a participant, as an observer or as a member of this parliament, in some very significant events over the last 25 or 30 years. If we contemplate that for just a moment, we think of the passage of the ATSIC legislation initially in the Hawke government or we can go back further to the passage of the first land rights legislation in 1976. Then, as we moved forward, we saw the passage of the native title legislation, which was very divisive because there was not unanimity across the parliament. There was not a view held by some conservatives in the country, not only in parliament, about the importance of native title, how it should be enacted and why it should exists; nevertheless, it is in place. As a result, it is now part of our national fabric, it is something which is accepted and agreed upon and we deal with.

I can go back to the divisive debates around national land rights in the 1980s. Pat Dodson, who was here earlier this morning, was then the Director of the Central Land Council, and I was his policy adviser. We were involved in rallies in front of the Old Parliament House trying to ensure that any new national land rights legislation reflected the values, at a minimum, of the Northern Territory Land Rights Act, which was passed in 1976. Of course, we were opposed in that process by conservatives on both sides of the chamber, by conservative premiers such as Brian Burke in Western Australia and by conservative members of this parliament who were voting for the then coalition. As we move further forward—I want to refer to the comments made by previous speaker around Kakadu, and I will do that later—things which were going to be so disruptive, so divisive and would cause mayhem in the Australian economy have been demonstrated to be absolutely false in those assertions. As a person of privilege, as a person who has now been in this chamber since 1987—except for a small interregnum—it has been a great privilege for me as a person and as a member for Lingiari where about 42 per cent of my constituents are Aboriginal people, most of whom live on their own land, to witness this legislation's passing.

It has also been a great privilege for me to be an observer, and sometime participant, in these debates—not only around ATSIC and those other pieces of legislation I referred to earlier in relation to the native title legislation but to be in this chamber when the national apology was given. It was a momentous and historic day, as is today a momentous and historic day. All those differences and divisions of the past have been put behind us, as they should have been, and we have come to a unanimous view about the need for an act of recognition. That, to me, shows great progress.

I might just pay a compliment to those Aboriginal and Torres Strait Islander people who have been involved in leadership positions over the last 25, 30, 35, 40 years. Their resilience and their dignity have led us to this point. Their commitment and their application, their refusal to accept defeat, have led us to this point. I want to thank them from the bottom of my heart for their personal sacrifice—many are now gone. I know that those who I know so well, who are no longer with us, will be overlooking this place with great pride today.

My constituent 39-year-old Jeffrey Lee is a member of the Djok clan. He is a senior custodian of Koongarra, an area of land of more than 1,200 hectares adjacent to the stunning Nourlangie Rock, one of Kakadu National Park's most popular destinations. In addition to extraordinary ecological
biodiversity around its beautiful billabongs, Koongarra includes ancient rock galleries, some more than 25,000 years old; first settlement paintings, at least one of which may be of scenes associated with Ludwig Leichhardt's 1848 traverse from South-East Queensland to Port Essington on the Cobourg Peninsula; and, of course, most importantly, sacred burial sites.

Perhaps for some Koongarra also includes something even more significant: more than 14,000 tonnes of uranium oxide, probably worth more than $5 billion at current prices. It was more significant for the Fraser government, for instance, which in 1979 refused to incorporate Koongarra into Kakadu National Park because of its enormous uranium potential. It was more significant also for the giant French energy company Arriva, which for decades has wanted to mine Koongarra but has never been able to gain the traditional owners' permission to explore the site. But it was not more significant for Jeffrey Lee—even though his approval of exploration would have made him one of the richest men in Australia if not in the world. This man works as a ranger on his traditional country for little more than $1,000 a fortnight. This man is not interested in the soaring price of uranium, because the protection of his country is much more important for him. Last year, through the Northern Land Council, he informed the then minister for the environment, Peter Garrett, that he wanted Koongarra incorporated as soon as possible into Kakadu so as to be protected by its World Heritage status and law. As he said then: 'This is my country. Look, it is beautiful. And I fear somebody will disturb it.' He went on to say: 'When you dig a hole in the country, you are killing me. I don't worry about money at all.'

Jeffrey Lee grew up hunting and fishing and fulfilling his traditional cultural obligations to Koongarra. For him, according to his beliefs, Koongarra is where the rainbow serpent entered the ground. He wants it left undisturbed—for his children, grandchildren and indeed for future generations of the broader world community. And we in this government agree with him.

The incorporation of Koongarra into Kakadu National Park is part of the Gillard government's commitment to protect our quality of life and to build a sustainable Australia. For us, the future of Koongarra, and indeed Kakadu, is tourism, not mining. Australia's 18 World Heritage sites generate $12 billion annually and support over 120,000 jobs across the country. Many of the jobs supported by tourism in Kakadu are jobs for Aboriginal Australians, many of whom are local traditional owners who have an attachment to their country that can be counted not in terms of tonnes of uranium oxide but only in terms of quality of life and cultural and ecological sustainability. Traditional owner Jeffrey Lee of the Djok clan, I salute you.

The history of uranium mining in Kakadu, including the Koongarra site, provides us all with some salutary lessons about Indigenous Australians, Australian parliaments and the mining industry and the relationship between them. By the mid-1970s, four sustainable deposits of uranium had been identified in the area that is now referred to as the Koongarra, Nabarlek, Ranger and Jabiluka sites. It was in the 1970s that the Australian government, through the Ranger inquiry, first approved proposals by mining companies to construct mining and milling facilities in the Ranger mine and at Nabarlek in the Kakadu region. These four deposits were all excised from the newly created Kakadu National Park because of their high uranium prospectivity. Under the management of ERA, Energy Resources Australia, and with the approval of the Fraser
government, mining commenced at the Ranger mine in 1980.

North of the Ranger mine is the Jabiluka site, to which a secondary company, Pan Continental Ltd, was granted approval to mine by the same government in 1982. Gundjehmi traditional owners bitterly opposed the proposed mine. The following year saw the election of the Hawke government, and with it the immediate suspension of that approval. However, the defeat of Labor in 1996 saw the new Prime Minister, John Howard, announce renewed plans to mine at Jabiluka. ERA had replaced Pan Con as the key stakeholder for management of the mine. It had completed an environmental impact study, which was approved by the Howard government in 1997. Spirited resistance by Gundjehmi, led by senior traditional owner Yvonne Margarula, and a coalition of environmental supporters, forced ERA to suspend mining operations in 1998. ERA have not pursued the reopening of the Jabiluka mine, and today, to their absolute credit, have a policy of respect for traditional owners' wishes regarding their lands. This more enlightened policy benefits Aboriginal and Torres Strait Islander people, wherever they are where this company exists, and the miners as well. With the closing of the chapter on mining at Koongarra by Jeffrey Lee and this government, we see a further example of a Labor government listening to Indigenous interests.

I might just go for a moment, if I may, to the comments made by the previous speaker about the Northern Territory government and the chamber of mines. I full well remember the hideous approach of the former conservative governments in the Northern Territory, under various chief ministers, around the issue of Aboriginal land rights and mining in the Northern Territory. They were supported by the chamber of mines and some of the largest miners in this country. I know too well about the bribes that were offered to the traditional owners of the Koongarra site to accede to the request for mining. But to their credit—to their great and everlasting credit—they resolved amongst themselves not to accede to the bribery, not to accede to the overbearing tactics of government or the mining industry and to resist absolutely to the last any proposal to mine Koongarra.

I also remember visiting the Ranger uranium province as far back as 1976. At that time, there was an exploratory hole in the ground. I was a teacher in the Northern Territory and, as it happened, I felt unwell this particular day. With a colleague of mine—a woman who remains a friend to this day—we visited the site because the father of one of the kids that we taught was the manager. So we inspected the site and talked about uranium mining—to which I was bitterly opposed. In the years that followed, I was involved in resisting and opposing uranium mining in the Northern Territory and the exploitation of Ranger, Koongarra, Jabiluka and Nabarlek. As we know, that resistance proved impossible and ultimately the traditional owners did a deal around the Ranger mine which has been of benefit to them financially over the years but has still raised many perplexing questions about its impact on the cultural and social life and indeed the very existence of Aboriginal people in the region.

But we have moved forward. We are here today doing something which now has the support of the opposition and we now hear that it has the support of the Northern Territory conservative government. I say 'thank you' to them, because it is about bloody time. It is about time that you looked at yourselves the mirror, looked at what happened in the past, defined it in your own mind and declared to yourselves that it
would never happen again. We need to move forward together to make sure that we live in a period of reconciliation into the future, acknowledge the importance of Aboriginal land and understand why my constituent Mr Lee took the action he did and why we have passed this legislation today.

Mr BANDT (Melbourne) (10:55): I rise to support the Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013. Last week, Djok senior traditional owner Jeffrey Lee AM was here in the parliament when this legislation was introduced into the House. Jeffrey Lee is to be commended for his tireless and courageous effort to protect his country up against some very powerful interests. Because of his endurance, Koongarra was finally recognised in June 2011 by the UNESCO World Heritage Committee as having both cultural and environmental significance.

Jeffrey Lee made a statement when this bill was introduced:

I have said no to uranium mining at Koongarra, because I believe that the land and my cultural beliefs are more important than mining and money. Money comes and goes, but the land is always here. It always stays if we look after it and it will look after us.

In 1979, the land Jeffrey has looked after—an area of 1,228 hectares right beside the famous Nourlangie Rock, with its remarkable rock art—was excluded from the Kakadu National Park because of its potential uranium resources. The French owned company AREVA—the largest nuclear energy company in the world—owned the lease and wished to mine the 14,000 tonnes of uranium there, so much so that they attempted to stop the UNESCO World Heritage Committee from debating and deciding to fold the area into Kakadu National Park at the express wishes of the Djok traditional owners.

Koongarra should have been in Kakadu long ago, but it will finally have the protection it deserves upon the passage of this bill when it is officially included in the park. This is a win for the long-term future of the region and for the integrity of the Kakadu World Heritage area.

But let us be clear, Kakadu—the jewel in Australia's tourism industry, with its natural wonders such as sandstone escarpments, huge waterfalls, tropical rainforests and wetlands alive with birds—is threatened by another mine. The Ranger uranium mine was literally forced on the Aboriginal people when their right to refuse was ripped away through legislation in 1978. Ranger is a leaking disaster. My colleague, Senator Ludlam, has established through Senate estimates hearings that over 100,000 litres of contaminated water leaks into the ground beneath Kakadu National Park every day. In addition to that, over 150 leak spills and licence breaches have been recorded since the mine opened. In 2011, uranium processing at Ranger was suspended for six months following a tropical wet season that left the tailings dam near capacity.

Yet, despite ongoing problems and ageing infrastructure, the ERA is considering the expansion of Ranger. The construction of a tunnel for underground mining in the guise of 'exploration' has commenced without any environmental scrutiny. This exploration is clearly the first stage of what could become a new underground mine. The Greens strongly believe—along with the many people who have written to the environment minister, Tony Burke—that the minister should take up his responsibility to scrutinise this nuclear action under the Environment Protection and Biodiversity Conservation Act. The minister would be protecting the environmental and cultural significance of Kakadu through so doing.
While I call upon the environment minister to protect Kakadu from the ongoing threat at Ranger and want to stress that this bill is misnamed—Kakadu is not complete until Ranger is closed—I wish to commend him today for delivering on a Labor election promise to bring Koongarra into Kakadu National Park, which the Greens welcome and congratulate him for.

The ALP still has a very confused nuclear policy. On one hand, the mining and exporting of the uranium that literally fuelled the Fukushima nuclear disaster is promoted. Labor also wants to pour uranium into India, a state with a history of illicit nuclear procurement and inadequate export controls and a country that is continuing to expand its nuclear arsenal and missile capabilities, making the subcontinent the hottest nuclear stand-off in the world. On the other hand, today Kakadu is protected from more uranium mining with this bill. On one hand, Labor supports the use of nuclear weapons in our own security policies by participating in the US nuclear umbrella and thereby legitimising the possession of nuclear weapons. On the other, it strives to be an advocate of nuclear disarmament, sponsoring the International Commission on Nuclear Non-proliferation and Disarmament.

Despite this profound confusion, sometimes Labor gets nuclear policy right, and today is one of those times. I commend this bill to the House.

Ms OWENS (Parramatta) (11:00): I am sure in future years when I look back at my time in this place I will remember some events that I will think back on very fondly, or with some pride. The day we introduced the legislation that abolished Work Choices, for example, was one of those times. And the day we introduced the legislation on the NDIS, just last year, was undoubtedly one of those days. But, for me, so is this one, because the Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013 is a very special bill that tells a very, very special story.

Most of us, particularly where I live, down in Sydney, know of Kakadu. We have the images of Kakadu in our mind; it is part of our understanding of what Australia is as a nation. We assume that it will be there and that one day we will go and see it. I hope that one day I do—and I am sure I will. But many of us probably did not realise that part of it, when Kakadu was first created back in 1979, was excluded from the original boundaries.

My ears sparked up when I first heard the name Jeffrey Lee, because my state counterpart is called Geoffrey Lee—a different person, not this Jeffrey Lee, although a fine man in his own right. When I heard the story of Jeffrey Lee, it was news to me that this part of Kakadu—this Koongarra area—had been exempted from the park and was now finally being brought home. The story of traditional owners fighting to have the lands they care for brought into the park is a great one—the story of Jeff travelling to Paris to personally put the case for World Heritage listing and managing to succeed. The action that this parliament will, I assume, take today in passing this bill that puts that part of Kakadu back where it belongs as part of one of our great environmental parks is, in its own right, a great one.

We do a lot of things in this place—tax law, Centrelink, consumer law, health policy and education policy. And the thing I am always aware of is that of all the things we have worked on in this House there is actually only one that we did not create by living together as people, and that is the environment. Everything else we govern in this place is actually a thing of our own creation. The environment is different,
because it is this profound creation, this profound thing that we as people could not ever have imagined, let alone created. It contains things that are of such marvel and such wonder, when you go out and stand in it, that it puts us very much in our place. We sometimes pretend to govern it, I think, when we decide what we can and cannot do on it. But the environment is of course something that exists incredibly well—and much better—without us.

We also introduced some other good bills last week. In fact, it was a particularly good week for the environment. This bill, of course, was introduced into the House. There was also an announcement by the WA government that it had created a substantial marine park in the Horizontal Falls area, an 80-mile beach area near Port Hedland and the Kimberley, and effectively extended the federal marine park all the way into the tidal areas of one of the most significant bird habitats in the world. In fact, it is considered to be the largest breeding ground for migratory shore birds and waders in the world. So that also was this interesting little moment in this House, when the work of this place contributed to the creation of an extraordinary space where the marvels of this earth can flourish and survive and be available to us all and to future generations.

The announcement by the minister to extend the Tasmanian Wilderness World Heritage Area was also made last week, with an additional 170,000 hectares in the Tasmanian wilderness—again, a great decision by the minister. And of course there was an announcement on the Murray-Darling, also a substantial one. I spent some time on the Darling in the last years of the drought, and I remember a mud puddle, I have to say. I looked at that and thought, 'This river system cannot survive what we do to it.' So, again, it was a great decision, as was the decision to allow applications for urban rivers in Caring for our Country. They were great announcements that, along with this one last week, made it a great week for our environment.

It is unfortunate, particularly in my state of New South Wales, that we have some things happening that are not so good for the environment. I spend a lot of time in our national parks; I am a great camper. I am lucky enough to have actually seen a cassowary—and, while I say 'lucky enough', it actually took a lot of effort to get out to a place where I could see one. I have seen a lyrebird in full dance mode, trying to attract its mate—and if you have not seen that you have missed one of the great performances of all time; it puts all of our actors to shame! I have heard a lyrebird trying to imitate the call of a kookaburra. They get all the bits right; they just don't get them in the right order. You can always tell it is a lyrebird because it is kind of 'right and wrong'. I have got up in the morning and heard very young magpies trying to learn to call. I have heard black mynas practicing their songs in their early years. And I thoroughly enjoy being out in a place where I can marvel at these wonders of nature.

I have spent a bit of time in the last years in swamps, surprisingly. The first camping trip my partner took me on was to a swamp and I got to tell people that we had gone away to a swamp for the weekend. I am particularly fond of alpine swamps.

**Honourable members interjecting—**

**Ms OWENS:** I know, he is a good guy, he has got good taste. Swamps are great places if you are into the wonders of nature, they are quite special. But the alpine swamps are very, very special. They are special because they are almost a mistake. They happen because, just below the snow melt, the land is flat, and as the cold air comes down it stops the vegetation from growing.
As the snow melts the sphagnum moss swamps develop. The material, called sphagnum moss, which is actually used in nappies because it is so absorbent, extends quite significantly far below the land and absorbs the snow melt and then releases it slowly over a period of time. They are phenomenal, almost a mistake of nature, a fluke of nature and something that human beings would never have thought of and could not have created. They are something that happens where they are needed and need no maintenance. I dare any human engineer to come up with something so extraordinary.

Yet, at the moment, we have the New South Wales government following the path of the Victorian government and bringing cattle back into those swamps. As a person who has spent considerable time in those areas marvelling at this wonder, this functioning part of our ecosystem,—not just for the natural environment but for the human beings who live on the springs and watercourses that flow from those sphagnum moss swamps—that you would put cattle back into something that is that fragile and that special is quite beyond my comprehension. Similarly, we have the New South Wales government agreeing now to bring shooters back into our national parks. I joke about it, although it is not funny, that I will be looking for lyrebirds in hi-vis vests in our national parks, but we do actually have a government that is allowing shooters back into our national parks.

I want to return to the bill because I want to talk about the role of the Indigenous traditional owners in the way they care for the land which is their custodial home. We have seen an extraordinary display of this over many years when it comes to Koongarra, something that all of us, as a nation, will benefit from. We will all benefit from the care that they show.

In my electorate of Parramatta we have a number of clans of the Darug nation. Where I live, I am on the traditional lands of the Burramattagal clan of the Darug nation. It was a very small clan, it varied between about 50 and 200 people, and its lands were a really quite small area which extended down the river from a place called The Crescent, which was a natural amphitheatre on the Parramatta River—where surprisingly we have actually built an amphitheatre and a stage—to the mouth of the Duck Creek. It is a tiny little area. We still have some descendants of the Burramattagal clan that live in the area, but very few. As a group they have lost the history of their clan because they have moved so often and they have come and gone. We have a number of people that come from elsewhere, whose relatives lived in the area at various times who have some of the history, but we lost a considerable treasure when we lost tens of thousands of years of history in relation to the land on which we live. We know that there are some very special places on the Parramatta River. We know that the site of the original female convict factory was the sacred women's site, for example. We built the convict factory for women on the sacred women's site, which is interesting. We know that where we build the government house was the sacred men's site. That is perhaps an interesting statement on us. Our knowledge of our land and the way in which it was cared for and the stories about its creation are something that is lost to us. So, when we as a nation see these extraordinary examples of a people standing up and arguing so strongly for their heritage and their history and assisting to protect it for all of us, we should all be profoundly grateful. We have lost so much as a nation, and this is an example of something of incredible value to us all.
Can I commend the minister for the environment Tony Burke. It was a great week last week. We have had some extraordinary achievements as a government. The marine parks is one of those moments I will probably remember in years to come. But this is a very, very special one, because Kakadu is in our hearts as a nation. It is part of who we think we are. It is an image of this continent that we live in which sits in all of our minds, and it is now a little more complete than it was because of the work of these traditional owners. I personally thank them for the years of work and commit to getting up there at some point. It is on my bucket list, in fact it is at the top of my bucket list. And now it is an even more extraordinary place to visit.

Mr PERRETT (Moreton) (11:13): I too rise to speak in support of the Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013. I do so on quite an extraordinary day. We have heard two fantastic speeches from the Prime Minister and the Leader of the Opposition, and from Minister Macklin as well. The two speeches from the two leaders show bipartisan support on a day that is significant for Indigenous Australians, the fifth anniversary of the apology.

But it is also the fifth anniversary of my first day in this parliament. I remember we started that day five years ago with an acknowledgement of country, so that is what I am going to do too—acknowledge the traditional owners and thank them for their continuing stewardship. It is strange to think that it has only been for five years that we have been doing that as a parliament. Now it is obviously a part of the fabric of this place and the fabric of the nation.

I agree with the member for Parramatta that Kakadu National Park is a treasure. I do not like the term 'bucket list' but I will use the member for Parramatta's term and indicate that it is a place I would love to visit. I have a nephew who lives up there and has also worked in Kakadu, and he assures me there are places he would love to take me to. I look forward to doing that in the future.

The existence of Kakadu National Park is in no small measure due to two significant people in this process: Jeffrey Lee and Bob Hawke. And I am glad that I am here speaking before the member for Banks and with Minister Crean at the table, because I know they would have had a bit to do with that process over the years. Bob Hawke, as Prime Minister, was responsible for Kakadu stages 2 and 3. I think the nation owes him a great debt. Stage 2 was better known in the media at the time as the Coronation Hill decision. I was a bit young at the time and not as closely interested in politics, but it is my understanding that Prime Minister Hawke basically put his leadership on the line. No doubt that had repercussions for him later down the track. But I am glad he had the courage to make that brave call.

We look at Kakadu today, and no-one in the world would question that Bob Hawke was on the right side of history in the call he made. If you go to the rock lookout at Nourlangie, in Kakadu National Park, you will find historically significant rock art for Lightning Man dreaming. This is one of the most popular tourist sites in Kakadu National Park, which also overlooks Koongarra. What you are overlooking is an area that has had the shadow of potential uranium mining over it for the life of Kakadu National Park. I am proud to say that the Gillard Labor government is introducing this legislation into parliament to stop this occurring. We are now completing the million-year journey of Kakadu National Park, taking the final steps
in making sure the area of Kakadu is indeed protected forever. This government has completed the Labor legacy that was advanced so far during the years of the Hawke government.

It is well known that Jeffrey Lee was offered in effect millions of dollars for his interests in the area, but made the brave call to care for the land the way his ancestors had for 60,000 years beforehand. Mr Lee is the sole member of the Djok clan and the senior custodian of the Koongarra uranium deposit and has effectively decided never to allow the ecologically sensitive land to be mined.

This decision is significant for Australia and the world. It affirms Kakadu's premier status as a World Heritage site. This, as people who understand the United Nations process would know, means that it is of international significance. I think we should all be very proud as Australians that part of our land is owned by Jeffrey Lee, and we should be especially proud of the decisions he has made.

This Labor government and all Labor governments, one would say—certainly since Bob Hawke and Gough Whitlam—have had a proud history of great environmental achievements. Kakadu is only part of our story. We started as the party of jobs. I am sure that the shearers on strike out at Barcaldine were not talking about environmental issues, apart from how hot it was out at Barcaldine during the strike, sheltering under the gum trees and a bit of old canvas. But since then, particularly since the trade union activities of the 1960s and 1970s, we have also been the party of the environment. In fact some say that the blue-collar trade unions were at the forefront of the environmental movement.

In Queensland, where I come from, we have the Great Barrier Reef and some other significant environmental sites. I would mention Fraser Island for one. During the term of this government we have also made great advances in the Coral Sea. The Coral Sea is internationally recognised for its rich biodiversity and heritage value. The Labor government has recognised the need to protect the Coral Sea with a conservation marine park. This Coral Sea Marine Park initiative is recognised internationally because of its unique physical, ecological and heritage value. We can stand up proudly because of the global leadership we have shown in protecting this endangered biodiversity.

The Gillard government is focused on conserving our environment, its ecological features and its marine regions. The Coral Sea is home to a number of historic shipwrecks, as students of World War II history would know. These are significant to Australian heritage. Obviously they include the region where the Battle of the Coral Sea took place during World War II, where many shipwrecks can still be found among the reefs.

Australia is well known for its vast marine environment, containing many iconic, ecologically important and fragile places that are in need of protection. Environmental policy within Australia seeks to improve how the decisions are made regarding the protection of marine biodiversity and the sustainable use of our ocean resources. In June last year the Centre for Policy Development released an economic evaluation of the proposed Commonwealth Marine Reserve Network. The evaluation reported a number of important aspects that support the Labor ambition to create permanent protection for the Coral Sea, emphasising the government's plans to increase Australia's fully protected marine parks to $2 billion a year in ecosystem services—the services come from coral reefs, seagrasses, coastal shelf and open...
The plan will preserve Australia's marine economy, maintaining long-term productivity of the marine estate. It will reduce the damaging forms of fishing, including bottom trawling, and this will deliver long-term benefits for recreational and commercial fishers using more sustainable practices. I particularly commend the commercial fishers for the great work they have done in this process already, despite some of the fear campaigns that are out there. Recent studies in the protected Great Barrier Reef have shown rebuilding of biomass of local fish populations in ways that are likely to produce long-term benefits to fishers.

The International Union for the Conservation of Nature identified that 42 per cent of the world's most critically endangered and vulnerable coral species are found in the Coral Sea Conservation Zone. This region is internationally recognised as a significant location for threatened marine species. So, the Australian government's decision to implement a permanent Coral Sea marine park demonstrates global leadership by acting to preserve this important region and reduce the loss of global biodiversity. I note Minister Burke, who is in the chamber, for the great work he has done in this area.

Another environmental achievement I am proud of is the Gillard government's plan to deliver an additional 450 gigalitres of water to the Murray-Darling Basin. This measure recently passed through the parliament. This legislation secures $1.77 billion to relax key operating constraints and to recover the additional water through projects that do not have a social and economic impact on communities. This will be achieved through improvements in irrigation efficiency. We are looking after jobs, but we are also looking after the environment for the future. It will address existing constraints that limit higher water flows, including outflows from storage dams, low-lying infrastructure, and the need to provide for flood easements or agreements with landholders.

The Gillard Labor government is driven to protect our precious environment. We recently opened applications for funding under the second round of the Biodiversity Fund and the first round of Target Area Grants, under the Caring for our Country program. These funding opportunities are a step towards investing in a healthy and more resilient environment by supporting volunteers, farmers and community groups, all together, to make a real difference in their local area.

In my electorate of Moreton, there is a number of fantastic volunteer working groups who work hard to protect local environment. Just to name a few: the activists at Beyond Zero Emissions; the Benarrawa Bushcare Group; the Bulimba Creek Catchment Coordinating Committee; the local conservation volunteers; the Friends of Oxley Creek Common and the Oxley Creek Catchment Association—they do incredible work and have been recognised with awards; the Friends of Stable Swamp Creek; the Gaddes Park Bushcare Group; the Moorooka Greening Group; and the friends of Toohey Forest, who need a bit of a rejig at the moment. I have had dirt under my fingernails with some of these groups and I am proud of the work that they do. It is good for their soul and good for their health as well, but also good for the environment.

There are countless initiatives this government has taken towards environmental protection, including banning supertrawlers—and I see Minister Burke made some comments about that yesterday, with some additional safeguards—adding Tarkine to the National Heritage List, the recruitment of specialised local staff to
restore the Murray-Darling Basin, investing to help improve urban waterways, the Western Australian marine parks program, and the internationally recognised price on carbon. We are a world leader in this area.

In Kakadu, we have one of the most precious places on earth. The governments of the world have recognised that, so this bill helps us to complete Kakadu National Park. It allows this Labor government to conclude the legacy of the Hawke Labor government and allows Australia to proudly respect the wishes of the traditional owners and say that the wishes that they have had for their land will be respected for ever and Kakadu National Park will be complete. I commend the bill to the House.

**Mr MELHAM** (Banks) (11:24): The Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013 repeals the Koongarra Project Area Act 1981 so as to exclude the prospect of future mining activity in the Koongarra area. The bill is in line with the express views of the traditional owner, Jeffrey Lee. The explanatory memorandum, in a short outline, says is as follows:

The Koongarra area is surrounded by the Kakadu National Park and was excluded from the boundaries of the Kakadu National Park when it was proclaimed in 1979. This exclusion was made to accommodate the prospect of future mining activity. Since that time, a number of parties have pursued the development of mining at Koongarra but no mining tenements have been granted.

The Australian government committed at the 2010 federal election to protect Koongarra as part of Kakadu in line with the express views of the traditional owner. The Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013 is part of a process which will see Koongarra incorporated into Kakadu National Park.

This has been a long struggle that is nearing completion. Today we heard some speeches from the Prime Minister and the Leader of the Opposition in relation to the Aboriginal and Torres Strait Islander Peoples Recognition Bill 2012, and I can place on record that I thought both of those speeches were fine speeches. The sentiments were fine sentiments. What we need to do in this place is more than fine speeches. We need to progress on issues like this, especially issues that have been outstanding a long time, into the reality of respecting the views of traditional owners, by delivering on projects that, like this, should have been incorporated into Kakadu National Park a long time ago. That is what we will be judged on—not on our words, but on our deeds. As has been said in the debate to date, the TO, Jeffrey Lee, has to be congratulated, because he was not tempted by the money—he was more interested in preserving the land the way it had been handed to him by his father and grandfather for future generations. History shows that he made the right choice. That is not to deny other traditional owners in other parts of Australia will seek to deal with mining companies and pastoralists and others. That is their right to do so—their fully-informed consent to do so—and they should not be dictated to by green groups or anyone else, as occasionally happens in the process.

I have been in this place a very long time and I have been through the various number of issues to do with Indigenous Australians, through the Hawke government, the Keating government, the period of the Howard government, the apology to the stolen generations and now what is being worked through by the current government. In relation to this instance, it took the courage of the then Prime Minister, Bob Hawke, in relation to Coronation Hill, to stand up his cabinet—and there is no doubt he stood them up. There is no doubt that he did not have the numbers in his cabinet, and we had that
replayed on television where a number of cabinet ministers spoke out. But who looks good with hindsight? Prime Minister Bob Hawke has been vindicated. That is what leadership is about, and in relation to the Indigenous area, the reality is it requires a prime minister to stand side by side with Indigenous Australians for progress to be made. That is not to say that there are not others who contribute to the process, but that was a classic example.

When Prime Minister Keating made his speech at Redfern, that was a pretty historic occasion. He stood his cabinet up over native title and he has been vindicated in relation to that, because the truth is that there was a lot of concern at that time in relation to the politics, as there always is with Aboriginal people. We are now entering a phase with John Howard gone from the public stage, and he is the one I blame. From the day he came into public life till the day he left, in relation to this area he had a blind spot. He is the one who is diminished.

Mr Baldwin interjecting—

Mr MELHAM: That is why the words of the current Leader of the Opposition today, in virtually acknowledging the strength of the apology made by Prime Minister Rudd, sheets that home. I think he had a blind spot. On other areas in relation to the former Prime Minister it is well known that we have a good relationship, but let us call a spade a spade.

The good thing about the current climate is that the current Prime Minister, the current government and, generally, the current Leader of the Opposition are not playing politics on Indigenous affairs, nor should they. In other areas, we are having a fight. They will deal with themselves. We now have different climate.

The member opposite, Mr Baldwin, interjected a moment ago. The reason I get riled up is I remember the 7.30 Report occasion where the former Prime Minister lifted up a brown stained map and told 78 per cent of Australians that their backyards were under threat from native title. Well, they were not. Now we are getting land use agreements from conservative governments, such as the government of Western Australia, by consent. We are all better for it and mining companies are able to work with Indigenous people. Areas such as this that is before us today, from day one, have been a no-go zone for mining. It is interesting that the 1977 Ranger Uranium Environmental Inquiry report recommended that certain areas of land be declared as Kakadu National Park, under the National Parks and Wildlife Conservation Act 1975. The boundaries of this land included the Koongarra uranium deposit. The inquiry opposed mining the deposit. In announcing its August 1977 decision on uranium mining in the region, the Fraser government decided that the Koongarra special mining lease application area would be excluded from Kakadu National Park.

I will say one thing about Malcolm Fraser. He introduced a watered-down Land Rights Act in 1976 compared to what Gough Whitlam introduced, but it retained the right of veto. He is credited with introducing the toughest land rights protection in the country, under the Northern Territory Land Rights Act. It has made a lot of the protection possible in the Northern Territory and it should not be touched by any government—this government or future governments—in terms of the right of veto. The way to proceed is by respecting our traditional owners. Many of the traditional owners are quite happy to do business, as the minister at the table, Minister Crean, knows. In remote and regional areas of Australia, they are happy to have their land developed in return for jobs for their communities, for
health and other benefits. So it is not just a blanket 'no' that you get from the traditional owners or Indigenous people around Australia. They are entitled to a place at the table.

That is why one has to respect the current traditional owner Jeffrey Lee and the way he took his position. From day one, it has not changed, and he has been vindicated. It was good to see him here with Bob Hawke, when Minister Burke gave the second reading speech. It was symbolic to have those two people on the floor of the chamber during the second reading speech, and they were properly acknowledged by the minister. It was more than symbolic. It sent a message to the rest of the community about respecting Aboriginal people, acknowledging that their history is important, their stories are important and their land is important to them. We are seeing—and the environment minister at the table knows this—that at the moment there is debate going on about mining tenements in urban areas. Those people's attachment to the land does not go back 40,000 years, but they feel pretty strong about it and want to be consulted in the process.

Today is a very happy day, because it is not something that comes before the House with division and politicising. We can feel good about this, because you can become enlightened as you gain experience and interact. I know that when I was shadow minister for Aboriginal affairs for 4½ years, from 1996 to 2000, I was on a very steep learning curve on Indigenous history and a whole series of things that I did not have a clue about. Where I grew up, we knew no Aboriginal people—in Panania, in Bankstown. There was a person here and there of a dark-skinned nature but we never really sat down and talked to them. That is why I became passionate in this area. When I came into parliament, and certainly when I became the shadow minister for Aboriginal affairs, I gave people in my own party a lot of grief, and a lot were glad to see the back of me in relation to my portfolio.

I feel vindicated. I seconded an apology that Kim Beazley moved and it was rejected by the parliament because the time was not right. Some of the most happy times I have had in this place have had to do with Aboriginal people. I was the only federal or state member of parliament in the High Court when Justice Gummow delivered his decision on Wik. That was supposed to bring about the end of the world as we know it. Now we know it did not. It was just a statement of fact: pastoralists have lived side by side with Aboriginal people for years.

The minister at the table, Minister Crean, has been in the cabinet and heard the debates. People are well intentioned. The problem is that there was—and still is—a lot of ignorance out there, and it is our job to educate people, to have an informed debate and discussion on these things. I have a few problems with the Leader of the Opposition on a whole range of things, but not in relation to this area. I think he is genuine, because he has a level of experience. He sat in the sand with Aboriginal people in remote Australia, and I believe, in this instance, he is genuine. I am happy to say that—no holds barred, no qualification. I thought he gave a great speech today, as did the Prime Minister.

This is an area where we are moving forward, but we cannot rest on our laurels. That is why this bill is a great one. It is delivering on something that predates the time I came into parliament and predates the time that Minister Crean came into parliament. There is only one member of parliament I know of, the former minister for immigration Philip Ruddock, who was in the parliament way back in 1979. He came into
parliament in 1973, in the Fraser years. That is how long it has taken.

I am hoping that in a lot of other areas we can accelerate things. The problem has been recognition and respect. There has been a lack of respect in relation to Indigenous people through ignorance. I actually think that Aboriginal people are being quite respectful towards the non-Indigenous community and to us—more than we really appreciate. If I had had done to me what has been done to Indigenous people over the times, there would be a lot more anger in me than there is now. It would be exponentially higher.

Acts like this that are able to be done by the minister at the table, Minister Burke—and he rightly acknowledges that Minister Garrett in the previous parliament commenced the process—are very important, not just symbolically but in showing substantial progress. I know that for many years Indigenous people were of the view that all they got was words. Another whitefella would come along, a series of words would be given, they would move on and they would never see them again. This bill is owned by a number of people at every level. It has been a partnership, it has been a resistance—and it is no longer a resistance movement, it is mainstream. Most people would be shocked and horrified to think that you would engage now in uranium mining in this area, in such a beautiful, pristine wilderness.

I am delighted to be able to speak to this bill and I hope that we can go forward in a number of other areas where we need to go forward. Aboriginal people deserve this, they deserve this respect, because we are enriched by them as a nation, and the rest of the world are watching. They have been watching for a long while, and the apology went a long way to overcoming a lot of the damage that had been done in the previous decade. This will go a long way, within the United Nations and other bodies, to show that we are fair dinkum and that we are progressing.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (11:39): I want to thank everyone who has contributed to this debate on the Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013. Unfortunately one of the realities is that the fact that we have all agreed means that most people will not know what we have done, but the decisions that the parliament is about to make now are some of the most significant environmental decisions this parliament will ever be part of. Kakadu is world class, it is World Heritage and it is one of the most extraordinary places on our planet. This bill completes Kakadu National Park by taking away any future option for uranium mining.

I am particular pleased that the final speaker in the debate was the member for Banks. He is gone now, so now that he is not here I will say something nice about him. The member for Banks is a perfect example of what has brought us to today. As a shadow minister, he gave up his frontbench career because of the importance of respecting the dignity of self-determination for Indigenous Australians. It is a story known well by people who were around at the time. I only know it because I was from a similar local area to the member for Banks, but what he did, at the level he was at at that point in time, was no different to what Bob Hawke did when he stood up his own cabinet, and no different to what Jeffrey Lee has done when he turned down being a multi-multimillionaire in order to protect his land. The reason we are here today is that a series of people, over decades, have been willing to make great personal sacrifice because they believed that here is a piece of...
our country that needs to be preserved forever.

The thing that I am particularly pleased with, in the process that has led us here today, is that Jeffrey Lee could have made the opposite decision had he wanted to. The ball was firmly in his court as the last traditional owner of the Djok clan. When told by the company, as he says, that they were 'willing to make him the wealthiest person in Australia', he responded with the words, 'No, I have a job to do.' The job that Jeffrey Lee wants to do is to make sure that the lifelong work of his ancestors is continued long after he has passed.

As a result of this resolution—and how good that we are concluding the debate on the same day that we heard the extraordinary speeches we heard from the Prime Minister, the Leader of the Opposition and the Minister for Families, Community Services and Indigenous Affairs—what we do now is that we respect as a parliament. The Parliament of Australia says to the traditional owner Jeffrey Lee, 'It was your call; you've said you want this land protected forever; therefore it will be.' I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (11:43): by leave—I move:

That this bill be now read a second time.

Mr ZAPPIA (Makin) (11:44): In continuing my remarks on the National Disability Insurance Scheme Bill 2012, I especially mention and commend principal Cam Wright and his team at the Modbury Special School, a reception to year 12 school, for the wonderful work that they are doing in supporting children and their families that have a disability. I similarly acknowledge principals Mike Potter and Paul Wilson from Tyndale Christian School and Golden Grove High School, respectively, and their teams in both of those schools for the work that they are doing with secondary school students who have a disability. They have made a special effort to ensure that those students are given every chance in life. I certainly commend and applaud them for the work that they are doing.

About 20 per cent of Australians are living with a disability. For each of them, there is also a direct impact on other family members. Very few families would not be directly impacted by disability, and very few people would not be struck by disability at some stage in their lives. Living an entire life with a disability, however, is a hardship only those personally affected will ever fully understand. The hardship and struggle would test the will of even the most determined people. As an affluent society, we can invest in medical research and hopefully, in time, some disabilities will be overcome. It is a strategy that I would commend to the government.

On that note I acknowledge the work of the Neil Sachse Foundation in South Australia. Neil Sachse was a South Australian footballer who moved to Victoria and, whilst playing for Footscray in 1975, sustained an injury that left him a quadriplegic. As a result of the injury, Neil embarked on a crusade to raise funds for medical spinal research and he has...
established the Neil Sachse Foundation. The foundation raises funds and is doing work in trying to find medical cures for people that suffer similar types of injuries. If we are able to do that, then that is even better than providing support systems for people once they are injured for the rest of their lives. So, I would certainly stress the point that, as a nation, we can and should do more in investing in medical research. But, until we can cure injuries as a compassionate society, we should ease the burden on people with a disability and their families by providing them with the best assistance possible.

Labor has a history of delivering on social justice reform. It was a Labor government that in 1907 introduced the minimum wage. It was a Labor government that in 1909 brought in the old age pension. It was a Labor government that in 1984 created Medicare. And it was a Labor government that in 1992 introduced compulsory superannuation. And more recently it was a Labor government that in 2010 brought in paid parental leave. I stand here proud to be a member of the Gillard Labor government that is now looking to bring in the National Disability Insurance Scheme. I commend this legislation to the House.

Mr TONY SMITH (Casey) (11:48): It is my pleasure to speak on this important legislation, the National Disability Insurance Scheme Bill 2012, and, in doing so, follow so many of my colleagues who have already spoken in this debate on behalf of their electorates. We just heard the member for Makin talk about some of the people making great contributions in his electorate. As the member for Makin pointed out, as much as we see the great work by the volunteers, as much as we see the great work by some of the not-for-profit organisations and see the struggle of the carers and those with a disability, we cannot know all of the struggles and all of the difficulties unless we are in that situation.

There has been an acknowledgement in this parliament and in the last parliament that the current system of disability funding is broken. Previous governments of both political persuasions have acted to improve things. It is a system that has suffered from the difficulties of being split between state and federal governments, but we know that the current system is broken and we know that it is unfair. We know that the way you acquire a disability can unfairly determine the level of support that you get. We know that, in other circumstances, so much of that support is capped and, therefore, leads to rationing. That is why on this side of the House we have shown our strong support every step of the way for the creation of a National Disability Insurance Scheme. It is a scheme that will give support based on need and where the individual will be at the centre and in charge. We have supported the initial work by the Productivity Commission, the $1 billion in the last budget, the five launch sites, the agreement between the Commonwealth and New South Wales for a full state-wide rollout after the Hunter launch and, of course, we support this legislation.

As the leader of the coalition, Tony Abbott, said recently, 'The NDIS is an idea whose time has come.'

I want at the outset to pay tribute to all of those in the disability sector that brought the argument to where it is today. There have been some great leaders and great visionaries, and I know Senator Fifield from our side of the House has worked very closely with them.

We know of those in our electorates who have worked so hard for so long to promote the National Disability Insurance Scheme, and the work of the Productivity Commission was particularly
Can I say though, that for us to deliver everything that those wanting the NDIS would like it to deliver, for us to meet the hopes and expectations, the implementation will be absolutely critical. The reason there has been so much difficulty is the patchwork between Commonwealth and state funding over such a long period. For us to do well as a parliament and to deliver the very best that the NDIS can offer means that the implementation will have to be managed every day and every week to the best of everyone's ability. I think, as Senator Fifield has said, it is important and wonderful that the NDIS is supported by every government and every opposition at every level right across Australia. But the implementation will take place over a number of parliaments. It will involve all of the state and territory governments over a long period, and that is why we should be determined to make sure that the implementation is governed as best as possible.

Any failure of implementation will be felt by the disability sector, and that is why the coalition has called for the establishment of a joint parliamentary committee to be chaired by both sides of politics to oversee the establishment and the implementation of the National Disability Insurance Scheme. We have a role to legislate here, but we also have a responsibility to oversee the implementation of what will be a very complex and groundbreaking reform. That is why there should be a specific joint parliamentary committee chaired by both sides of politics. In this House, Mr Christensen has had a motion to establish this committee for some time. I would like to see that motion come on for a vote. Senator Fifield, our shadow spokesman for disabilities, carers and the voluntary sector, has had a similar motion in the Senate, and unfortunately that motion was voted down. I would urge those opposite, as they reflect through their contributions in this important debate, to accept this bipartisan and responsible suggestion to establish a joint committee with a chair from each side of politics to make sure that parliament is there to oversee this very important implementation.

I think if we could establish this, it would be a great step forward and would give confidence that the implementation will stay on the rails, and that those who have argued so hard for this reform will equally have that avenue open to them to help oversee the implementation. I call on those opposite to reconsider what has been opposition to the establishment of this bipartisan committee, to recognise it can play a critical role, to recognise the complexity and the time frame of the rollout and perhaps before the debate is out to indicate that this important committee will be established to do the work over three terms of parliaments and with the nine different state and territory governments that it will be working with to make the scheme work.

Can I pay tribute to just some of those doing great work in my electorate. I have over many weeks and months had the opportunity to meet with, consult with and hear the views of those working directly in the disability sector about the need for the NDIS, about their key constraints today and about their hopes for a better future. I am going to mention three groups I have had a bit to do with. I will not be in a position to mention every single group. As you would appreciate from your electorate, Madam Deputy Speaker O'Neill, every person with a disability or their carer who we come across wants to see a better system. But I pay tribute to just some of the groups who represent so many across the electorate and do so much good work. The Melba Support
Services group in Mount Evelyn was started by a group of parents a few decades ago because there was not a tangible support service in the area.

I have had quite a bit to do with Wesley Fire and Clay. They do a great job in Lilydale. The Yarra View Nursery is a supported employment program run by Knoxbrooke. I pay tribute to them. I very strongly support, along with my colleagues, the National Disability Insurance Scheme. I again urge the government to reconsider, in this bipartisan debate, their to-date opposition to the establishment of a bipartisan joint parliamentary committee. I urge them to indicate, perhaps before this debate is out, that they have had second thoughts and agree that the establishment of that would be a very important ingredient in making sure that the implementation is the best that it can be.

Mr FITZGIBBON (Hunter—Chief Government Whip) (12:00): Particularly with this 43rd Parliament, a parliament in which no party holds an absolute majority, I am sure that there are days when those outside look in and just shake their heads at some of the behaviour, some of the partisanship and some of what passes for debate here in this place. But I am sure that this is not one of those days, a day on which we collectively together passed a bill to finally put in place a referendum to acknowledge the Indigenous people of this land and a day on which we have had well on our way to passing a very important bill that gives hope, I feel, to the very many Australians who care for those with disabilities and the very many Australians who carry the challenges of disability.

This vital stage of the NDIS will mean that approximately 10,000 people in the Hunter region and 20,000 nationwide with a significant and permanent disability will be covered under the NDIS. For the first time, these people will be assessed to receive individual care and support packages as well as being able to make decisions about their own care and choose their service provider. They will have the assistance of local coordinators, who will help manage and deliver their support while providing them with a link to mainstream services. This is all about making sure that people with a disability will have more control over their lives, more certainty about the level of care that they will receive and more opportunities to get involved in work, school and community life.

I am lucky that in my electorate there are many excellent organisations that assist people with disabilities. One of these is Integrated Living Australia in Muswellbrook. I was pleased to announce last year, along with the minister, that they would be receiving $190,000 to help us get...
ready for the introduction of the NDIS. An essential part of getting this change right is developing practical, real-world ways to make sure that an NDIS can work in the way that it is supposed to for people with a disability. The team at Integrated Living will be developing a new how-to guide for small and medium organisations to help them adjust to an NDIS environment. This is a historic reform and we need to make sure that the disability sector is supported to make the change so that Australians with a disability, their families and their carers can start benefitting from the NDIS as quickly as is possible.

The government has been very proactive in its approach by providing grants to organisations like the Kurri Kurri Community Centre, in my electorate, through the NDIS readiness fund. The government has also worked closely with state and territory governments on the design, governance and funding of the scheme. I was very pleased when New South Wales Premier Barry O'Farrell agreed to sign up to the trial in the Hunter. That was a very important milestone. The COAG process can be a tough one, but I am very pleased that everyone was able to put politics aside and do the right thing by people who need our support.

This bill has two main purposes. The first is to establish the framework of the National Disability Insurance Scheme. I have already stated that the scheme gives people with a disability more control over the care and support that they receive. Importantly, it also allows this care and support to be considered as part of a whole-of-life approach. It will respond to each individual's goals and aspirations for life and take into account their individual circumstances. It will also look at the support that carers need to sustain their caring role and assist by strengthening other informal and community supports that are important for people with a disability.

The scheme moves away from the crisis model under which families only receive support if they are unable to continue in their caring role and there are no other options. Instead, it will work with families before they reach crisis point to make sure that the valuable care that they provide can be sustained. There is also a strong focus on early intervention, especially in situations in which there is good evidence that this care and support will sustainably improve a person's functioning or slow or prevent the progression of their disability over their lifetime.

The other main purpose of the bill is to establish the National Disability Insurance Scheme Launch Transition Agency, to operate the first stage of the scheme. Very importantly, the agency will be a body independent of government. In addition to delivering the scheme, it will perform a range of functions, including managing the financial sustainability of the scheme, building community awareness about disability and undertaking research about disability and the social contributors to disability. Importantly, the agency will be established as a body under the Commonwealth Authorities and Companies Act 1997, which is in line with the Productivity Commission's recommendation. This takes the care and support out of the cycle of budgets and elections. This is not something that should be subject to the whims of budget debate.

Before I finish today, I would like to make mention of a few other disability support organisations in my electorate. Places like Endeavour Industries, Mai Wel, Koora Industries and Whitmore Enterprises all do fantastic work on the job with people with a disability by providing them with support
and employment. Endeavour Industries in Cessnock was also successful last year in receiving nearly $3 million to help build six co-living units which will be dispersed through medium density housing and will include landscaped grounds and a hydrotherapy pool. This is a great addition to the Cessnock community. I am always pleased as member of parliament to be able to support organisations and projects like these. They play a vital role in our community and in the lives of people with a disability and, of course, their families.

Every member in this place would have had an experience with people with a disability whether it be in someone's household, in an operation like Mai Wel in Maitland, where so many people with disabilities are being gainfully employed, or at a special school which caters for handicapped children. I say this in the most positive way, I am sure that most, if not all, people in this place would have found that experience somewhat confronting. I certainly do, and I look on in awe not only at the way individuals seek to overcome the challenge of their disability but also at those people who give their lives to those who are struggling, whether they do that in a family sense because they are related in some way, whether they happen to be a neighbour or whether it is in the professional sense.

I was so delighted that some of those people were rewarded last year when we provided $7 million out of the BER to build a brand new Hunter River Community School on the eastern side of Maitland. This school is full of wonderful children, in some cases severely challenged. Again, I am just so in awe of the teachers and other assistants that work with those kids on a daily basis. What a wonderful thing it is that we can now take them out of their temporary demountable buildings and give them a brand new school. In my 17 years here, no grant has made me happier than that one. The New South Wales Department of Education wanted to move the school out of my electorate to a new location just outside of my electorate—indeed, into the electorate of the member for Paterson. They called to ask me whether I had any objection to that, and I said, 'I don't care where you build the school as long as it remains accessible to those who use it on a daily basis.' I was very happy to agree to that. The same applies to all of those people who work within those organisations I referred to earlier. They do wonderful work. I think they do work that I must admit I would struggle with if I had to engage with it on a daily basis. On the flip-side, when I go to places like Whitmore, Endeavour and Mai Wel which employ people with challenges, I find nothing but joy and happiness, and it is good to have a little bit of banter with the workers there. They are always very pleased to see me—not exclusively me of course, just any visitor. They are always proud of what they are doing and they are really doing productive work. I think collectively as members of parliament we can be proud and satisfied that we have schemes in place that allow these people to engage in the workforce in a very normal way and to work in a happy environment as these people I encounter do. I have to say that it should almost be self-mandating for us to visit them at least three or four times a year, because it is an uplifting experience. We think we have challenges in life, and I suppose we certainly do in this environment of the 43rd parliament, but these—I am tempted to call them kids, but of course they are not—workers in these industries are always just so happy. They always seem so satisfied with what they are doing, and from that we take comfort that their families are also happy that they have found meaningful work in life. There are also others out there who can reach the
higher echelons of the business world or politics. We should be doing all we can to help them do so and to ensure that they are able to overcome the sometimes serious challenges that have been put in their path. It should be a very high priority for us.

I was so disappointed when I first came to this place. I had a local experience with a 21-year-old guy who had had a car accident, had suffered brain damage and was living in a dementia ward in a nursing home in my electorate. That shocked me, and I was even more shocked when I pursued the issue on my arrival in this place and found out that he was certainly not alone. He was one of tens of thousands—I think it is tens of thousands; I hope I have not overstated that, but it is certainly a very large number—of Australians still at a young age who find themselves in nursing homes with very elderly patients, sometimes in dementia wards. That is unacceptable. I know it is improving, but I do believe we need to do more to ensure that is not the ongoing case. I congratulate the minister, I congratulate the government, I congratulate the opposition for its largely bipartisan approach to what is a very serious issue for our country and I commend the bill to the House.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (12:14): In rising to speak on the National Disability Insurance Scheme Bill 2012, I am by no means the first, and I certainly won't be the last, to stand in this chamber and say that the current system of support for people with a disability is definitely broken. We have a system where, if you have a disability, the level of support you get is dependent on a whole range of factors, many of them entirely out of your control—from the state you live in to whether the disability is inherited or acquired. If it was acquired, when did it happen? Where? How? Are you covered by workplace compensation or motor vehicle accident insurance? Or will you be subjected to long waiting lists and queues? This lack of support when it is really needed is resulting every day in heartbreaking situations where people with a disability are not living, just existing—and the situation for their families and caregivers is often not much better.

We need a new system of support, a system that puts the individual and their needs at the centre—in charge and able to pick the supports, aids, equipment and service providers of their choice. This is the vision of the National Disability Insurance Scheme. The technical nitty-gritty is that this bill establishes the framework for the NDIS and the NDIS Launch Transition Agency. This will enable the scheme to be launched and the agency to operate the launch in five sites across Australia from July 2013. But the detail does not communicate just what the real impact of this bill will be, if it is done right. Here, today, I would like to put some human faces to this debate. People in my electorate have not been shy in coming forward to tell me how this bill will make a real and lasting difference, and I want to share these stories.

The first is Mrs Colleen Dolan, who is 77 years old and has just been awarded an Order of Australia Medal. She has spent 40 years working on behalf of Far North Queensland's disabled community. It all started when Mrs Dolan tried to enrol her daughter Lynette at a local kindergarten but they would not accept her because she had Down syndrome. The principal said the staff were not qualified and she 'had to think of the prestige of the kindergarten'. 'That was the attitude in those days', says Mrs Dolan: 'unfortunately, there was very little available for people with disabilities and they were herded, segregated and not involved in the community at all.'

Mrs Dolan did not take that lying down: she started her own kindergarten and...
eventually closed the other one down. She kept fighting too, helping establish two key disability groups: the Cairns Regional Family Network and the Leisure Connections Association. Her daughter Lynette has benefited hugely from this targeted support—she lives in her own unit, does her own housework, can decide what she wants for lunch and gets support for budgeting and shopping. Mrs Dolan believes the NDIS has wonderful potential but wants to make sure that the funding does not get tied up in bureaucracy, that it gets to the people it needs to on the ground. She is also worried about how people will be assessed—will they get the support they need to be able to live an ordinary life, as in Lynette’s situation, or will they only get what they need to exist? Mrs Dolan says it does take time—many years—but the government should look at the money they spend in disability as an investment. Individualised funding may cost more in the short term but people can achieve a level of independence and quality of life. The alternative is that they spend 50 to 60 years in a totally dependent state. There is no argument which is better, socially and financially, for society.

Another example is Kylie Allen, a young mum aged 33 from Cairns, who wrote to me late last year. She wrote:

I have 3 children (4 yrs, 2 yrs & 9 months), two with Special Needs. My daughter has an extremely rare chromosome condition known as 6p Deletion. There are only 30 documented people worldwide and because it is so rare, it is not recognised by the Government and we have to pay for her therapy, Doctors and specialists.

My eldest son has Autism and whilst he has the Helping Children with Autism Funding, there are three panel providers in Cairns and so we still are forced to pay for therapy ourselves.

The NDIS means that the financial strain will be lifted on our family and that my children can receive the health care and support they need, and to lead a happy quality life—just like their non-affected peers.

Vernon Lewis is a 62-year-old from Earlville, a real character. He wrote:

I was diagnosed with MS in 1989 and the complaint is advancing slowly all the time. I seek to continue to make a difference in my community in spite of, or perhaps because of that.

My involvement with the Lions Club at Trinity Beach, the Cairns Choral Society, the Centenary Lakes church as well as the Trinity Beach Lions and MS (TBLAMS) Support Group all mean I am a valuable member of this community.

It would be great if this could continue for many years to come. I am concerned that my condition will deteriorate so I am unable to make the valued contributions I have been able to make so far.

I need the NDIS to provide the assurance that the support I need will be available when I need it most. Please make this something other than a political football … my hope is that there can be a bi-partisan approach to getting this done and NOW!!

The previous speaker, my friend and colleague the member for Hunter, pushed and stressed the need for a bipartisan approach. I think that has been very much accepted through the course of this debate, and I am confident that we will be able to continue like that.

Another face to this debate is Cindy Eagle. She lives in Edge Hill and has a particularly tragic story. Her nephew was born 12 years ago and as a newborn suffered blood clots in his brain. He is severely disabled, cannot walk or talk and still has to wear nappies. He has cerebral palsy, a blood-clotting disease and epilepsy, and in his first year he had dozens of fits every day. Cindy does not know how her sister and her husband do it. The whole family scrimps and saves for equipment; everything for the disabled is so expensive and, at this point in time, government help is next to nothing.
She tells me that her sister has had to sell their house, that they have lost their super funds and that they have moved rental homes 14 times in the last 10 years trying to get somewhere suitable—which appears to be impossible. In 12 years they have not had a holiday or even gone to the movies together. There always has to be one of them by their son’s side due to his complicated medical requirements, and he certainly cannot travel. He needs so much therapy to get a piece of a decent life, but this is beyond their means: they live every day just to get by. They love their son to death, but they have lost their lives and are under immense stress, pressure and physical exhaustion. This could be you or one of your loved ones at any time. Life as you know it could disappear and you could exist in hopelessness and misery. She thanks us, as members of this place, for our commitment to this cause, in the hope that she will be able to see the establishment of this NDIS.

Katherine Kramer from Kewarra Beach is a full-time carer for her brother, who was injured in an accident many years ago. She says that:

We are fortunate in that he was covered by insurance. This has enabled us to look after him in his own home. Many others are in similar circumstances but can’t afford to care for their loved ones due to financial pressures and lack of resources. The NDIS can do this for them.

Jacqueline Black, from Freshwater, is an occupational therapist. These are people who are right at the coalface, who are providing the service and the care at the moment, and who certainly have a very strong interest in and a very comprehensive understanding of the challenges and the issues that are faced by individuals and families in dealing with these problems. Jacqueline has said:

I have worked with many people with disabilities and their families. Every one of them, as individuals and as family units, would have benefited from improved access to therapy, equipment, appropriate housing and carer support. Their participation in the community, at school and in the workplace could always have been better facilitated. The NDIS is necessary to begin dealing with the compromised and inequitable provision of services that currently exists.

We hear the same from Maree Cotton from Cairns, who also works for a disability employment service. She says:

I see so many people receive different levels of support depending on how and where their disability was acquired. We need to provide people with disability and their families and carers with regular care, support and the equipment they need.

Shane Yule—who is another amazing individual—is from Manoora. He is youth worker for disabled children:

The hardest part of my job is dealing with the system. The kids are an absolute pleasure to work with but it's sad to see how many kids go without and don't get the funding they deserve. Why should disabled people be disadvantaged? Please support this cause.

The challenges that these families face every day are the justification for establishing the NDIS—no-one in this place would dispute that.

However, at the end of the day, this is an insurance policy and it certainly needs to be properly funded. It may well be that we need to incrementally introduce it to make it affordable. That is why the coalition has proposed a bipartisan parliamentary committee—so that support for the scheme does not waiver across three terms of parliament and along with the nine different governments that are going to be needed to make this system work.

Unfortunately, I have got to say that there have been claims that the NDIS is owned by one side of parliament or another. I would argue that that is not the case. I think that
everybody in this place and everybody right across the whole political spectrum has shown very, very strong support for this. But we really need—and this is something that the government needs to do at the moment—to be told how this NDIS is going to be funded. We have supported the government's commitment of $1 billion to the NDIS in the federal budget, but we know that it is going to cost a lot more than that. The Productivity Commission has stated that $3.9 billion will be necessary over the forward estimates for the first phase of the NDIS.

I look forward to hearing how the government will account for this and make appropriate provision in the coming budget, because we cannot raise expectations for these desperate people unless we are absolutely able to deliver these services. Every day that we do not do this, there are families in my area and many other areas that are going to be let down. My side of politics and I certainly want the NDIS to be a success. We have enthusiastically supported each milestone on the road to the NDIS. We want the launch sites to run very, very smoothly. We believe that the NDIS can be delivered within the time frame recommended by a government that can manage its finances well. We stand ready to work with the government in all jurisdictions to make the NDIS a reality.

Ms VAMVAKINOU (Calwell) (12:28): I rise today to speak on the National Disability Insurance Scheme Bill 2012. This is a bill that is a once-in-a-generation landmark reform that has the potential to deliver better quality-of-life outcomes for Australians with disabilities, as well as their carers, friends and everyone else who is entrusted with the care of people with disability in this country. I last spoke on the NDIS in August when the Prime Minister—following the release of the Productivity Commission inquiry report entitled Disability care and support, which identified that disability care in Australia was underfunded, unfair, fragmented and inefficient—announced that major reform was needed. Since then, all state and territory governments have also agreed on the need for major reform through the NDIS.

I am very pleased to be able to stand here today and say that the government is well on its way to delivering on this very much needed reform. I am also very pleased to speak on the NDIS now that it is pretty much on the threshold of becoming a reality. Once passed, the NDIS rollout is expected to begin in mid-2013.

I do want to acknowledge that the opposition is supporting the NDIS and that many members on the other side have made some very heartfelt speeches. There is no doubt that many of my own colleagues on this side have made many heartfelt speeches in support of the NDIS.

As I have said, the National Disability Insurance Scheme is very much a centrepiece of this government's agenda. The NDIS has come to fruition through the bill we are debating today as a result of the solid work undertaken by government ministers embarking on a series of wide-reaching consultations with state and territory governments and with people with disabilities, their families and carers. It is also very much a result of the hard work and continued advocacy of organisations that represent those Australians living with a form of disability that effectively renders them dependent on carers, care workers and service deliverers.

Through the introduction of the National Disability Insurance Scheme 2012, the government has resolved to act in order to support people with disabilities and, more importantly, to help them lead a more active and productive life and to enhance the
quality of their life. The NDIS will ensure that people with disability will be able to achieve, to the best of their ability, their full potential, which obviously will benefit not only them but society as a whole. In particular, it will benefit those people charged with caring for them.

The legislation sets out a framework for a national scheme, one that should take an insurance approach and that shares the cost of disability services and supports across the community. It is a framework that will initially operate in five locations. The first stage of the NDIS rollout will begin in South Australia and Tasmania and will include regional areas. Regional areas will also be covered in other launch sites. In my home state of Victoria, the Barwon local government areas of the City of Greater Geelong, the Colac Otway Shire, the Borough of Queenscliffe and the Surf Coast Shire will be locations of that first rollout.

Over the years, as the member for Calwell I have had many, many conversations and many representations from my constituents regarding issues associated with caring for people with disabilities. The single greatest anxiety of the parents I have met who have children with disabilities is what will happen to their children once they are no longer around to look after them. Nothing is more traumatic, more poignant, than having a conversation with a parent who has a child they are responsible for even into their adult years and who has to ponder the inevitable: what will happen to my child when I am not here and am unable to look after them? In the NDIS we have a scheme that responds to the real human face of those anxieties and concerns.

The person who comes to mind for me first and foremost is one of my local community activists, Mrs Betty Moore, who has been the member for Calwell and probably well before that. Betty is a full-time carer for her son Jonathan, who has Down syndrome. I first met Betty years ago when she came into my office and asked me in a very frank and direct way—because that is how Betty does things—if I realised just how much money she and other carers save governments. They save governments money because they do the heavy lifting in areas we are responsible for taking care of and funding. That was her question. It left a lasting impression on me. Her greatest concern, like so many other parents in similar positions, is of course what will happen to Jonathan when she becomes too old and frail to care for him. Betty has become a full-time activist for the rights of people with a disability. For many years she has served on the management committee of Brite Services, which is a supported employment provider in my electorate. She is very much a tireless advocate, lobbying governments, advocating for ways in which the lives of carers can be made easier and finding ways in which people with disabilities can live more productive lives, particularly through employment opportunities. Her son Jonathan has enjoyed many years of employment at Brite.

The NDIS framework will benefit parents such as Betty by providing long-term certainty to the resourcing of disability care and support. It is, after all, surety and security for loved ones that Betty and everybody else wants, because for them it has always been about the kids. But the NDIS is also about the carers. It will offer them support to help them sustain their caring role and strengthen the broader community support as well. I know that the NDIS will be very much welcomed by my electorate. There are thousands of people in Calwell who are currently on disability support pensions and
thousands of carers who have had to take significant reductions in their incomes in order to care for family and loved ones. Importantly, and this goes to the heart of human dignity, compassion and sacrifice, the NDIS will recognise the overwhelming care and devotion that millions of Australians give to their loved ones who are living with disability. It also recognises the impact on quality of life that past inaction and inefficiencies have caused and have brought to bear on those Australians and their families. The NDIS has a needs-based approach, changing the concept from the charity approach of the past to one centred on individuals choosing the services they want, thus giving them power to make decisions and control their lives. The positive effect of individuals having the power to control their lives and make decisions should never be underestimated. It goes to the core of human dignity.

I have seen this firsthand through the extraordinary work of Brite Services, which is the major employment services provider for people with disabilities in my electorate. Brite has a demonstrated, long-term commitment to improving social inclusion and economic participation for people with a range of disabilities and vocationally disadvantaged backgrounds. I have had many dealings with Brite over the years and I have always admired its accomplishments. I have also always admired the commitment of the people at Brite to the people that they are looking after and to the people that they effectively employ. Brite's current CEO is Ms Julie McKay—and I need to mention Julie because she is doing a wonderful job steering this incredible organisation into new and exciting directions. Brite's social and disability enterprise models are both practical and innovative solutions to enable employment and training opportunities for people who can so easily fall through the cracks of the current employment services system. In her own words, Julie feels 'there is so much more potential that can be unleashed in the social and disability enterprise sector'. I believe that we here today are unleashing some of that potential with the passage of this bill.

However, Brite's accomplishments as an employment services provider have not just happened overnight; it has taken years of hard work by locals, parents, community groups and businesses. Brite's journey began in 1968 when a group of parents in the northern suburbs of Melbourne were looking to establish a facility and services for their children with a disability. Brite Services was officially founded in 1976. Today it is a $3.2 million enterprise and one of the largest employers of people with disabilities in Hume. It always takes the community to make a beginning, to fight the good fight and to establish institutions that later go on to serve the community so admirably. Brite is one of those institutions. It operates as a highly reputable training provider, and is employer to over 200 people with a disability and people from disadvantaged backgrounds annually—my electorate is rated as having one of the highest areas of social and economic disadvantage in Australia. Since 2007, Brite has championed alternative and innovative employment models, such as its social enterprise intermediate labour market model, to improve access to training and employment and it has done so with tremendous success. This model is designed to meet the needs of local job seekers by providing local jobs. Like Brite's vision, the NDIS aims to provide individuals with equity and access to training and employment for a better life.

From the feedback in my local community to the feedback across the length and breadth of this country, I can report to the House that the NDIS is strongly supported because it
responds to and aims to redress the key fault lines identified for people living with disability and for those who care for them. The government is aware that the current disability system encourages crisis, meting out support only when it is desperately needed and, of course, with meagre and inadequate resources. The government has listened and has understood how people with disability often feel shut out and frustrated at not being able to join the workforce and contribute to society in a way which is meaningful to them.

By taking a lifelong approach through the NDIS, the bill will focus on intensive early intervention, particularly where there is good evidence that it will improve a person's functioning or slow or prevent the progression of their disability over their lifetime. The bill also considers other crucial elements of the NDIS, including interactions with compensation schemes, registration of service providers, appointment of nominees in certain circumstances and merit reviews.

In conclusion, through this bill the government aims to help people with disabilities to achieve rather than focus on what they cannot achieve. Many people have waited many years for government action in this area, and finally this government has delivered a response. The NDIS means dignity, freedom and choice for people not just in my electorate but Australia wide, so it is with great pleasure that I am able to support this bill before the House. I commend all members who have spoken in support of this bill, and I also want to acknowledge and commend the opposition members who speak in support of this bill.

Mr FRYDENBERG (Kooyong) (12:41): It is my privilege to rise and support the National Disability Insurance Scheme in the National Disability Insurance Scheme Bill 2012, which is before this House, because the NDIS is truly a historic reform for our country and for our parliament. It could not have come any sooner for the more than 400,000 Australians who have a significant disability and for their families and their carers.

It is particularly important today to acknowledge that the NDIS has bipartisan support. I would like to take this opportunity to praise government ministers, in particular the member for Maribyrnong, who championed this cause when he was the Parliamentary Secretary for Disabilities and Children's Services, and also a former state MP, John Della Bosca, who has done a lot of work with the Every Australian Counts campaign.

On our side of the House I would also like to pay particular tribute to Senator Mitch Fifield, who is our shadow minister for disabilities, but also to our leader, Tony Abbott, who has personally championed this cause and in fact, in last year's Pollie Pedal, which he undertakes annually, raised more than $500,000 for carers.

It is through the combination of the government and the opposition that we will together see that the NDIS becomes a reality. We have supported the NDIS in a bipartisan way ever since it was first referred in 2009 to the Productivity Commission. We supported it when a billion dollars was allocated over the forward estimates for these launch sites, and we support it in this bill before the House and the subsequent implementation of the NDIS.

Big ideas and big reforms start as a kernel of an idea, but if they are going to be legislated into reality they need champions in this place. I am proud to say that there are those on both sides of the divide. I also want to give particular credit to one of my constituents and friends whose name is Bruce Bonyhady. He is Chairman of
Yooralla and also President of the Philanthropy Australia Council. He has promoted and pursued the concept of the NDIS with every fibre of his body. To the people who have participated in the Every Australian Counts campaign, and so many others, I say thank you.

In my electorate, there are so many organisations and community groups that work in this important area of disability support. There is St Paul's College at Villa Maria; Belmore School, a special school in Balwyn; and the Association for Children with a Disability in Hawthorn. There is Q ArtStudio, which allows people with a disability to pursue their untapped talents for the arts; e.motion21 is a wonderful group that allows young people with a disability to pursue dance as a way of enjoying their life and pursuing a recreation; Vatmi Industries, which provides employment opportunities; and EDAR, which is in Surrey Hills, Balwyn and Balwyn North. And there are many, many other organisations and outstanding individuals like Ariane Garner-Williams, who I have met, who have been ambassadors for people with a disability. During this time these community groups and these individuals have championed the idea of an NDIS. They have kept the pressure on people in this place to see that this reform becomes a reality.

The bill before us today establishes a framework for the NDIS and establishes the NDIS Launch Transition Agency, which will operate the scheme initially in five locations starting in mid-2013—South Australia, the ACT, Tasmania, the Hunter in New South Wales and Barwon in my home state of Victoria. This new agency will fund individual support packages and block-fund some entities. Eligibility to become a participant requires that a person's impairment to have resulted in 'substantially reduced functional capacity' which affects their mobility, learning, social interaction, communication, self-care or self-management. Once a person is eligible support can be granted to alleviate, prevent or mitigate deterioration in a person's functional capacity. Importantly, people over 65 years of age will not be eligible to request NDIS support. However, if a person is already receiving NDIS support and does turn 65 they can continue with that support.

Each eligible person will have a plan prepared for them detailing the support they receive under the scheme, the management of those funds and the date for review. At a later date there will be further NDIS rules which will outline the process for becoming a plan manager as well as rights and processes pertaining to reviews under the scheme.

There will be an agency board with a chair and eight board members who will have a range of skills and experiences across the financial, insurance and disability sectors. The Commonwealth will appoint the chair and will require a majority of jurisdictions to support the board appointments. Importantly, there will be an independent advisory council with at least four people with a disability on it, at least two carers and someone who has skills in the supply of equipment to help people with a disability. There will be an independent review of the act that will take place after two years. These are important logistics that can actually turn this reform into a reality.

It is no secret that we on this side of the House have called on the government to establish a joint parliamentary committee which would be chaired by representatives of both sides of the political divide to oversee the implementation of the NDIS. Issues of design, eligibility and delivery will still need to be worked through over the coming years, and this should be done in a bipartisan
manner because no one single party or no one single person owns the NDIS; it belongs to the community as a whole and the notion of a bipartisan committee to oversee its implementation is a step in a positive direction. It is quite different to having a parliamentary committee inquire into this bill or into the NDIS. This would be setting up a permanent committee to deal with the transition and implementation. It is unfortunate that the Leader of the Opposition has had to write five times to the Prime Minister about this and my colleague the member for Dawson, George Christensen, has introduced a private member's bill.

Despite these efforts on our side, the government has refused to countenance, to this point, this idea of a bipartisan committee to oversee the implementation. Nevertheless, we will continue to promote this amendment. We do not want to see a repeat of the wrangling we saw between Liberal premiers and the government before the last COAG meeting, because we need to be above the partisanship, particularly when it comes to this reform. At the end of the day, this reform is too important for us to fail. The NDIS needs to be properly funded by this government and they are going to have to explain where they are going to find the additional billions of dollars that the Productivity Commission has said would be necessary over the forward estimates, because the target deadline for getting a full scheme up and running is 2018-2019. We have criticised the fact that only $1 billion has been set aside for the forward estimates to reach these five trial sites, which will reach up to 20,000 people with a significant disability. This is a start, but it is not enough.

We are here today debating the NDIS and pushing it through as a parliament, as a significant reform, because the system has been broken. The system of funding and supporting people with disabilities has failed the Australian people. It is just not right that depending on where and how you got that particular disability—for example, whether it was in a car accident or by birth, or whether you live in South Australia or Victoria—you are funded differently for the same disability. It is not right. With another Australian becoming significantly disabled every 30 minutes, this is a serious issue. I want to remind the chamber what the Productivity Commission said back in July 2011 when they reported to government:

The current disability support system is underfunded, unfair, fragmented, and inefficient. It gives people with a disability little choice, no certainty of access to appropriate supports and little scope to participate in the community.

Those are damning words and they resonate not just in this House but also across the Australian community in every small town and in every big city. If we are going to find that additional $6.5 billion annually that was identified by the Productivity Commission, we will see funding for disabilities increase by up to 90 per cent. Currently the states and the territories provide $4.7 billion and the Commonwealth $2.3 billion annually for people with a disability. But we need to find that additional $6.5 billion. If we do find it in a bipartisan manner then we will see funding for people with a disability reach about the same level as the disability support pension. It will be more than we allocate to the PBS, but it will be less than the $18 billion a year that we allocate to Medicare.

Questions about the funding are absolutely critical—it requires the bipartisan support of this House and it requires a decision by the political leadership of this country to prioritise the funding of people with disabilities, because at the end of the day we do not have an endless pie of money that we can just pull from for every particular need. We have to prioritise and, as
far as I am concerned, we need to prioritise supporting people with a disability.

My eyes were opened when I was at university teaching tennis on a voluntary basis with a group called the Kids Tennis Foundation. We would go out to some public courts every week—I and a man called Bob Crump—and teach kids with Down syndrome how to hit a tennis ball. You would think kids with Down syndrome could not hit a tennis ball, and you would be right. But the point is that they got out on the court every week, threw a racket around, missed nine out of 10 balls, but the smiles on their faces would bring a tear to anyone’s eye. I know that my colleagues on the other side of the House and my colleagues on this side of the House have had similar experiences as they have attended the morning teas in their electorate under the banner of Every Australian Counts, as they have visited Yooralla, as they have visited the art studios and the dance studios that give opportunities for young people with a disability, as they have spoken to the carers who give so much of their time and are underpaid to support people with disabilities, and as they have sat down with the family of a child or an adult with a disability they have heard those personal stories.

I think the NDIS speaks to our humanity as a nation. It speaks to our personal compassion. It is actually why we are all here. We may disagree on the avenue and the route to finding the same place, but that same place is all about creating a stronger, fairer, more prosperous society. If we grasp this opportunity to take the NDIS beyond this bill before the House and beyond these five trial sites that have been set down, we will have achieved something that previous parliaments have never done. The people of Australia are watching us. They are hoping that we can deliver on that promise, and we should not let them down.

Debate adjourned.

BUSINESS

Federation Chamber

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:56): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the Federation Chamber hours of meeting for this sitting being extended until approximately 1.45 p.m. and from 3.30 p.m. to 8 p.m. or the adjournment of the House, whichever is the earlier.

This is to enable additional contributions to be made to the appropriations debate which is currently being conducted in the Federation Chamber. I thank the House for their cooperation.

Question agreed to.

BILLS

National Disability Insurance Scheme Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mrs D’ATH (Petrie—Parliamentary Secretary for Climate Change and Energy Efficiency) (12:57): I rise today to add my support to the National Disability Insurance Scheme Bill 2012. The introduction of this bill follows a report by the Productivity Commission in 2011 recommending that Australians should be insured against significant disability. To shape this legislation, which will see the scheme launched and operated in five sites across Australia from July 2013, there has been extensive consultation across the country. This framework has been crafted by what we have heard from people with disability, their families and carers and disability organisations across Australia.
The bill establishes an independent agency to deliver the scheme and lays out key elements such as how eligibility will be determined and the supports the NDIS will provide. Our scheme will provide eligible individuals with the care and support they need when they need it; give individuals decision-making power, including being able to choose their service provider; provide high quality evidence-based services which manage lifetime costs of care; be simple to navigate, with links to mainstream community services; recognise the essential care and support of families and carers and support them in that role; facilitate each individual's community participation, access to education and employment opportunities; and be managed on an insurance basis.

The National Disability Insurance Scheme Bill 2012 sets out how a person can become a participant in the scheme, how the participants will develop personal goal based plans with the NDIS Launch Transition Agency and what reasonable and necessary supports will be assured to participants. The establishment of a National Disability Insurance Scheme through this bill also gives effect in part to Australia's obligations under the United Nations Convention on the Rights of Persons with Disabilities. The first stage of the scheme will benefit more than 20,000 people with disability living in South Australia, Tasmania, the ACT, the Hunter in New South Wales and Barwon area in Victoria.

It would be remiss of me not to again express my extreme disappointment that Queenslanders will not be among the first beneficiaries of the scheme. I reiterate that Queensland's exclusion is the result of LNP Premier Campbell Newman's decision not to support an NDIS launch site. It is interesting to note that the Premier has since back-flipped in his views on the NDIS, no doubt as a result of the overwhelming public support for this reform that exists throughout our Queensland community. However, there is more work that needs to be done to reach a funding agreement that will support the 100,000 Queenslanders estimated to be eligible for the NDIS across our state by 2018. I encourage Premier Newman to put his politics aside and work with the federal Labor government for the good of our community.

We know that our National Disability Insurance Scheme will absolutely change the lives of people with disability, their families and carers. Because of this bill, for the first time in Australia's history people with significant and permanent disability will start to receive care and support over their lifetime regardless of how they acquired their disability. This legislation will give people with disability a right to realise their potential and have choice and control over the decisions that affect their lives. People with disability, their families and carers have been waiting a long time for change.

That is why, to prove how serious we are about delivering for Australian families affected by disability, the Gillard Labor government have already put $1 billion on the table. Over four years, this $1 billion in funding will be used to start rolling out stage 1 of the NDIS. Our commitment includes $342.5 million for individually funded packages for people with significant and permanent disability, $154.8 million to employ local area coordinators to provide an individualised approach to delivering care and support to people with disability, $58.6 million to assess the needs of people with a disability in the launch locations and $122.6 million to start preparing the disability sector for the new way of delivering disability services. This includes building the capacity of disability organisations to adjust as the NDIS rolls out. There will also be $240.3 million to build and operate an NDIS
information technology system and $53 million to establish a new National Disability Launch Transition Agency to coordinate implementation and manage the delivery of care and support to people with a disability and their carers in launch locations.

We want Australians with disability, their families and carers to start benefiting from this fundamental reform as quickly as possible. That is why we will deliver the first stage a full year ahead of the timetable set out by the Productivity Commission. As I mentioned, the first stage will begin in the middle of this year. This stage will initially provide care and support to around 10,000 people with significant and permanent disabilities across the country, expanding to cover 20,000 people by mid-2014. Individuals eligible in the launch sites will have their needs assessed and be supported to develop individual plans to deliver ongoing personalised care and support over their lifetimes. In addition to the initial funding of $1 billion, agreement has already been reached with NSW for a state-wide rollout of the NDIS across that state from 2016. In a historic $6.4 billion deal, the federal government will contribute just over half of the costs to assist more than 140,000 people with a disability living in NSW to lead dignified, decent and productive lives.

The most important feature of our landmark scheme is that it takes an insurance approach—like Medicare—and shares the costs of disability services and supports across the community. Almost all of us know someone who has a disability, and we know that misfortune and tragedy can strike any one of us, or someone we know and love, at any time. I recently met with a family from my electorate who have a young son, Luca, suffering from Duchenne muscular dystrophy, or DMD. They explained a bit about DMD to me, and I learnt that to date there is no cure for DMD. The DMD gene is found on the X chromosome, so the disorder manifests primarily in boys and affects around one boy in 3,500. This disease knows no boundaries; it affects all races and cultures. The average life expectancy for children afflicted by DMD is early to late 20s, and anyone can have a child with Duchenne muscular dystrophy.

I would like to share with the House Luca's father's story. He said:

On a July day in 2010 my boy Luca, aged 4, who had no other health issues, was diagnosed with Duchenne Muscular Dystrophy—a destructive muscle disease that is progressive and fatal.

Our path in life as a carefree (in the scheme of things now) family changed forever. That same day I decided we would do anything and everything to fight for my son's life.

In my travels, I have found parents, family members and friends around the world that have the same feelings. We all think about action, intent, passion and fighting for a chance. Of which our son was not born with.

Here in Australia this land of hope—a young man's country—the NDIS will give our son a fighting chance to a life. These boys can aspire to become high achievers and [my boy] can die a young MAN and not a forgotten disabled wasting away boy. The NDIS would be a collaborative effort for all disabled people who need a decent life, love and happiness to the end.

Caring for a Duchennber brings the following elements of care into play. Physical, emotional, behavioural, cognitive and educational issues are all part and parcel.

Let the NDIS program serve as a catalyst that helped transform the landscape for disabled people in Australia. We are not seeking exceptional funding; we seek equity for all disabled people and their families. With all states and territories sailing in the same direction we can make a CHANGE!

Thank you, LEVI DE BILDE

My meeting with the De Bilde family was truly a moving experience. As a mum of two,
I can only imagine their sorrow upon hearing their son's diagnosis and the burden they must bear day after day. The De Bildes should not have to support Luca alone. It is a tragedy to look into parents' eyes when they say that they wake up every day knowing that their son will die and will die young.

In the coming years, people affected by disability in Queensland, like Luca, may be eligible for the NDIS, thanks to this bill. When that happens, Luca, with the support of his family, will be able to decide for himself how to manage his care and supports. I know many in this chamber will have met with many families like Luca's family, who come not seeking support for themselves but wanting to make life better for all people with disability and their families and carers. People like Luca deserve a hand up, not a handout, to make it through school, to get a job, to go on to further study, to follow a dream. I would also like to share with you the story of a very inspiring young man I met in October last year, a man who is most certainly following his dream. Thirty-three-year-old Glen Sheppard from the Sunshine Coast has Down's syndrome and was diagnosed at a young age with severe autism. Glen cannot speak and instead uses facilitated communication and a Qwerty keyboard as his voice. To communicate in this way, Glen needs the support of his dedicated mum, Pam, and carers like Adam from Aspley's Cup From Above cafe in my electorate. Glen will not let his disability stop him from achieving his goals and he is successfully studying creative writing at university. Glen has already written a collection of poetry and launched a murder mystery novel called *Solved in Silence*. For Glen and his support network, life is about what he can do, not what he cannot.

Sadly, for many people with disabilities, life has for too long been about what they cannot do. PricewaterhouseCooper's report, *Disability expectations—investing in a better life, a stronger Australia*, found that over 45 per cent of Australians with disability live in poverty and, when it comes to employment participation for people with a disability, Australia ranks well below the OECD average. Furthermore, the report recognised that family carers of people with disability in Australia have the lowest national indicator of wellbeing, and the number of voluntary family carers is declining. These findings are an indictment of a flawed support system—they are unacceptable results and we must do better.

Around six months ago, I held a forum on the National Disability Insurance Scheme in my electorate, at the Redcliffe RSL. I would like to thank the Minister for Disability Reform, the Hon. Jenny Macklin, and Parliamentary Secretary for Disabilities and Carers, Senator Jan McLucas, for attending and providing an overview to people in my community about the NDIS. I met a family at the forum who told me their son was being cared for in a disability support house. They told me the house had just cut the recreation programs for residents, offering no alternatives, and there is no recourse to this decision under the care packages they receive. The onus is now back on family members to visit and take their loved ones on outings to provide extra stimulation in their lives. This is proving increasingly difficult for the ageing parents who raised their concerns with me.

While disability funding goes to the service provider, consumers are at the mercy of the system when it comes to decisions like this. Our NDIS funding will be attached to the person, not the provider, and this change will drive a competitive, consumer driven disability support market.
I continue to meet people at my local events and at mobile offices who tell me that the disability support system as it exists now is letting them down. There is so much support for the NDIS in my community when I explain what the new system will mean. We need these reforms.

I would like to take this opportunity to thank and acknowledge the Queensland coordinator of Every Australian Counts, Fiona Anderson. Fiona presented at my NDIS forum, and I know she has travelled all over Queensland explaining what an NDIS will mean for people with disabilities and their families. Fiona has been inspired by her son Sandy, who has a disability, and it would be tough to fight any harder for a cause than Fiona has fought to see the introduction of the NDIS. I have been honoured to fight alongside Fiona for these major reforms, and I congratulate her for her tireless effort.

I would also like to acknowledge the great work that special schools, disability service and support groups, and community organisations such as Lions and Rotary do every day in my electorate to support people with disability—groups such as Medicare Local, Endeavour Foundation, ROPE, Cascade, Breakaway, After-Care, Multicap, Synapse, Pine Rivers Disability Program and, of course, Every Australian Counts.

I would like to thank Danny Graham and Endeavour Industries at Kippa-Ring for inviting me along to their DisabiliTEA events last year. It was an honour to share in that special day as we fought together for disability reform. At Endeavour Industries, I got to meet the workers as well as members of their families who had come together to celebrate people with disabilities and the important role that carers play in our society. I would like to thank Rick, the manager, for hosting the event and for inviting me to help him present certificates commemorating significant length of service at Endeavour. It was so rewarding to see such pride in the faces of the workers who received awards and hear the aspirations of newer workers to reach the same milestones. The families who came along were just so proud, as were the staff.

To all of these groups and many more, and the individuals who have campaigned so hard for the NDIS, I say: without your advocacy on behalf of the people you support and your input to me and through the consultation process, we would not have got this far. Together we have already accomplished so much, but there is still a long way to go. I look forward to continuing my work with you to bring the NDIS to Queensland. I commend the bill to the House.

Mrs GASH (Gilmore) (13:12): Having always been aware of how difficult it has been for families, I found that my awareness of those with disabilities was heightened some years ago when a new media officer joined my staff. Shawn Burns was a former newsdesk chief with WIN News. He chose to give up his job in Wollongong and move to Nowra, where the needs of Mac, his son, who has cerebral palsy, could be better served. Mac was stricken with cerebral palsy when he was just six months old following complications from a bout of the flu. Shawn's personal experiences and those of his wife, Gina, in caring for their son led them to become strong advocates for the rights of the disabled. Shawn is now the acting convener of the journalism program at the University of Wollongong. Part of his research for a master's degree was to examine the way the media broach the topic of disabilities. His observations have been extensively reported, and I suppose the best way of describing his thoughts on the matter is to quote him. I am indebted to the Illawarra Mercury for their article in...
October last year. This is some of what Shawn said:

"I care for my son in the same way as any father would care for his son," Burns said.
And don’t make the mistake of calling Mac "wheelchair-bound". That would really raise the hackles.

"It’s like saying someone who uses a car to get back and forth from work is ‘car bound’," Burns said.

"A wheelchair is a piece of equipment that people use to access their life.
"To describe someone as ‘wheelchair-bound’ is seeing them as nothing more than this piece of equipment."

... ... ...

"I found disabled people were either seen as heroes or tragedies," Burns said.

"I think people-first language is important. There are people who have disabilities, rather than being just disabled people.

"We should see them as people first rather than as disabled first. Disability is something that people have, it's not what they are."

We like to think of ourselves as a higher-order species. We see ourselves as caring, compassionate, inclusive and charitable to others. The evidence so far belies that sentiment. The disabled have for too long occupied the fringes of our society. It is as if we did not want to be confronted with the reality of our own mortality. According to an article in the Australian in May last year:

Many parents of disabled children, carers and disabled people themselves complain that under the current arrangements they must take whatever care is offered.

Mac's mother, Gina Burns, agrees:

"The present system is very inequitable.
"It's who screams the loudest that gets things."

For the record, Gina had to give up her full-time job to care for Mac. She hopes that with the advent of a workable National Disability Insurance Scheme she can one day return to full employment.

Being disabled or caring for a disabled person should not mean you are relegated to second-class citizenship. It is a question of dignity and fairness. We pride ourselves on the slogan of a fair go, that all Australians are created equal. But when push comes to shove, the disabled have often been pushed aside. In our modern, and dare I say sophisticated, society this attitude cannot be allowed to go on. We deserve better if we are as good as we think we are, and that is why I welcome this scheme; it is long overdue.

Many of my years as an MP have been spent trying to improve services or facilities for our people in Gilmore with a disability. Gilmore has a high percentage of carers, be they parents of schoolchildren, relatives, friends or just good Samaritans, and some families have more than one child who needs care. You can only begin to imagine the strain they live under each and every day. Their dedication and personal sacrifice relieves the rest of us of the responsibility. Effectively, it is us and them. In our modern and sophisticated society, this attitude cannot be allowed to go on.

The trend has been improving, but it is a very slow process. I saw this in the special schools we have, which are now integrated with mainstream schools. This is a positive development and is producing remarkable results. One such school in Gilmore is the North Nowra Public School. It has absorbed the adjoining Havenlee Special School. Students can intermingle, and this exposure has benefitted awareness and tolerance. It also helps the disabled children by removing the disability apartheid—the segregation that was the previous model.

That is not to say that we cannot do more—and we are, through the advent of the NDIS, because this is what our disabled
deserve, and we can deliver it if we really try. But, because it has raised expectations and promised so much, it has got to be made to work. There must be this caveat: the scheme must be quarantined from politics. It is an opportunity to work together for the greater good and cannot be allowed to become another tool in power machinations. We have to make this work, and that is why we in the coalition have supported a National Disability Insurance Scheme unequivocally.

The coalition has enthusiastically supported each milestone on the road to the NDIS. We supported the initial work by the Productivity Commission. We supported the $1 billion in the last budget. We supported the five launch sites. We supported the agreement between the Commonwealth and New South Wales for a full state-wide rollout after the Hunter launch. And we support this legislation. At the moment, the level of support a person with a disability receives depends on too many variables—variables like what state they live in, whether the disability is congenital or was acquired and, if acquired, whether it was in the workplace, through a motor vehicle accident or in some other context. Workers compensation and motor vehicle accident insurance provide coverage in some states.

One provision that caught my eye was the matter of those aged 65 and over. Those aged over 65 will not be eligible unless previously admitted into the scheme. You can imagine how anyone aged 65 or over must be feeling, especially if they are still in the workforce. Given that we are encouraging people not to retire when they hit 65, surely this is one area that needs to be explained.

The coalition stands ready to work with the government to see an NDIS delivered as soon as possible, because people like Shawn, Gina and Mac Burns and many other families in Gilmore deserve better, and we as a nation are in a position to give it to them. Families and carers should not be forced into having to rely on the largesse of others. That is the reason we are here debating this bill, to make sure we get it right. Both sides of the House agree, but it needs to be fair and accessible for all, with a choice of service facilities for families, not the government, to choose.

At this time, the bill establishes the framework. How effectively it works is very much a measure of our own morality as a nation. This is a chance to deliver real dignity for those who for too long have been sidelined. We believe that the NDIS, fully implemented, constitutes a new deal for the disabled and their carers. It offers hope and it offers opportunity. It is also important to note that every government in Australia and every opposition in Australia supports and wants to see an NDIS. I certainly intend to play my part in that process.

Before I conclude, I want to place on record my thanks to the many Gilmore residents who have explained to me their personal stories in an effort to get this important scheme off the ground. I speak of Gillian Dowling, a brave woman from Culburra Beach in my electorate, whose grandson developed pneumococcal meningitis, leaving him intellectually and physically disabled from a young age. There is Lindsey McCulloch, of Basin View, and her son John, who suffered from a lack of government speech pathology services, which, without outside support, could have severely limited John's development. There is Jan Harber, a single disabled pensioner of South Nowra, who is fighting hard not to fall through what are often gaping cracks in our disability support system. And then there is Josie Carter, a mobility and independence store owner of Ulladulla, and Karen Byrne of Old Erowal Bay and her brave son Kieren, who suffers from blindness and moderate
deafness and has a lack of speech. Then there is Pat Horne, a brave Berry mother who, in 2007, tragically lost her 36-year-old son to MND. And I also speak of Robert Leeson, a strong disabled man from Bomaderry; Sharlene Reay of Shellharbour and her young daughter, who suffers from an autistic spectrum disorder and a moderate intellectual disability; and Susan Collings of Gerringong, a professional in the community care sector, who has seen firsthand the inefficiencies, injustice and suffering of many in the disability service sector. And there are many, many more.

A National Disability Insurance Scheme is a non-negotiable necessity, an idea whose time has come. But this is a once-in-a-generation reform that must unfold over several parliaments and likely more than one government. The NDIS must be the property of the parliament, not the reform of any particular party or political belief. The Australian federal parliament will this year legislate an NDIS—an NDIS which will ensure that every Australian, well and truly and once and for all, counts. This is a chance, as I said, to deliver real dignity for those who for far too long have been sidelined. It offers hope and opportunity. As I said, everyone in Australia, in opposition and in government, wants to see an NDIS, and I believe most Australian citizens do as well.

After 17 years in this House, I can really say now that we can achieve consensus by working as a team. We can get the policy right. We owe it to the people of Gilmore and of Australia, and we stand ready to work with government to make the NDIS a reality.

Mr IRONS (Swan) (13:22): I rise today to join with my parliamentary colleagues in expressing my support for the National Disability Insurance Scheme. From the conception of the NDIS the coalition has supported a national insurance scheme which helps those afflicted with disabilities to help themselves. The coalition supported the government's referral of the NDIS to the Productivity Commission for an inquiry into the NDIS in 2009 which confirmed, on its release in 2011, that the current system of support for those with a disability is broken. Those on the other side of the House seem to claim that the NDIS is a wholly Labor initiative supported by quintessential Labor values. This is quite simply not true. It was particularly disappointing to hear the member for Robertson say in her speech: 'The only people who will offer that leadership and bring about the delivery of the NDIS are the Labor government.' This is simply not true and not what I would have expected from the member for Robertson who I think is better than that.

The NDIS represents the values of every Australian: a fair go for those who face challenges beyond their control. As the Leader of the Opposition Tony Abbott stated: 'The NDIS is an idea whose time has come.' However, it is an idea that needs to be implemented correctly the first time. It is a cross-generational policy that needs to be owned by the parliament, and parliaments to come, to ensure continuity and efficiency, that is essential for those relying on the NDIS, for it to come to fruition. The government needs to acknowledge that the NDIS will require a very high level of consultation and attention to detail, not just at its initial launch sites in South Australia, Victoria, New South Wales, Tasmania and the ACT, but well into the future and with full implementation. We in the coalition have called for the establishment of a joint parliamentary committee to be chaired by both sides of politics to implement the NDIS. Those on the other side have rejected these calls and even joined with the Greens in the Senate to vote down a similar proposal to
establish a bipartisan oversight committee. For all their talk, Labor is not interested in sensible, effective policy implementation and is only interested in cheap political point scoring—whatever the cost.

Unfortunately this week we have seen an astounding, but unsurprising, lack of fiscal management from this government in the form of the mining tax, which was designed to fund various projects such as the NDIS, but has ended up costing the government more in administrative costs than it has actually raised. The NDIS is simply too important to become another bungled Labor scheme relegated to the trash pile along with the BER and pink batts schemes. We have already seen the Labor mismanagement and cost cutting in the implementation of the NDIS. We have seen the Prime Minister hold various state premiers to ransom with the introduction of expensive launch sites in four states and one territory. The Productivity Commission never envisaged states bearing the brunt of such an expensive scheme. In my own state of Western Australia, Premier Barnett has written to the Prime Minister proposing a joint Commonwealth-WA NDIS. This government needs to recognise the limited capacity of states to fund expensive projects such as the NDIS and to work cooperatively to strike a deal that delivers the best outcome for people with disabilities.

I would like now to impress upon the House some key points that the member for McMillan made in his speech in this place, and the reason that I am repeating this is because they are very relevant and I think everyone respects the opinions of the member for McMillan. In his speech he said:

The NDIS will not be the be all and end all for every person with a disability. If this parliament comes to a point where it raises the hopes of everybody across this nation who has a disability, woe betide the Prime Minister who has to implement the NDIS, with all the complications before us in our approach to putting this legislation in place and fulfilling its aims.

To my personal regret, the member for Scullin will not be in this place for the years it will take for the working of this legislation, because it is not a five-minute job. It is not going to be fixed tomorrow. Already we have heard from the members who have spoken about the difficulties with the states. The Productivity Commission said very clearly that this is a federal responsibility and that the federal government should pick up the barrow, take the lead on this and run with it.

The first thing I was embarrassed about with my disability community was that they were attacking my own Victorian Premier Ted Baillieu for seemingly not supporting this because he was ambushed by the Prime Minister over funding for the trial. There will be people who will take the moral high ground on this issue and force things on the states, which it was never intended they would be required to do. I understood it was for the federal government to take the lead, but the first thing to happen is that states right around the country, depleted of funds, are being asked to do the things that the Productivity Commission never intended them to do.

We need forbearance on behalf of all people. I say to the disability community across the country, and to those who are vitally interested in the NDIS, who will be listening closely to the debate, that we have a long way to go. This is not the panacea, it is a great opportunity. Could it be a world first? Yes. Could it change the lives of people with a disability? Yes. Do we desire the best possible outcome for those people? Yes, we do. But I do not want to raise their hopes to a point that they are dashed when they find their type of disability may not be covered by the NDIS—or shouldn't anybody say
that? Is there not a place for the truth in this House on the NDIS? Is there not a place to say: 'No, everything is rosy, and once the National Disability Insurance Scheme is implemented every issue within the disability community and the problems they face are fixed?'

The questions posed and comments made by the member for McMillan are the core to the issues surrounding the NDIS. The bill before the House today only provides for the establishment of the National Disability Insurance Scheme. It states that the agency may provide general support for people with disability. It goes briefly into eligibility provisions, personal planning provisions and managing the funding for support. It sets up a board consisting of a chair and eight members, as well as providing for an independent review of the act after two years. This is all very well, and it is certainly a start to the NDIS which the coalition has wholeheartedly supported. However, as I have illustrated, and those speaking before me have highlighted, this bill is woefully light on details as to how the scheme will actually be managed, funded and implemented. These fine points are to be set out in regulations known as NDIS rules. Until these final details are released, we cannot say for sure that those on the other side will deliver an NDIS that provides the opportunity promised to disability sufferers around Australia.

Yesterday I helped table a report on adhesive arachnoiditis. One section of the report highlighted the NDIS, which I and the members for Hasluck and Parkes thought was inappropriate, as it could raise the hopes of arachnoiditis sufferers that they will be eligible under the NDIS for assistance. It should not have been included, because there is no detail. This is just another example of putting the cart before the horse. So, I say to arachnoiditis sufferers: please do not get your hopes up until you get to see the detail.

In its final form the NDIS must represent and support the aspirational values of Australian society. It must recognise the vital contributions that those with a disability can make to the Australian community through work, sport, volunteering and various other activities. The NDIS should support those Australians living with disabilities to have full, rich and purposeful lives and as such should be a hand up and never a handout that deters people from working and contributing.

Many speakers have mentioned personal experiences, and I would like to tell the House about a mate of mine from South Australia. I have known and worked with this man for nearly 20 years and he has always been an inspiration to me. Ian O'Hara lives in Adelaide and was diagnosed with muscular dystrophy at the age of five. Ian was raised as an only child after his older sister died at a very young age. His parents saw that Ian was different from other children around his age and sought medical advice as to what Ian's problem might be. After running tests, Ian was diagnosed with muscular dystrophy, and his parents were informed he would only live to an age of between 21 and 27. I am happy to say Ian turned 55 last December.

Ian's parents were determined to make sure that he had a fantastic life, so they did everything they could with him, despite his disability. Ian went on to race go-karts and was the Australian open runner-up in 1980 and 1981. In 1982 he won the Australian championship, because, he said, no-one else turned up. What a great effort. Ian enjoyed many other activities in his life that children with muscular dystrophy were not supposed or expected to do.

Ian's parents received no government or social support. They felt it was their duty as
parents to look after their child and not the responsibility of the government or anyone else. Ian has taken on the same self-sufficient attitude in life. He started work at the age of 21 and is now one of the longest-serving employees at a national manufacturing company in South Australia. Ian took on the independent attitude of his parents and has always felt that it is his own personal responsibility to look after himself and not to rely on the support of government institutions and handouts. He now has a disability card that entitles him to some mobility allowance and healthcare benefits. The hoops he has to jump through to keep this card are another story again.

Ian married and soon had a daughter, Sarah, who was diagnosed with Down syndrome soon after she was born. He said to me that he is blessed with a beautiful daughter, who has brought him great pleasure and taught him to be less competitive in his own life. I would like to give you a brief example of how easygoing Sarah is. She is now 28 and loves to swim. She is so good at swimming that she competed in the trials that would have meant she had the honour of representing Australia at the Paralympics in Sydney in 2000. Sarah was leading her trial race and was in line to win it. However, Sarah did not win the trial race or anything else, because she stopped in the middle of the race to see where her friends, who were racing with her, were up to.

I asked Ian how he was after the race, and how Sarah was. Sarah did not mind missing out on the honour to represent Australia, because she saw her friends. Ian said he did not go to the trials, but Sarah's grandmother went instead. I could not believe that Ian had not gone to see his daughter compete in her event. Ian explained that he does not watch his daughter compete, because she will not swim if he is there. When Ian is around, all Sarah wants to do is talk to her dad. If Ian goes to watch her, Sarah gets out of the pool instead and sits with her dad. Obviously, these two people, who are dealing with their own challenges in life, and sharing them, have a great bond with each other.

Sarah has now left home and is working in an industrial laundry. She is living in a house with three other people with Down syndrome. The four of them have a casual carer who helps assist them with odd day-to-day tasks. I said casually to Ian that it is probably a party house, to which he remarked that the last time he saw Sarah she did have dark rings under her eyes.

I asked Ian what the NDIS meant to him and to Sarah. Ian said at the moment it means nothing to him as he has no idea whether he will be covered, because he has seen no detail. Indeed, no details have been released.

In regard to Sarah, he does not want the government to give her money that takes away her need to work and her independence. He said Sarah's job in an industrial laundry gives her a sense of self-worth and responsibility. Sarah enjoys the work, the money and the self-esteem the job provides. He does not think it would be an advantage for her to be given money under a scheme if it meant she did not need to work when she is able to support herself and contribute to society.

Ian also doubts the Labor government can implement a scheme like the NDIS. As he pointed out to me, they could not get the pink batts right, they could not get the computers in schools right, they could not get the school halls right and they cannot even deliver a surplus. As he rightly asks: what chance do they have of getting the NDIS right? He also queried the government's ability to pay for such an expensive scheme. Who are they going to
take money from, or redirect money away from, to implement a scheme that at the moment is just another headline?

Ian and Sarah are fine examples of Australians with disabilities getting on with the job of living life and contributing to society. The beauty of the NDIS is that it will have the capacity to empower other Australians to do this. My brother Bevan, who had a stroke at the age of 51 and now relies on a carer, will welcome any assistance that will help him get on with his life. One of the things I have not mentioned so far is the carers of all the people with disabilities. They make enormous sacrifices to look after their people and the NDIS will certainly help them in their role as carers.

Leader of the Opposition Tony Abbott was right in saying 'the NDIS is an idea whose time has come'. But it needs to be implemented properly. Funding needs to be confirmed and details need to be released before it can claim to be the transformative scheme it is touted to be. We in the coalition are committed to implementing the NDIS, which needs prudent fiscal management and proven leadership. We all in this place have the opportunity to commit to a functioning NDIS that for generations to come helps people with a disability to help themselves.

Mrs MARKUS (Macquarie) (13:36): I rise today to speak on the National Disability Insurance Scheme Bill 2012, presented for consideration in this place—an historic time. It is fitting to begin by acknowledging the important progress, the aims and the benefits that the NDIS concept demonstrate. All of us in this chamber will acknowledge that the current systems provided to Australians for their disability, their families and their carers are not only insufficient but, as has been mentioned by a number of speakers today and previously on this bill, are also broken. What lies at the heart of many of the issues inherent to the current system is the lack of an universal approach to support based on need, rather than rationing, with the entitlement for support going to the individual.

The level of external assistance a person with a disability receives is largely dependent on several factors. These include: what state they live in; whether the disability is congenital or was acquired, and if acquired, whether it was in the workplace; whether it was as a result of a motor vehicle accident; or whether it was acquired in some other context. Workers compensation and motor vehicle accident insurance provides coverage in some states but if, however, your disability is from birth or you acquire a disability later in life, your experience can be vastly different, with many experiencing exhausting waiting lists and queues. The result is that many people with a disability are left without the assistance they need. It is critical, therefore, that a new system be developed where the individual is at the centre and wherever possible in charge, able to choose the supports, the aids, the equipment, the carer and the service providers of their choice. But what is more vital is that the system is flexible enough not only to adapt to the capacity of the individual, the family and the carers in the management of this process but also that the detail of how this program is implemented is right. The devil, indeed, is in the detail.

The coalition has enthusiastically supported every marker in that development of the NDIS. We supported the initial work by the Productivity Commission, the $1 billion allocated to the project in the last budget, the five launch sites and the agreement between the Commonwealth and New South Wales for a full state-wide rollout after the Hunter launch. The coalition believes in and supports the National Disability Insurance Scheme. It believes it
can be delivered within the time frame recommended by the Productivity Commission by a prudent government that manages well. This is where the challenge lies. The coalition will devote every effort to engaging with the government and to endeavouring to help to ensure that the NDIS be the best that it can be. We are therefore ready to work with the government to see an NDIS delivered as soon as possible.

However, the coalition objects to the appropriation of the values underpinning the formation of the NDIS by Labor. Members of this government have attempted to assert that the NDIS represents quintessentially and exclusively Labor values. This is demonstrably false. The NDIS represents Australian values—a fair go, helping those who face challenges for reasons beyond their control, providing a secure and effective safety net that empowers those with a disability to reach their fullest potential, to celebrate their abilities, and to achieve a quality of life that every Australian deserves. Most Australians would be surprised to learn that these were partisan values and not those imparted to them by their parents and carers.

The particular value of the NDIS is that it is an individual-centric and self-directed funding model. The coalition believes that the full implementation of an NDIS will be nothing short of a new deal—a new future for people with disabilities, their carers and their families. The success of this new system is absolutely critical and every effort must be devoted to making it the best package possible. Because the NDIS is a once-in-a-generation reform that will unfold over the life of several parliaments, it should be the property of the whole parliament on behalf of the Australian people rather than that of a particular political party. A very high level of consultation and examination is critical to the successful development and implementation of the NDIS. The coalition has called for the establishment of a joint parliamentary committee to be chaired by both sides of politics to oversee the establishment and implementation of the NDIS. A parliamentary oversight committee would lock in all parties and provide a non-partisan environment, where issues of design and eligibility could be worked through cooperatively.

The member for Dawson has had a motion in the House to establish this committee for some time now. Regrettably, it has not been brought forward for a vote. Similarly, Senator Fifield moved a motion to establish the oversight committee. Labor and the Greens combined in the Senate to vote it down. The government should accept our offer of a parliamentary oversight committee. The coalition intends to give the government, the Greens and the Independents an opportunity to accept our hand of cooperation by moving an amendment to this bill to establish a non-partisan oversight committee. The offer ought to be accepted.

Despite the best efforts of the current federal government and members opposite to misrepresent facts, every government in Australia and every opposition in this nation supports and wants to see a National Disability Insurance Scheme planned and implemented effectively. That is why at the COAG before last it was disappointing that the Prime Minister could not rise above her partisan instincts. It is to the credit of the premiers of Victoria and New South Wales that they continued to negotiate in the face of public attack and misrepresentation by the federal government, and reached agreement to host launch sites. Their commitment is to the people with a disability, their families and their carers in their states.

The tangible benefits of a constructive approach were apparent when Premier
O'Farrell and the Prime Minister signed an intergovernmental agreement in December, for a full state-wide NDIS rollout after the Hunter launch project. The Prime Minister must build on these constructive interactions in discussions with other states towards a conclusion of further bilateral agreements. The NDIS cannot function fully without an intergovernmental agreement with each state and territory. In reference to those states that are not hosting NDIS launch sites it should be noted that the Productivity Commission never stated that every state should host a site, nor did it assert that the absence of a launch site in a given state would be any hindrance to that state taking part in a full national rollout. Indeed, Premier Newman has written to the Prime Minister with a proposal to be part of a full national rollout, whilst Premier Barnett has written to the Prime Minister proposing a joint WA-Commonwealth NDIS. Unlike this government, which has incessantly sought to utilise and manipulate the NDIS as a tool for attacking—

Professor Chen is an international expert in the area of e-learning, with particular expertise in synchronous learning technologies and best practices of online synchronous teaching and learning. He is currently working with Hear and Say to further develop their e-learning and online courses so that deaf children around the world can learn to hear, listen and speak. Trainees in more than 30 countries have already received training from Hear and Say WorldWide using the Collaborative Cyber Community 3C IT platform, which was invented by Professor Chen. I was honoured to accept Dimity Dornan's invitation to join Professor Chen and his colleagues at Hear and Say recently to celebrate his becoming an Australian citizen. He also proudly showed us his brand new Australian passport! It is wonderful to see such inspirational people choose to make Australia home, and I wish him well with his continuing work at Hear and Say—and for people around the world.

Murray, Ms Kerry

Mr STEPHEN JONES (Throsby) (13:46): I would like to take this opportunity to say a few words in tribute to a constituent of mine, Kerry Murray, who lost her battle with cancer earlier this year. Kerry was a stalwart of the Southern Highlands branch of the ALP, with more than 38 years continuous membership of the party. She focussed her energy on her beloved family, her wide network of friends, her garden and actively campaigning in her community whenever a cause arose.

Kerry and her late husband, Fraser, were both teachers and they shared a passion for the power of education to transform young lives. At a time when dedicated services for women were close to non-existent, Kerry, an avowed feminist, advocated for women's health services, child care and many other...
causes close to home and nationally. Kerry was a Labor woman to her core, and the Labor Party was fortunate to have someone of her capacity and commitment in its midst.

According to her close friend and other mainstay of the Southern Highlands branch, Joan Yeo, Kerry gave one of her sons, Jim, the middle name of Edward as a tribute to her hero, Edward Gough Whitlam. On election days, Kerry would usually be found at the Mittagong Preschool booth, her favourite base for encouraging Labor votes in any election.

Kerry will be deeply missed by her family, her friends—like her dear friends Joan Yeo and Kerry Reidy, whose touching eulogies have assisted me with my tribute today—and her Southern Highlands branch colleagues. Kerry's passion for Labor and a life well lived is a tribute to her energy and commitment to making the world a better place and to improving the lives of us all. (Time expired)

**Live Animal Exports**

_Mrs GRIGGS (Solomon) (13:48):_ Today the first shipment of live buffalo since the new animal welfare requirements came into force will leave Darwin. This is a huge relief for the entire Territory community who have been crippled by the Gillard Labor government's 2011 knee-jerk reaction to ban live exports. This decision damaged our $1 billion livestock industry, weakened industry confidence within the Territory and threatened Territory jobs. I can only imagine the thousands of dollars lost by Territory cattle farmers, the uncertainty they experienced during the ban, the fear they endured while wondering if their livelihoods would be destroyed forever and the pain they suffered while getting their industry back on track.

There are some interesting facts coming out of the Senate estimates hearings, particularly that the Labor government gifted $20 million to the Indonesian cattle industry, which has not been spent—no new projects started at all—while the government only allocated $12.7 million to Australian industry. This demonstrates a blatant lack of understanding this government has for our farmers and the industry. The lack of assistance for our livestock industry—particularly, not doing enough to support the industry open new markets—has allowed overseas competitors to reap the benefits and cripple our local market.

The coalition supports the $1 billion live export industry and, given the opportunity, will work with farmers to address the continuing destructive impact of the 2011 live cattle export ban. **Uranium**

_Mr MURPHY (Reid) (13:49):_ Since coming to office less than two years ago, New South Wales Premier O'Farrell and the Liberal-National Party government have exceeded even the most pessimistic predictions of those who warned that this regime would trash the state's environment.

So far, following the last state election and the immediate closure of the department of the environment, we have seen amongst other policy failures and environmental disasters a failure to protect residents from the release of carcinogenic hexavalent chromium into the suburbs of Newcastle, the shooters in the national parks, the abandonment of management of the effects of rising sea levels caused by global warming and a denial of global warming and climate change. Now we have a plan to remove a radioactive waste dump from Hunters Hill, in a nice blue-ribbon Liberal electorate, and transfer it to a supposedly better location at Lidcombe, in a Labor electorate—my electorate.
Radium and other radioactive elements such as radon can be extracted from uranium ores, and in the early 20th century these elements were used in quack medicine as a cure-all. Unbelievably, mill tailings such as those still at Hunters Hill were sold as radium manure that supposedly improved crop yields. Evidently, Premier O'Farrell wants to return to the good old days of radium brand fertiliser as he spreads the supposed benefits of this hazardous material to other parts of the state instead of securing it in a deep burial, well away from populated areas. If it is safe enough to be stored at Lidcombe, why not store it in the quack medicine Premier's own electorate of Ku-ring-gai?

Trade

Mr FRYDENBERG (Kooyong) (13:51): It does not take the coalition to tell the Australian public that the Labor Party has had a bad couple of weeks. They know all too well. Labor Vice President, Tony Sheldon, called his New South Wales factional colleagues 'cockroaches'. The stunned caucus was not consulted about the 14 September election date. Trish Crossin was unequivocally dumped and there was a quick dash to the exit by two senior cabinet colleagues. But, rather than boosting her team with a reshuffle, the PM has weakened it. The member for Wills has been appointed as Parliamentary Secretary for Trade, and it could not be a stranger choice.

In a speech as a backbencher in Melbourne, on 18 July last year, the member for Wills criticised foreign investment in agriculture, saying it is 'entirely predictable that my raising this issue will be greeted with attempts to intimidate and shut down debate by dark mutterings of Hansonism, racism and xenophobia'.

Would you believe the Minister for Trade, Craig Emerson, said just one month later, in August last year, 'The only product Hansonite opponents of foreign investment in Australian agriculture are interested in is harvesting votes'? There you have it: the Minister for Trade calling his parliamentary secretary a Hansonite for chasing votes. What a farce. How can Australia's trading partners in our $300 billion export sector take this government seriously when their minister and their parliamentary secretary do not even agree? This government is a joke, both at home and overseas.

Leader of the Opposition

Mr LYONS (Bass) (13:52): 'The statements that need to be taken absolutely as gospel truth are those carefully prepared, scripted remarks.' These are the words of the member for Warringah in 2010 during an interview on ABC TV—a man who sees himself as the next Prime Minister of Australia. The Leader of the Opposition admits that his words mean nothing unless they are written down and scripted. Tasmanians should be very worried about an Abbott-led government. The Leader of the Opposition, at his own admission, cannot be trusted when he says that Tasmanians will not be worse off under the opposition's plans to change the way the GST is distributed amongst the states.

The Deputy Leader of the Opposition has also let it slip that she believes that Premier Colin Barnett has a point on GST, yet, on the numerous trips the Leader of the Opposition has taken to Tasmania since his comments in May of last year, he would not commit to putting his plans in writing. In Barry Prismall's editorial in the Examiner on 5 February, he also challenged the opposition leader to come clean on this issue. I suspect that the Leader of the Opposition will continue to say and do anything in his speech for power, dodging questions and scrutiny all the way, regardless of whether he believes
the statement to be true or not. Come clean, Member for Warringah. Either you are telling tales to your mates in the west or you are telling tales to the people of Tasmania.

**Private Health Insurance**

**Mr TUDGE** (Aston) (13:54): I would like to express my deep concern about the government's proposals to cut the private health insurance rebate once again. This is a rebate which 70 per cent of constituents in my electorate currently hold. They do so so that they can have the surety of getting the doctor or surgeon of their choice and so that they can access tremendous hospitals, such as the Knox Private Hospital in my electorate. The government have already taken the axe to the private health insurance rebate once to date by means-testing it. That flows through onto every single person, not just the wealthy people. Now they are also planning on further reducing the rebate for people who do not sign up to it once they hit 30. This, according to the experts, suggests that some people will face a 26½ per cent increase in their private health insurance rebate. I am concerned that this will be another slug on everyday families which are already struggling with cost-of-living pressures.

Most importantly, as well, this is a further broken promise by this government. They explicitly said—Minister Roxon, who is here in the chamber, said this—in 2009 that they would not change the health insurance rebate; they would not touch it. They did that before the election and now it is another broken promise after the election. You cannot trust a single thing that this government say. *(Time expired)*

**Canberra Electorate: Sport**

**Ms BRODTMANN** (Canberra) (13:56): Once again, a Canberra sporting team has made history and shown the rest of Australia that we can beat the best that other capital cities have to offer. I was reminded this week that it all began in 1977, when the Monaro Rugby League side playing in the Canberra competition beat the touring Great Britain side, with Larry Corowa scoring five tries. Ever since then we have seen a host of national champions: the Canberra Cannons won the National Men's Basketball Championships in 1983, 1984 and 1988; the Canberra Capitals won the WNBL grand final a record number of times; the Canberra Raiders were NRL Premiers in 1989, 1990 and 1994; the ACT Brumbies have been in five rugby finals, winning twice; and now we can add the Canberra Cavalry, who last weekend defeated the Perth Heat to win the Australian Baseball League championship series. For the first time, the Claxton Shield is now living in the national capital, where it rightly belongs. On behalf of the people of Canberra, I congratulate the Canberra Cavalry members, head coach Michael Collins and his coaching staff, support staff and all of the fans that support the Cavalry—and a special mention to young Aaron Sloan, who was awarded Most Valuable Player.

**Defence: Budget Cuts**

**Mr FRYDENBERG** (Kooyong) (13:57): Earlier this morning I did an interview with Joel Fitzgibbon, the member for Hunter, and he belled the cat on the cuts on defence spending on your side. He had the guts to tell the Australian people that we should increase defence spending in this place to two per cent of GDP. As a result of your negligence when it comes to defence spending, defence spending is being cut to 1.56 per cent of GDP—the lowest level since 1938. This is despite the Defence white paper that you released in 2009, where you promised a three per cent annual increase in defence spending. When John Howard came to office in 1996 and he was confronted with a big budget black hole, he quarantined defence spending—he kept it at about two per cent of...
GDP. When you look around our region, the Singaporeans are spending 3.5 per cent of their GDP on defence, the Indians are spending two per cent of GDP on defence, South Korea are spending 2.5 per cent and we are spending 1.56 per cent. Shame on you! Shame on you, Labor Party! Joel Fitzgibbon, the member for Hunter, had the guts to tell the Australian people, 'You should be spending more on defence.' The Americans have told you off because you are not lifting your side of the bargain. We have an ANZUS alliance, and it is incumbent upon the Australian people to call on the Labor Party to spend more on defence. Stop wrecking the defence of Australia. (Time expired)

The SPEAKER: Much and all as I respect the member for Kooyong, accusing me of taking defence spending is going too far—the use of the word 'you' is not appreciated!

Robertson Electorate: Health Services

Ms O'NEILL (Robertson) (13:59): I would like to take this opportunity to put on the record the considerable development in my electorate that is going ahead and the $55 million of infrastructure that is being put in place by this Labor government in the area of health: $28 million for our cancer clinic, one of 26 cancer clinics around this country, because it is only a Labor government that responded to the reality of Australians dying in the bush and the regions—we put in 26 regional cancer clinics, and I am proud to say that we have got one in Robertson; $7 million for our GP superclinic, which is about to open; and also $21 million to bring back to life the Woy Woy rehab centre, a fantastic community facility. All of these things are possible, and only possible, because this is a Labor government governing for the advantage of Australians.

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

QUESTIONS WITHOUT NOTICE

Minerals Resource Rent Tax

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I remind her of her declaration at the start of this term that, 'Every time we announce something we properly account for it and we properly fund it.' Given that the mining tax has collected less than 10 per cent of its forecast revenue against potential expenditure associated with it of $15 billion, does the Prime Minister stand by this statement?

Ms GILLARD (Lalor—Prime Minister) (14:00): Let me assure the Leader of the Opposition that this government will always properly cost policies and we will identify savings. I remind the Leader of the Opposition that, despite the carry-on on the other side, we have been offsetting new expenditure since 2009. I would remind the opposition of that.

What I would remind the opposition of, as well, is that it is very important, in this year of all years, that Australians are able to compare policies, their merits, their costs and where the savings are coming from. I am indebted to the shadow minister for finance for clarifying, in the Federation Chamber yesterday, on behalf of the opposition: … every day we hear in the main chamber … and in the other place, cries of 'Where are your costings?' And he says, on behalf of the opposition: Of course the costings have been done.

Then he goes on to say:

What no-one knows, including us, is how any of these things can be funded.

I think it ought to be very clear to the shadow minister for finance and to the
opposition generally that what we need to do—what everyone needs to do—in this fiscal environment is identify offsetting savings for new expenditure.

Opposition members interjecting—

Ms GILLARD: The member for Goldstein is yelling out, 'No, you don't,' which means that he must have a plan to add to expenditure. If his plan is not to add to expenditure then he must identify offsetting savings.

The opposition is engaged in a fiction that this can only be done after the pre-election fiscal outlook is delivered. That is nonsense. Today, if the Leader of the Opposition is in possession of costed policies, he could start identifying the matching savings. If he does not do that transparently then Australians are entitled to conclude that that money will come in secret cuts in the way in which the Newman government has proceeded in Queensland. It is overseen by a commission of audit, but what it equals is cuts that cost jobs, cuts that destroy services, cuts that hit hospitals, cuts that hit schools.

So if the Leader of the Opposition has a new-found interest in budget matters—if you have your costed policies, and your shadow minister for finance says that you do—he should put out the matching savings and allow Australians to judge them.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): I have a supplementary question for the Prime Minister. What changes to the mining tax does the Prime Minister have in mind to address the revenue shortfall?

Ms GILLARD (Lalor—Prime Minister) (14:03): I dealt with this matter yesterday when asked about the minerals resource rent tax. I refer the Leader of the Opposition to my remarks yesterday. I refer him to the Mid-Year Economic and Fiscal Outlook, and he can have a look at the figures himself.

I also say to the Leader of the Opposition that behind all of the political skirmishing about the minerals resource rent tax that the Leader of the Opposition engaged in yesterday is a fundamental policy question that the Leader of the Opposition needs to answer. Does he believe that it is better for mining companies to be taxed at the height of their profitability or does he believe in a royalty system which hits mines in set-up, which hits mines when they are not profitable—

Mrs Bronwyn Bishop: Madam Speaker, I rise on a point of order. This is question time, when the questions are asked to the Prime Minister; it is not for her to ask questions of the opposition.

The SPEAKER: The member for Mackellar will resume her seat.

Ms GILLARD: I thought this was a time when people showed an interest in the great public policy questions facing the nation. But clearly, from the point of view of the opposition, I have that wrong. The public policy question behind all of this is: is it better for our resources sector to be taxed at the height of their profitability or to have state based royalties that hit them in set-up, hit them when they are not profitable and can make projects unviable? That is the public policy question, and that is the question the Leader of the Opposition should direct his attention to.

Would he just continue to tick state based royalty increases or not? That has implications for jobs and growth, and he should answer that question rather than engage in political byplay. (Time expired)

Global Economy

Ms ROWLAND (Greenway) (14:05): My question is to the Prime Minister. The President of the United States has today outlined the approach he is taking to challenges facing both the global and United
States economies. How is the Australian government working with both the United States and our global partners to tackle shared challenges and realise our shared ambitions for the prosperity of people?

Ms GILLARD (Lalor—Prime Minister) (14:06): I thank the member for Greenway for her question. I thank her for her deep interest and very vocal expression of the needs and desires of her constituents. Key to her constituents' making a life is the Australian economy and, indeed, the global economy's offer to them of the opportunity that comes with a job or the opportunity that comes with being able to create your own small business should you choose to do so.

President Obama has just been delivering his fifth State of the Union address. President Obama, in that address, like leaders around the world, was focused on a strategy for jobs and growth in his nation. As I have said in the parliament this week, you cannot say that you are engaged in the public policy debates that matter in our world today unless you fully understand the causes and consequences of the global financial crisis. You cannot be viewed as a sophisticated participant in any debate about jobs and growth unless you are focused on that. The global financial crisis hit around the world; it hit here in Australia, and it particularly hit acutely in the United States. That means that around the world, nations—including our own—face challenges with ensuring that there are jobs and growth, and as a government we are very focused in meeting those challenges. Unlike President Obama and our friends in the United States of America, we come to addressing these challenges standing on a foundation of strength. Unlike the United States, we did not have a recession in this country. Unlike the United States, we were able to act in a timely way to support and protect jobs as we supported and protected 200,000 of them. Unlike the United States, we are here with growth, with low inflation, with low interest rates, with strong public finances. Unlike the United States, we can therefore build for the future and jobs and growth standing on that platform of strength coming out of the global financial crisis.

In his own nation, President Obama still confronts the spectre of 12 million unemployed people; that is the same size of the entire Australian labour market. He therefore has a challenge that is different to ours, but in his address today to the State of the Union it is abundantly clear that his focus is on jobs and growth. That is good for the global economy and it is good for our economy. Our focus domestically, standing on a platform of strength, is for jobs and growth and opportunity for Australians for the future.

Ms ROWLAND (Greenway) (14:09): Madam Speaker, I have a supplementary question. The Prime Minister has outlined the plan the President is taking to restore growth to the United States economy. How is the Australian government working to keep our economy strong?

Ms GILLARD (Lalor—Prime Minister) (14:09): Unsurprisingly, given we come from sister political parties, when you look at the President's State of the Union address, there are many words and many phrases and aspirations that ring true and dear for Labor Party members, including governing for the many not the few, including making sure that the doors of opportunity are open to every child. That is President Obama's ambition for his nation, that is an ambition for our nation too, and it has been a driving force of the work of this government and continues to be so.

What that means is that you need to answer some complicated questions, and
President Obama outlined for his nation questions we too are engaged in answering today. How do we attract more jobs to our shores? How do we equip our people with the skills to get those jobs? How do we make sure that there is the prospect for Australians that hard work can lead to a decent living? In answering all of these questions you have got to make sure that you have plans not platitudes. You have got to make sure that you are focused on growth not stagnation. You have got to have a plan for jobs, not a plan for cuts. This government is focused on growth, on the opportunities of the future, things that are viewed as humorous by those opposite because they have not been able to focus on jobs and growth. (Time expired)

Minerals Resource Rent Tax

Mr HOCKEY (North Sydney) (14:11): I refer the Treasurer to his 14 December 2010 press conference where he was questioned as to whether it was an error to credit all state royalties under the heads of agreement signed with mining companies. The Treasurer replied, 'No, it’s not an error at all.' Does the Treasurer stand by his words, and will the Treasurer rule out any changes to the treatment of royalties under the mining tax: yes or no?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:11): I do thank the shadow Treasurer for his question, because I did answer that comprehensively yesterday. It is the case that they are a deductible credit—no doubt about that. That was contained in the report which was produced by the Minister for Resources and Energy, Mr Ferguson, and Mr Argus, along with some advice that we should sit down with the states and work our way through all of these issues, which is precisely what we are doing as we speak. Our treasuries are engaged in this discussion, and they are engaged in this discussion for a very good reason: we want our resources industries to grow and prosper. The whole argument for a resource rent tax is that it is the most efficient way of generating growth and jobs in industry, as opposed to the regressive impact of royalties and how they punish projects, particularly those which have higher costs.

What you have seen in the state of Queensland has been jacking up of royalties, which has cost jobs. We have not heard one peep from them about the job-destroying impact of what has gone on in Queensland from the royalty increases by the Queensland government. We are determined to work through with the states the intersection of a resource rent tax with royalties. That is what we have said we are doing, we have been doing it and we will continue to do it because it goes to the health of our industry which has been growing dramatically since we announced the introduction of the MRRT in 2010. I went through some of the figures yesterday.

Mr Simpkins: One hundred and twenty-six million.

The SPEAKER: The member for Cowan is warned.

Mr SWAN: Something like 60,000-plus jobs additional in mining when those opposite claimed that jobs would be reduced. We have seen a dramatic increase in investment since 2010 in mining, all because we have been determined—

The SPEAKER: The Treasurer will resume his seat. The member for North Sydney on a point of order.

Mr Hockey: Madam Speaker, I rise on a point of order. The question was pretty simple. I asked him whether he was ruling out changes to royalties, yes or no. That was the question. Does he stand by his decision?
The SPEAKER: The member for North Sydney will resume his seat. The minister will not engage in chattering across the table. The Treasurer has the call.

Mr Pyne: Inane chatter.

The SPEAKER: The Manager of Opposition Business may reflect on the use of the word 'inane' in his own chatter throughout question time. The Treasurer has the call.

Mr SWAN: As the Argus-Ferguson process recommended and as the GST distribution panel recommended, we have been working with the states to see if we can get a resolution to this issue. I would have thought that that is a very clear answer to the shadow Treasurer. But what is he really on about here? He is upset that there is a resource rent tax in the first place, and $1 of tax raised through resource rent taxes is an affront to everybody on that side of the House. We on this side of the House have a fundamental belief that the Australian people should be getting a share in the superprofits that are made from the resources that we own 100 per cent. That is why we have been a supporter of the MRRT and that is why we have been a supporter of the PRRT, which has raised something like $28 billion in the time that it has been in operation. And it was opposed by those opposite. (Time expired)

Mr HOCKEY (North Sydney) (14:15): Madam Speaker, I ask a supplementary question. Given the extreme concern of the Treasurer for the welfare of the states and given the fact that the Treasurer is concerned that royalties are a problem, will the Treasurer now guarantee that no state will be worse off as a result of the changes that he is proposing on royalties?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:15): This is an extraordinary question when you consider that the leader of the Opposition has come into this parliament and invited the states to put their royalties up. That is what he is on the record as doing: coming in here and recommending that states increase their royalties. What we will do is work with the states to get a satisfactory resolution that will grow the industry and provide a fair return to the Australian people.

Economy

Mr ZAPPIA (Makin) (14:16): My question is also to the Treasurer. Treasurer, in the face of global uncertainty over the past few years, how has Australia acted to protect jobs and growth in our economy? Why is it important for us to keep supporting jobs and growth by implementing responsible and properly costed policies?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:16): I thank the member for Makin for his question. Jobs and growth drive every decision that this government takes when it comes to our economic settings and the future of the country. We understand how important a job is to a family, not just in terms of the future but in terms of the cost-of-living pressures. Those opposite do not understand that. I was pleased to see, as the Prime Minister said before, the American President today reaffirm how important it is to have a growing economy to secure prosperity, to secure good living standards and, most particularly, to secure jobs, which are the foundation of the peace of mind of all of our people. He made the point that a growing economy supports middle-class jobs. This is a government that has been driven by that ambition every day that we have been in office.

As the Prime Minister said before, it is disappointing to see that those opposite do not share this view. They have the view that they have to take a sledgehammer to our economy like the sledgehammer that has
been taken to the Queensland economy by the Queensland Premier. They have ticked off on just about every one of those cuts in Queensland, all of them damaging to growths and to jobs in the Queensland community.

Central to generating jobs and growth is good fiscal policy, and that fiscal policy has to be absolutely transparent. We have been accountable for our fiscal policy through budgets, mid-year updates and economic statements at every turn during the five years that we have been in office. That is absolutely essential to supporting jobs and growth. Those opposite do not support that approach. Not once in five years have they put forward a carefully costed policy that has passed the costing test—not once.

Mr Pyne: Madam Speaker, I rise on a point of order. The Treasurer was not asked about the opposition's policies. Yet again he has veered away from the question, as he does day after day, to an unbridled attack on the opposition. I ask you to call him back to order.

The SPEAKER: Indeed, I actually could not hear the question because of the noise coming from the opposition. The Clerk could not hear the question. He usually gives me a prompt on our little chamber chat facility. I am in the precarious position of believing that the Treasurer probably knew what the question was before coming in and is being relevant to it. The Treasurer has the call.

Mr SWAN: Indeed. I was making the point that carefully costed policies are what support jobs and growth in our economy. We had the shadow Treasurer yesterday refusing to release any policies. But then we had the contrast, with the shadow finance minister telling the parliament that of course the costings have been done. That is what he said in the second chamber. Why on earth is the shadow Treasurer hiding the costings that have been done by the shadow finance minister? They come in here every day and claim that the government is spending too much and is too big. And then they say, 'But we can't tell you what our costings are; we can't tell you where we are going to cut.' If you think government is too big, come in here and announce your costings; come in here and tell the Australian people how you are going to find $70 billion worth of savings. We know how you will do it: the schoolkids bonus will be gone, the tripling of the tax-free threshold will be gone; superannuation will be gone— (Time expired)

Mr Hockey: You're an idiot.

The SPEAKER: And the member for North Sydney may be gone very quickly if he does not adhere to at least one of the standing orders that I am sure he is aware of by now.

Minerals Resource Rent Tax

Mr IRONS (Swan) (14:21): My question is to the Treasurer. It is without notice, so he will not know this question is coming.

The SPEAKER: Then maybe the colleagues of the member for Swan will allow him to be heard in silence so that I can hear the question.

Mr IRONS: I remind the Treasurer of his statement on 25 March 2011 in which he said:

Revenue from the MRRT does go to investment in infrastructure projects like the Gateway project in Western Australia... If we don't have the revenue from the tax then we can't make the investments.

Given that the mining tax has raised less than 10 per cent of that promised, how will the government pay for the Gateway project in my electorate of Swan in Western Australia?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:21): Very
simply because that project is already in the bottom line. The money is already being provided and the Gateway project is taking place. I know that those opposite are acutely embarrassed by the fact that the Gateway project is being built.

Mr Irons: Madam Speaker, I rise on a point of order on relevance. All I did was ask the Treasurer to show me the money.

The SPEAKER: The member for Swan is abusing the standing orders and he is warned.

Mr SWAN: We are funding and have in our budget bottom line all of the projects that we have made our commitments to. I know there is a lot of embarrassment on that side of the House. There is acute embarrassment on that side of the House. Up the back, we have a member from Perth who has attended the opening of a project that we are building in Perth—a project that he supports, a project that is figured into our budget bottom line and has been funded—and he is up saying he does not want it. If he does not want it, he should not have gone to the opening.

What we are seeing here is a taste of what is going to come. Those on the other side of the House might laugh like hyenas now, but the fact is that, when they are forced to put their costings out and when they are forced to account for at least a $70 billion crater in their budget bottom line, there are not going to be many smiles on the faces of those opposite, because we have already seen the leading edge of what they are going to do. They are going to get rid of the schoolkids bonus—gone. They are going to get rid of payments for superannuation and low-income workers—gone. They are going to get rid of the instant asset write-off—gone.

The SPEAKER: The Treasurer will return to the question before the chair.

Mr SWAN: As we go through those lists and the massive cuts to health and education, all of those on that side of the House will be exposed through their agenda.

Mr Hockey interjecting—

The SPEAKER: The member for North Sydney cannot help himself and he cannot stay in the chamber. He will remove himself from the chamber under standing order 94(a).

The member for North Sydney then left the chamber.

Climate Change and Energy Efficiency

Mr WINDSOR (New England) (14:25): My question is to the Minister for Climate Change and Energy Efficiency. Is the minister aware of the progress being made by Inverell based meat processing company Bindaree Beef in relation to emissions reductions from waste treatment? Does the minister believe that such initiatives could in fact reduce the cost of production in the meat sector?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:25): I thank the member for New England for his question. As I indicated in an answer to a question last week, the meat processing sector is undergoing significant changes as a consequence of the implementation of the carbon price. Those are positive changes that will reduce emissions, reduce costs and improve productivity and competitiveness. That is the fact of the matter. The industry is starting to invest in new equipment to reduce energy use, to cut its emissions and to drive unprecedented improvements in many of these facilities. This is being done in a number of cases with assistance from government grants funded by the carbon price. The member for New England has been a strong advocate for these changes in the industry and very supportive of it in the
last couple of years in particular. In his own electorate, Teys, in Tamworth, has received a $330,000 grant funded by the carbon price to install a biogas system which derives renewable energy from the waste materials at the facility. That alone is going to cut the company’s energy costs by almost $330,000 a year.

The member indicated that in his electorate Bindaree Beef are looking to invest in what is called a biodigester, which will reduce its energy use and cut its emissions very significantly. A biodigester takes the waste products from the meat processing process—if I can be indelicate about it, that is essentially the blood and guts from the abattoir—takes it through a chemical process and converts it into useful materials, including methane, that can be used to generate electricity. It also produces fertiliser and produces, for those courageous enough to drink it, drinkable water. These are extremely important improvements that can very significantly enhance the productivity and competitiveness of a facility. Even the carbon dioxide by-product from the biodigester can be used, for example, in hothouses for the production of crops.

These are very important changes in the industry. They are all coming about as a consequence of carbon pricing coming into our economy and having very positive impacts. By the end of this year, the fact of the matter is that there will be approximately one billion people living in jurisdictions where a carbon price is in operation, and it is fundamentally important for the future of our economy that we are making that reform, that we are ahead of the game in making these changes in our meat processing sector and ensuring that we are benefitting from the development of clean energy in our economy. Finally, I note that President Obama in the State of the Union address today indicated very clearly and very unequivocally that he expects the congress to develop a market-based mechanism to address climate change and introduce a carbon price into the US economy. He has indicated furthermore that he will take executive steps to implement—(Time expired)

DISTINGUISHED VISITORS

The SPEAKER (14:28): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the European Parliament. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Minerals Resource Rent Tax

Mr STEPHEN JONES (Throsby) (14:29): My question is to the Minister for Resources and Energy and Minister for Tourism. Can the minister update the House on the state of Australia’s mining sector following the introduction of the minerals resource rent tax?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (14:29): I thank the member for Throsby for his question. He knows, as I and the broader Australian community know, that the introduction of the MRRT has not had a negative impact on investment in the Australian resources sector. The reason for that is that, in designing the MRRT, one of our primary objectives was to ensure that we remained attractive for overseas investment—and, I might say, for domestic sector investment.

The House should also be reminded of the fact that the MRRT is the type of tax the resources sector wanted—it is a profits based tax. Just like the coalition opposed the introduction of the PRRT, and we have seen...
Australia reap the benefits of that tax, so has it opposed the development of the MRRT. But it has been silent in the last 12 months on decisions by coalition governments in New South Wales and Queensland to increase inefficient royalty taxes, which have had a negative impact on the Australian resources sector on the east coast of Australia.

But let’s go through some of the key indicators. Australia has had 21 years of consecutive economic growth, and the resources sector has been the key to that economic growth. But, perhaps more importantly, the Australian resources sector accounts for 16 to 17 per cent of Australia’s GDP—and, interestingly, has expanded by around 12 per cent over the last year. Australian resources and energy export earnings reached a record high of $193 billion in 2011-12. They are projected to grow to $225 billion in 2016-17.

Let’s go to the all-important question of jobs—something the coalition leader does not pay adequate attention to. In 2011-12 total employment in the Australian mining, oil and gas extraction sectors averaged around 248,000 people—20 per cent higher than in 2010-11. Let’s go to the issue of investment. Committed capital investment in the resources sector in Australia today is $280 billion—$180 billion in offshore LNG, and investments in key industries such as coal and iron ore.

But my view of the Australian resources sector and the MRRT is not just the view of the government. I refer to the statement of the Governor of the Reserve Bank of 5 February this year, the most recent Reserve Bank board discussion. It says:

In Australia, most indicators available for this meeting suggest that growth was close to trend … led by very large increases in capital spending in the resources sector …

The independent Reserve Bank board also backs my analysis that the MRRT has not been a negative for resource investment in Australia. It is about time the opposition got on board and recognised that the MRRT is good for Australia. (Time expired)

Mr Pyne interjecting—

The SPEAKER: Order! And you might be blowing your ability to get a question if you do not allow the member for Moncrieff to take the call. The member for Moncrieff has the call.

Minerals Resource Rent Tax

Mr CIOBO (Moncrieff) (14:32): My question is to the Treasurer. I refer the Treasurer to comments made about the mining tax by the member for Griffith—who is not here; he might be crunching numbers. I quote:

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

Given the mining tax has raised just $126 million in its first six months of operation, when will the Treasurer face the fact that all his revised tax has achieved is that his credentials have indeed been shot to pieces? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:33): I am invited to make a few comments about the economy. I am invited to make a few comments about resource rent taxes. And I am only too pleased to do so.

I would like to say, first of all, that the job creation record of this government over the past five years of 850,000 jobs is unequalled anywhere in the world. One of the reasons we have been able to do that is that this side of the House has had the courage of its convictions to put in place policies which support jobs and growth. The consequence of that has been that we did not go into
recession, unlike most other countries in the developed world. Everyone on this side of the House is proud of that record—everybody is proud of it. As we go forward for the next five years, what we need is a range of policies to build future prosperity and to spread opportunity, and part and parcel of that is resource rent taxation—indeed, as it was 25 years ago, with the PRRT, which since that time has raised $28 billion.

It is the case that, in the second half of last year, which coincided with the first two quarters of the MRRT, there was a huge crash in resource prices. The consequence of that has been less revenue. But that does not mean that an MRRT is not important not just for now but for our children and for our grandchildren—it is terribly important, to be part and parcel of a range of revenue streams so we can provide the money for the education and the health care of all of our people. That is why we on this side of the House understand the importance of resource rent taxation: because it gives all Australians a stake in our future prosperity—all Australians.

The opposite opinion is that on the other side of the House. They do not believe that all Australians should have a stake in our prosperity. They do not believe that we should spread opportunity through profit based taxes. All of our profit based taxes—company tax, capital gains tax, superannuation tax, resource rent taxes—have taken a very substantial hit from global volatility at the end of last year. But for the long term this is precisely the reform the country requires to provide the resources for all Australians so they have a stake in our prosperity.

Mr Randall: Madam Speaker, I rise on a point of order going to relevance. The question was: did the Treasurer agree with the comments of the member for Griffith? He has not answered the question.

The SPEAKER: The member for Canning will resume his seat. The Treasurer has concluded his answer.

Economy

Mr CHAMPION (Wakefield) (14:36): My question is to the Minister for Climate Change and Energy Efficiency and Minister for Industry and Innovation. What are the practical benefits to the economy of the government's industry support and co-investment policies? What are the obstacles to the continuation of this support?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:36): I thank the member for Wakefield, who has a keen interest in manufacturing policy in particular, with General Motors Holden located in his electorate and many of the workers living in that area. The fact of the matter is that we have very strong economic foundations in this country. When you look at it, particularly by comparisons internationally, we unquestionably have a strong economy—we have good GDP growth, we have low unemployment, we have contained inflation, we have had interest rates coming down and we have a very strong pipeline of private sector investment. This is a good investment environment, and the fundamentals are undoubtedly strong.

But the government realises, of course, that there are some sectors of the economy that are facing some pressures, particularly from the high value of the Australian dollar. One of those industries, for example, is the automotive manufacturing sector. It is one of the reasons why the government has worked with and investing in the industry—to improve productivity, to improve competitiveness and to support jobs.
A great example of that is our $40 million co-investment with General Motors Holden. That investment is one of the reasons that Holden has been able to design, engineer and build the new Commodore, which will not only be sold in Australia but also be exported to the US market. It will support thousands of jobs in the electorate of Wakefield and the northern area of Adelaide in particular. The investments that we are making in the auto industry are designed to assist the industry, through very difficult times, to achieve a competitive position when our exchange rate is at parity with the US dollar and to support no fewer than 250,000 jobs in that industry.

All of that is at risk because the coalition has a policy of abolishing $1.5 billion worth of that assistance, of that co-investment with the motor vehicle—

Mrs Mirabella: A lie! That is a lie!

The SPEAKER: The member for Indi will withdraw.

Mrs Mirabella: I withdraw.

Mr COMBET: That is a very important policy comparison. The fact of the matter is that there are very significant differences between the two. All of those jobs in the automotive manufacturing sector, in the electorate of Wakefield and many others, are fundamentally dependent upon important partnerships between the industry and government. The coalition represents a risk to every single one of those jobs through that investment strategy.

We are seeing that strategy work. The government are working closely with manufacturing industry more generally—and we will soon have more to say about it. We are determined to maximise the opportunities for Australian workers in manufacturing, to work with the industry to become competitive in the tough circumstances that are currently facing us and to bring the best minds in business and in research together to make sure that we meet the competitive challenges of the future. On the other side, there is no policy. There is no policy but a threat to people's jobs. (Time expired)

Gillard Government

Mr PYNE (Sturt—Manager of Opposition Business) (14:39): My question is to the Prime Minister. I remind the Prime Minister that, when the member for Griffith was ousted, the Prime Minister said that his removal was necessary because the government had lost its way and, further, that she would fix the mining tax, stop the boats and address climate change. With her mining tax in tatters, 26,000 illegal arrivals since her term began and her climate change fix being the introduction of a carbon tax she promised would never happen, will the Prime Minister explain when the government will find its way?

Ms GILLARD (Lalor—Prime Minister) (14:40): I thank the shadow minister for his question as part of the opposition's new positive strategy of ideas and plans for the nation's future! In answer to the opposition's question: first and foremost, we have made arrangements for our nation to seize a clean energy future, to reduce carbon pollution and to make sure that we get the benefits of jobs and opportunity in the future. We have done what Prime Minister Howard intended to do before he lost the election in 2007: we have introduced a market based mechanism to price carbon, which will give our nation an emissions trading scheme—something that the Leader of the Opposition and every serving member who was here in 2007 was in favour of at the time.

Of course, what we have seen since is—as the minister would say—the most mendacious campaign in Australia's history. It is full of false representations and untruths that have been peddled to the Australian people and that have been shown time after
time to be untrue. The Leader of the Opposition has not at any point indicated to the Australian people that those claims have been withdrawn. He has ceased to make them because he knows how untrue they are. The claims about job losses are wrong, the claims about astronomical increases in the cost of living are wrong, the claims about $100 roasts are wrong, the claims about Whyalla being wiped off the map are wrong and the claims that carbon pollution would just go up and up are wrong—have a look at the emissions reductions that we have seen of late. All of these claims are wrong. Today we have seen President Obama, in the state of the union address, talk about the importance in his nation of bipartisanship and a market based mechanism to deal with carbon pollution.

On the question of asylum seekers we faced months and months of negativity from the opposition, preventing this government from getting on with the job after a High Court decision that left this government—

Mrs Mirabella: So now it is our fault!

Mr Morrison interjecting—

The SPEAKER: Order, the member for Indi and the member for Cook!

Ms GILLARD: with fewer powers to act than governments in the past. If the opposition was genuinely concerned about asylum seekers then it would have joined in a bipartisan effort to deal with the problem at that time. Instead, it went negative and hoped for more boats.

On the minerals resource rent tax, I stand by the proposition that—

Mr Morrison: A failure! It is an absolute failure.

The SPEAKER: The member for Cook is warned.

Ms GILLARD: the Australian public are entitled to the benefits of the mineral wealth in their grounds and that the taxation of the resources sector should be an efficient, profits based tax, not the jacking up of royalties by state Liberal governments, costing jobs—every one of them ticked by the Leader of the Opposition. If there is ever a time that the opposition wants to debate policy, let us know—we have not seen it yet. (Time expired)

Work and Family

Ms HALL (Shortland) (14:43): My question is to the Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation. Will the minister outline for the House the government’s latest plans for including flexibility in the workplace, particularly for parents? Does the minister expect any obstacles to implementing these plans?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:44): I thank the member for Shortland for her question. She takes a great interest in the working conditions of working Australians. In fact, all this week, I can report to the House, Labor has been up-front about its workplace relations policy. We have been up-front about our desire to improve flexibility for Australian workers. We have been up-front about our desire to improve harmonious workplace relationships so we can build jobs and growth in Australia.

So I am pleased to advise the House, and the people listening to parliament, that today—yet again—the Gillard Labor government is going to assist the parents of newborn children; we are going to assist pregnant workers with changes to ensure better workplaces for Australia. We shall increase the amount of unpaid parental leave that parents are entitled to take together from three to eight weeks. Members of the House,
that is flexibility. We shall support parents to choose when they can take unpaid parental leave together. That is flexibility. We shall support pregnant women at work by ensuring that they can transfer to a safe job regardless of their length of service. We shall ensure that women who need to take unpaid special maternity leave are not penalised by a decrease in the leave that they are eligible for after the baby is born.

Members of the House, this is flexibility; this is supporting women to participate in the economy, and this is supporting better workplaces. Labor understands what it means to make a modern workplace, fit for modern families. We understand that pregnant women should be entitled to safe jobs. We understand that you should not suffer disadvantage if you are sick while you are pregnant. We understand that dads want to spend more time with their families. In fact, all this week we have been standing up front revealing our policies, revealing our plans. We can do this, because we have a plan that is positive for Australian workers. We can do this all week, unlike those opposite, because you do not have a plan for workplace relations. Your plan, as we have seen—

The SPEAKER: The minister should desist from using the word 'you'.

Mr SHORTEN: They have said that they do not want us to help victims of workplace bullying through amending the Fair Work Act. I think it is time for the opposition to come clean and be up-front about their workplace relations policy, because until you do there is no way that working Australians will ever trust you on workplace relations.

The SPEAKER: I do remind everybody that the use of the word 'you' is highly inappropriate.

Minerals Resource Rent Tax

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:47): My question is to the Prime Minister. I remind the Prime Minister of the statement by the member for Denison this morning: 'The government is being dishonest. In its estimates late last year it was aware of what the commodity prices were. So, if it was only to do with commodity prices, then those estimates for the tax should have been written down substantially last year, and they were not.' Isn't the member for Denison right?

Ms GILLARD (Lalor—Prime Minister) (14:47): For the benefit of the member who asked the question and those on that side of the House, as well as the member for Denison, I will explain the way in which the budget works and forecasts are done. I am surprised that the member asking the question does not know, given that she served as a minister in a government. But apparently, from the question, she does not. So let's go through the way it works.

What government does is we make decisions, we make policies, we make budgets, we make fiscal strategies. We work with the experts at Treasury, who ensure, with the experts at Finance, that policies are costed and that budget projections are done, including revenue projections. So I would remind the member who asked the question that the revenue projections, whether they are for the minerals resource rent tax, whether they are for company tax, whether they are in fact for personal tax—the tax that workers pay—or whether they are for capital gains tax, are put together by experts at Treasury using the best of their expertise, all with goodwill. It is done for this
government; it was done for governments in the past, including the Howard government; and it will be done for governments in the future.

Then, of course, we see the actual performance against their forecasts and projections, and there are times in which there is a variance between the two. There is a variance now across many of the revenue categories of government, which was not forecast by Treasury and which means that we are seeing revenue, as a percentage of GDP, at its lowest point since the 1990s. That is, revenue has not returned in the way in which Treasury has predicted. So it is defying the usual economic orthodoxy and economic models.

There are a variety of factors feeding into this. Commodity price volatility is certainly one of them. And the high Australian dollar is certainly a very strong factor feeding into it. Not only does it press on industry sectors like manufacturing and tourism and suppress profits, but it actually has implications for the resources sector when contracts are priced in American dollars. Then, of course, continued sluggishness in the global economy also has implications for the Australian economy for revenue and for projections.

The member opposite, in asking the question, should recognise the importance of understanding these factors to being able to project plans for jobs and growth in the future. So no-one should go around insulting the professionals at Treasury. That is not appropriate and not right. We will continue to focus on jobs and growth, despite the negativity of those opposite. (Time expired)

Afghanistan

North Korea

Mr DANBY (Melbourne Ports) (14:50): My question is to the Prime Minister. Amongst recent developments in global security, we have just heard President Obama's State of the Union address—specifically, his remarks with regard to the United States's engagement in Afghanistan. Will the Prime Minister update the House on what this means for Australia and our coalition allies in Afghanistan?

Ms GILLARD (Lalor—Prime Minister) (14:51): I thank the member for Melbourne Ports for his question. As was anticipated, in his State of the Union address today President Obama made some important remarks about progress in Afghanistan. In particular, the President has announced the plans of the United States of America for the gradual draw-down of its own troops currently in Afghanistan.

In Afghanistan the United States currently has around 68,000 troops. President Obama has outlined the gradual draw-down of these troops as we move to Afghan led security of the Afghan nation. I would remind the House that we expect Afghan forces, by around the middle of this year, to be in the lead for security across all of Afghanistan.

I welcome the announcement by President Obama today, and I was pleased to discuss it and its implications with the US Defense secretary Leon Panetta this morning. We had the opportunity to talk about President Obama's announcement and what that means for the transition strategy in Afghanistan.

The NATO ISAF transition strategy in Afghanistan is working and is on track. What the transition strategy means is that, as Afghan local forces step up, the international community takes a step back. The fact that this can happen reflects the progress we have made in Afghanistan. It reflects the increasing capabilities of local forces, the significant weakening of the insurgency and the fact that al-Qaeda has been hit hard. Australia is leading the transition process in Uruzgan province and we expect this to be
completed by the end of 2013. At the same time, we are working with the United States and other fellow NATO ISAF members to plan for the post-2014 period.

We have a long-term development partnership with Afghanistan. We have said we will participate in the NATO train, advise and assist mission in the post-2014 period. We have made a substantial financial contribution to sustaining local forces beyond 2014, and we have indicated we would consider special forces having an ongoing role under the right mandate. We continue to support the peace and reconciliation process that needs to be and is Afghan led. We do not underestimate the challenges ahead but our goal of an Afghanistan that will never again be a safe haven for international terrorism is within reach.

Mr DANBY (Melbourne Ports) (14:54): Madam Speaker, I ask a supplementary question. Prime Minister, you have referred to recent security challenges that Australia faces. Can you tell us what North Korea's nuclear test yesterday means in this context?

Ms GILLARD (Lalor—Prime Minister) (14:54): Many Australians would have absorbed the news yesterday and into today that North Korea conducted a nuclear test yesterday. I am sure that all members of this place and many members of the Australian community would share my concern at this very provocative and dangerous act and will join me in condemning it. North Korea's nuclear weapons program and its development of long-range missiles threaten international peace and security beyond the Korean Peninsula. They open up the extraordinarily dangerous possibility that North Korea may one day be able to arm long-range missiles with a nuclear device.

North Korea's actions are, of course, but a flagrant breach of UN Security Council resolutions and international nuclear non-proliferation norms. This conduct will only serve to further isolate North Korea, and already North Koreans live desperate lives of poverty and, many of them, of starvation. The Security Council met overnight in New York, and Australia, along with other Security Council members, condemned this test. Council members agreed to begin working immediately on appropriate measures to respond to this latest provoking of the international community. As a member of the council, we will continue to work for the strongest possible response to this continued threat to peace and security. *(Time expired)*

**Minerals Resource Rent Tax**

Ms MARINO (Forrest—Opposition Whip) (14:56): My question is to the Prime Minister. I refer the Prime Minister to the comments made yesterday by the Chief Government Whip that her mining tax is untidy, inefficient and unsustainable, in direct contradiction of her, the Special Minister of State, the Treasurer and Minister for Trade. In light of these extraordinary comments made by the member for Hunter about one of her signature policies, does the Prime Minister maintain her confidence in the Chief Government Whip?

Ms GILLARD (Lalor—Prime Minister) (14:56): I thank the member for her question. Given the fine track record of the government in this parliament working with independent members of parliament in passing legislation, despite the relentless negativity of those opposite, any reasonable person would have to conclude that both the Leader of Government Business, the chief whip, and the whips who assist him are doing a very good job indeed.

*Honourable members interjecting—*

Mr Albanese: Hear, hear!
Ms GILLARD: I am getting very good support for that statement from one source on the front bench, from Minister Albanese. What, of course, that means is that in this parliament we have had to go to extraordinary efforts to make sure that, despite the relentless negativity of the opposition, we have been able to get big things done.

Mr Pyne: Madam Speaker, on a point of order, the question was about the chief whip's comments on the mining tax, and I can understand why she wants to avoid Francis Urquhart's wrath. By the same token she should try and answer the question.

The SPEAKER: The Manager of Opposition Business will resume his seat. That was a complete abuse of a standing order, and he is shocked that I have told him so. The Prime Minister has the call.

Ms GILLARD: Thank you very much. I was actually asked a very broad question, and if the opposition wanted to draft it differently, then they should have done so. Having been asked a very broad question, I will answer it. The role of the Chief Government Whip goes to the functioning of the parliament. The functioning of the parliament is important because what happens here actually makes a difference to the lives and opportunities of Australians. It can be very hard, indeed, to diagnose from the conduct of the opposition that this parliament has that job, but we take it seriously. We take it seriously every day. Despite the games and the stunts and the negativity and the carping, we get on with the job every day of ensuring that Australians can live lives of opportunity and they can look forward to a better future. That is so that we can truly say as a nation that we will acquit our promise to the next generation of making sure that they get to lead lives of greater opportunity and prosperity than we ourselves have lived. In order to do that, we not only have the support modern families who are getting about the hard work of raising kids and supporting elderly parents today, we have got to make sure that we are building a nation for tomorrow that offers people the benefit of jobs and opportunity.

That means it is important for us to be able to explain to the Australian people what is happening in our region, and the opportunities and challenges it brings, and to explain to Australians what is happening in the global community in the aftershocks of the global financial crisis. And we can chart a course that will mean opportunity and prosperity in the future for them and for their families—economic growth, jobs, clean energy, infrastructure, the NBN, skills, a better approach to regulation, better schools, better hospitals, better early childhood education and closing the gap for Indigenous Australians. These are the policies, these are the plans, that drive this government on and ensure that in this parliament we work hard, whether it is the Chief Government Whip or any other member, to deliver for the Australian people.

Afghanistan

Ms SAFFIN (Page—Government Whip) (15:00): My question is to the Minister for Defence. Will the minister please update the House on the transition in Uruzgan province following President Obama's State of the Union address?

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (15:00): I thank the member for her question and acknowledge her interest in defence and national security matters. I also acknowledge her support of the Australian Defence Force.

We are making good progress in the transition in Uruzgan province, and we
confidently expect the transition will be completed in Uruzgan by the end of this year, which is earlier than previously anticipated. As a consequence of that, this year in Uruzgan our focus will be threefold. Firstly, we are advising the kandaks of the 4th Brigade of the Afghan National Army to put them in a position by the end of the year to complete transition and take responsibility for security matters. Secondly, we are focusing on the complex task of redeploying our personnel and our equipment—in other words, the complex task of bringing our troops and our kit home. Finally, we have to concentrate and think very carefully about our post 2014—our post transition—contribution to Afghanistan.

In recent times we have seen the good progress on transition in Uruzgan reflected by the fact that the four infantry kandaks of the ANA are all now operating independently—that has been the case since November last year. We are no longer conducting joint patrols. We have handed over the forward operating bases and patrol bases to the ANA. We have consolidated our position at our base in Tarin Kot. All of these things point to lead security responsibility by the Afghans in Uruzgan by the end of the year. Consistent with the Chicago and Lisbon strategies and summits, we of course remain combat ready if required and our special forces continue to operate. As the transition occurs there will be changes in the composition and level of our deployment in Afghanistan, but we will not know the detail of that until the middle or the end of this year. The detail will become clearer.

As I have said, we also need to give careful thought to our post-2014 arrangement. Here, the contribution today of the United States President during his State of the Union address is particularly pertinent, underlining and reaffirming the United States's long-term, enduring commitment to Afghanistan. In recent days and weeks we have had careful consultation with our United States colleagues—whether it was the Prime Minister with the Secretary of Defense this morning, my conversation with him last week or the Chief of Defence Force's regular conversations with Comm ISAF, General Allen and now General Dunford, or with the commander of the United States Central Forces, General Mattis. These consultations will now focus on our post-2014 contribution. We have made it clear that that will include, potentially, training and special forces.

I finish on this point: as our troops and our kit come home there will of course be a special responsibility to focus on the troops when they return—the care of our wounded warriors, whether those wounds are physical or mental. (Time expired)

**National Broadband Network**

**Mr Turnbull** (Wentworth) (15:03): My question is to the Prime Minister. I remind her that only last week she told a gathering of ALP candidates: 'We cannot roll out the services that we want unless we have the National Broadband Network.' Why didn't the Prime Minister tell her colleagues from South Australia, Western Australia and the Northern Territory that not one additional household or business in those jurisdictions has received an NBN connection since the trials ended and the full rollout began in June 2011? (Time expired)

**Ms Gillard** (Lalor—Prime Minister) (15:05): I thank the member for Wentworth for his question. I must admit I did not notice that he was at the ALP candidates seminar, but I am not surprised! I am not surprised that he is just taking out a little bit of insurance, and I am not surprised that he would like to be at a meeting where there are no climate change deniers and where people, like him, believe in a market based solution.
to carbon pollution. So, if he is ever feeling the need to talk to people who are actually on the right side of history when it comes to carbon, he will be very welcome indeed.

Then there is the question of being on the right side of history in terms of rolling out the infrastructure that our nation needs now and making sure that our nation does not get left behind. At every stage in history, when it comes to big projects, there are sceptics around. There were those who thought that the telephone line was unnecessary, that you would always be able to find a messenger boy to take your slip of paper to the neighbouring household. There were those who thought we should not have got on with the Snowy Mountains scheme. They were called the Liberal Party. They thought we should not get on with that nation-building project. So it is unsurprising that in the modern age, when it comes to the next generation of nation-building infrastructure, those on the other side are the ones carping and carrying on. What they would want to see is our nation confined to dial-up or to ADSL, while the rest of the world has moved on. Businesses looking to locate where infrastructure for the moving of information would be absolutely pivotal to them would pass Australia by because we did not have the National Broadband Network—

Mr Turnbull: Madam Speaker, I rise on a point of order. I would ask you to interrupt the Prime Minister in her circumnavigation of the globe of irrelevance and draw her back to the central question, which is the failure of the NBN in South Australia, Western Australia—

The Speaker: The member for Wentworth will resume his seat. The Prime Minister has the call.

Ms Gillard: I am just concerned now that relentless negativity has infected everyone. But to return to the member's question, we said that we would have commenced or passed 750,000 premises by the end of last year and we delivered that. We said we would be working on or passing over one million premises by mid this year and we are on track to do that. Whilst we have got on with rolling out the infrastructure of the future, those opposite have voted against the National Broadband Network 14 times, and I have lost count of the number of broadband policies they have tried to cobble together and put into the public domain. We will stay on the right side of history and get on with the job.

Employment

Mr Hayes (Fowler) (15:08): My question is to the Minister for Early Childhood and Childcare and Minister for Employment Participation. Will the minister update the House on how the government is implementing targeted policies for working people and job seekers to support economic growth?

Ms Kate Ellis (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (15:09): I thank the member for Fowler and acknowledge his strong advocacy for both jobs and particularly jobs expos in his area. I know that, like I am, he is proud of the over 850,000 jobs that have been created since we came to government. We are proud that we took the strong action, that we avoided recession and that we still stand with a low unemployment rate in stark contrast to much of the world. But, mostly, we are proud because we know that through real policies, real investments and real actions we are ensuring that more Australians get the benefits of work as a result of all of these policies. We know that working parents need affordable childcare solutions in order to be able to fully participate in the labour market. That is why we delivered a tripling of the
budget that goes to the sector. That is why we increased the childcare rebate from 30 per cent to 50 per cent, massively reducing the percentage of disposable income which is going on childcare fees across every income level. That is why we funded a 42 per cent increase in the number of childcare services across Australia.

In contrast to these real actions, those opposite do not have a single childcare policy, except that they will do a review after the election and place into question the quantum of funding that will go to the sector into the future. We know that there are some parts of Australia that are not sharing equally in our prosperity, and whilst those opposite offer no policies, no solutions, we are working at the grassroots to deliver real programs to those most in need. We have held jobs expos right around the country in the areas that need it the most and through those expos we have already placed over 24,000 Australians back into jobs, and we have another 11 expos yet to go this year.

We placed local employment coordinators on the ground in the 20 areas where help is needed the most, delivering real local solutions and real local policies, and we are also working to ensure that no groups of Australians are sidelined from our employment market. On this side we have heard from mature-aged Australians who feel like they have been disregarded, that they had been unappreciated and that they have been shut out of the labour market for too long. We have heard from them and we have responded with real action and $55 million in new programs that have already assisted over 10,000 older Australians. We have taken real action. Those opposite have labelled it as window-dressing, offered nothing positive, no policy and no solutions. We know that jobs have been central to this government and we are proud of what we have delivered. We know that the sound bites and the negativity that those opposite offer will do nothing to deliver any such results. This is because our hard work, our real policies and our real investment, and Australians deserve absolutely nothing less.

Ms Gillard: I feel somewhat bad now, Madam Speaker, but it being past ten past three I ask that further questions be placed on the Notice Paper.

PARLIAMENTARY OFFICE HOLDERS

Speaker’s Panel

The SPEAKER (15:12): Pursuant to standing order 17, I lay on the table my warrant revoking the nominations of the honourable members for Petrie and Wills to be members of the Speaker’s panel.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:13): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

Fair Work Australia—General Manager’s reports

Enterprise agreement-making in Australia under the Fair Work Act 2009 (Cth) for 2009-12.

Extent to which individual flexibility arrangements are agreed to and the content of those arrangements for 2009-12.

Operation of the first three years of the Fair Work Act 2009 (Cth) unfair dismissal system, December 2012.

Operation of the provisions of the National Employment Standards relating to requests for flexible working arrangements and extensions of unpaid parental leave for 2009-12.

Debate adjourned.
COMMITTEES

Membership

The SPEAKER (15:13): I have received advice from the Chief Government Whip nominating members to be members of certain committees.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:13): by leave—I move:

That:
(1) Mr K. J. Thomson be discharged from the Standing Committee on Appropriations and Administration and that, in his place, Ms Saffin be appointed a member of the committee;
(2) Mr K. J. Thomson be discharged from the Standing Committee on Climate Change, Environment and the Arts and that, in his place, Mr Cheeseman be appointed a member of the committee;
(3) Mrs D’Ath be discharged from the Standing Committee on Education and Employment and that, in her place, Mr Perrett be appointed a member of the committee;
(4) Mr Neumann be discharged from the Joint Select Committee on Gambling Reform and that, in his place, Mr McClelland be appointed a member of the committee; and
(5) Ms Parke be discharged from the Parliamentary Joint Committee on Human Rights and that, in her place, Mr Zappia be appointed a member of the committee.

Question agreed to.

PERSONAL EXPLANATIONS

Mr IRONS (Swan) (15:14): Madam Speaker, I wish to make a personal explanation.

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

Mr IRONS: I certainly do.

The SPEAKER: Please proceed.

Mr IRONS: During question time today the Treasurer, in response to my question about the Gateway project, said that I did not support the Gateway project. I know this is a target-rich environment but the fact is, in 2010, the coalition made a commitment to the Gateway project, which I heartily supported.

MATTTERS OF PUBLIC IMPORTANCE

Minerals Resource Rent Tax

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

The adverse impact of the government’s management of the mining tax on investment in Australia.

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 ABBOTT (Warringah—Leader of the Opposition) (15:15): I think today in question time we had five answers from the government that extensively quoted from President Obama's State of the Union address. It was a very selective presentation, by the government, from President Obama's address.

There was one quite resonant declaration from President Obama, which I would like to share with the House and which, funnily enough, did not make it into anything said by ministers opposite. Let us listen to what President Obama said: 'Our government shouldn't make promises we cannot keep,' and he went on: 'but we must keep the promises we have already made.' Why didn't the government quote President Obama? Let me repeat it: 'Our government shouldn't
make promises we cannot keep but we must keep the promises we've already made.'

For the benefit of ministers opposite, let me say that the government did promise $10.5 billion in mining tax revenue—a promise that it could not keep and always knew or should have known that it could not keep. It did promise not to change the mining tax, a promise that it is preparing to break. Have we seen this all before, from this government? It makes commitments it cannot keep, it blusters about its ability to deliver and then it betrays people—a consistent pattern of conduct from this government.

The government said the mining tax would raise $10.5 billion, it said it would rebate royalties and it said that the miners could offset the market value of their assets. The tax has not raised the revenue and the government is now preparing to break the deal. Another betrayal is coming up. As sure as night follows day, another betrayal from this government is coming up. It might happen before the election. It will certainly happen after the election, if this government is re-elected. It will gouge the mining industry, as sure as night follows day. Either it will no longer rebate royalties—it will change the basis upon which the tax is calculated—or it will extend the mining tax to more minerals. This is absolutely inevitable. It is absolutely certain, because you cannot fund $15 billion worth of programs with $126 million of revenue. Not even Wayne Swan thinks that sum adds up. It cannot stop the spending so it must raise the tax. It is as certain as night follows day. What is also as certain as night follows day is that this government will never be straight with people about what it is doing.

Almost everything that this government has ever said about the mining tax has turned out to be false. It was going to fund company tax cuts. Remember the company tax cuts that the mining tax was going to fund, that were so important for maintaining investment and so important for preserving the competitiveness of the Australian economy? That lasted about 12 months. The mining tax never funded any company tax cuts. In fact, in a state of cold panic or blue funk at the impact of the carbon tax last year, the mining tax funded, or was supposed to fund, a series of politically targeted handouts.

Then the mining tax was going to raise massive amounts of money. It started at $10.5 billion, before the last election, when the mining tax was announced. By the time the MYEFO for that year was released, $10.5 billion had become $7.4 billion. But then, in the 2011 budget, rescue was at hand. It went up to $7.7 billion. When MYEFO came out—the fourth attempt to estimate the revenue—it was down to $7.5 billion. In the fifth attempt, in last year's budget, it was going to raise $6.5 billion in its first two years of operation. And then, in November last year, when MYEFO came out, it was going to raise $4.4 billion and $2 billion this year.

The great shrinking mining tax eventually became the great disappearing mining tax; just $126 million was raised. Even this information had to be dragged out of the government.

Mr Pyne: It was illegal!

Mr Abbott: It was illegal, the government told us, for weeks. It could not possibly release any information—finally, $126 million or less than 10 per cent of the much reduced estimates. As Dennis Atkins in the Courier-Mail said this morning, with the money raised from the mining tax, they would struggle to cover the hospitality bill at Eddie Obeid's ski lodge!
That is what they have done. Then, by the time you offset the company tax and pay for the administration, virtually nothing has been raised from the mining tax. Finally, the government said that the mining tax was all about 'spreading the benefits of the boom’. Well, $126 million divided by 22 million Australians is just a little more than $5 each—are we grateful?

The mining tax was always a bad idea. It was always terrible policy for three reasons: first, you do not speed up the slow lane of the economy by slowing down the fast lane; second, you do not strengthen our economy by weakening its strongest sector; and third—something that members opposite just do not understand—you will never build prosperity by increasing taxes. It was always bad policy. But, if the idea was bad, the execution has been even worse. The minister for resources—and I have to say that, if there is one of the three signatories to the mining tax deal who does have some respect in the sector, it is the minister for resources—had a rare burst of candour in question time today when he said, 'This was the tax the mining industry wanted.’ Of course they wanted it, because it was the tax that they never had to pay! It was a tax that they knew they were never going to have to pay. They did not want any new tax but, if there had to be a new tax, let it be one that they did not have to pay!

The truth is that the Prime Minister and the Treasurer—who, let us never forget, personally negotiated this tax; the great negotiator!—personally negotiated this tax. Treasury officials were kicked out of the room. The great negotiator was comprehensively out-negotiated and comprehensively outwitted by the mining bosses. You know, I think she knew she had been outwitted. I am sure she knew she had been outwitted and I am sure the Treasurer knew he had been outwitted, but they did not really care that they had been outwitted because they just needed a deal to take to the election. They needed a deal to take to the election, because do you know what they counted on? Breaking it as soon as the election had come and gone.

There is a pattern of conduct here. This is a government that promises whatever it takes to get what it wants today and breaks that promise to get what it wants tomorrow. It does it again and again and again. The Prime Minister told us before the last election—told the Australian people before the election—that there would be 'no carbon tax' to win the votes of the people, and she promptly broke that promise to get the support of the Greens. The Prime Minister promised that there would be mandatory precommitment for poker machines to get the support of Andrew Wilkie, the member for Denison, and she then promptly broke that promise to keep the support of caucus. The Prime Minister promised that there would be a surplus this year; she made that promise to demonstrate her economic credibility, and then promptly broke that promise to win support from voters so that bribe after bribe could be offered in the run-up to this election. The government promised the miners a tax they would not pay to buy peace before the last election. Now it is going to break that promise so that it can pay for a whole range of pre-election bribes. This is a pattern of conduct from this government.

I want to say today, a day where this parliament has done great things, that this government is not all bad. We did do something this morning—and the government did something this morning—that we should all respect. But, when it comes to the fundamentals of governing this nation, no government has ever been worse. It is fundamentally incompetent and fundamentally untrustworthy, and the mining tax shambles is an absolute illustration of
those facts. The Prime Minister, let's never forget, told us back in June 2010 that 'a good government had lost its way'. That is what she said in June 2010: 'A good government had lost its way.' Well, she never even believed that. She never even believed that it was a good government, because she subsequently told us, to carpet bomb the member for Griffith out of a leadership challenge, that in fact it was a chaotic and dysfunctional government. She said back then in June 2010 that three things would be fixed: she would fix climate change, and she has fixed that by introducing the carbon tax that she said there never ever would be; she said she would fix the border protection disaster, and that is so fixed that we have had 26,000 illegal arrivals by boat on this Prime Minister's watch, the largest influx in our history; and then she said she would fix the mining tax, and she has fixed the mining tax with an act of pure genius—the only tax ever introduced that hardly raises any revenue. It damages investments, it damages jobs, but it does not raise any revenue.

But that is only one half of the dynamic duo now responsible for the stewardship of this nation; what about the Treasurer? He was going to give us a surplus; he promised it on, I think, 366 separate occasions, and now there is no surplus. He promised us that he was going to give us half a million jobs within two years; time is almost up and we have got less than a third of the new jobs promised. Then he promised us, of course, $2 billion in mining tax revenue in this financial year, and we have had less than 10 per cent. Has there ever been a worse government in our history?

I used to think that the Whitlam government had been worse, but that is so unfair to Gough Whitlam, who never sold his soul to the Greens the way this government has.

We have had some remarkable combinations at the top of government in our country. We had the remarkable combination of Bob Hawke and Paul Keating—a great reforming pair at the top of this country. And then we had the remarkable combination of John Howard and Peter Costello—probably the best Prime Minister-Treasurer combination in our history. And what have we got now? This Prime Minister and this Treasurer—Gillard and Swan. No wonder the Australian people cannot wait for an election.

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (15:30): I remind the House that we have again seen the Leader of the Opposition clearly indicate that he has no interest at all in policy development in Australia. That was yet another political speech of no policy substance. The MPI that he requested the opportunity to debate went to the supposed adverse impact of the government's management of the mining tax on investment in Australia.

The Leader of the Opposition simply does not have a case in support of his proposition as reflected in the MPI. The House should appreciate that the government has not walked away, in any way, from its agreement entered into with the mining industry on 2 July 2010 and announced publicly. The MRRT of 1 July 2012 reflects in full the agreement entered into with the mining industry on 2 July 2010. More importantly, as the Prime Minister and the Treasurer have clearly stated on a number of occasions, we have no intention of walking away from that agreement, contrary to suggestions of the opposition.

The MRRT had two objectives. Firstly, and importantly, the objective was to maintain Australia as an attractive place to invest. In clear terms, as is reflected in the
statement of the Reserve Bank governor of February of this year, we have achieved that outcome. He said in the media release of 5 February following the independent board meeting of that day:

In Australia, most indicators available for this meeting suggest that growth was close to trend in 2012, led by very large increases in capital spending in the resources sector …

The resources sector has known about the intentions of the government with respect to the introduction of the MRRT—and, I might say, bringing application of the PRRT onshore as requested by the petroleum industry—since early 2010.

Despite the so-called fear campaign of the opposition, the resources industry have continued to invest in Australia. The reason for that is that we have achieved our objective. Our objective was to introduce a resources tax which effectively meant that, during periods of record commodity prices and record profits, the Australian community had an opportunity to get a fair return for the one-off opportunity to develop its natural resources.

We also knew, in developing that national approach to taxation, that we had to make sure that we did not put in place a tax system similar to that put in place by state and territory governments with regard to the issue of the inefficient operation of royalties. The resources sector clearly made it known to us, during the development of the MRRT, that they wanted a guarantee that it was a profits based tax, because they had had a gutful of the royalty system developed historically by state and territory governments.

The resources sector accepted their requirement to give the Australian community a fair return for the opportunity to develop our natural resources—the Australian community's natural resources.

And their difficulty with respect to the willy-nilly increases in state royalties has again been on display since the election of coalition governments in New South Wales and Queensland over the last couple of years.

Who would have thought that anyone who has any regard for the importance of the resources sector would willingly increase royalties at a time of declining commodity prices? That increase in royalties has, in turn, had a significant impact on the capacity of the mining industry to continue to invest in Australian places such as Queensland and New South Wales over the last 12 months—and, I might say, to keep open marginal coalmines. A number of coalmines have been mothballed because of the lack of understanding of coalition governments in those states that there could never have been a worse time to increase state royalties on such a fundamental commodity as coal.

As an alternative, we understood that during periods of record commodity prices we had an opportunity to ensure that the Australian community did share in the benefits. But in designing that tax we wanted to make sure that Australia remained attractive for investment. The proof is in the pudding. As reflected on in question time today, Australia has continued to remain attractive. We have remained attractive because, following the announcement of the heads of agreement on 2 July 2010, we also gave a clear commitment to enter into a process of full and proper consultation with the resources sector. That became known as the Argus-Ferguson led process: the transition committee. In addition to me and Don Argus—a highly respected person respect in the Australian business community—we also drew into that process key representatives of the resources sector and leading representatives of the Australian Public Service who have a thorough knowledge of the Australian taxation system.
and associated systems with respect to maintaining Australia's attractiveness to investors. Following detailed consultations, we presented the Treasurer with a report in December 2010 as to how we believed the government should go about implementing our announcement to develop the minerals resource rent tax in Australia.

Contrary to a number of interjections in the House today, the tax does not apply to Olympic Dam in South Australia. I simply say that is a deliberate endeavour by the opposition to mislead the Australian public as to why Olympic Dam has not gone ahead; not because of the MRRT, but because of the nature of the resources cycle. Perhaps the Leader of the Opposition should actually take an opportunity to read the BHP announcement of 22 August 2012, because he had to admit in the House the day after that he had not read the media statement in which BHP stated that the decision not to go forward with the investment in South Australia was not related to the MRRT. Instead, they cited market conditions—including subdued commodity prices and higher capital costs—as the reason for the decision not to proceed with the proposed expansion in the near term. Despite that decision they have continued to work with the South Australian government to ensure that when the opportunity arises—they will go on with the investment in South Australia. That is the nature of the resources cycle. Companies have to have proper regard for the interests of shareholders in ensuring that investments occur at the time of potential maximum return to their shareholders and the Australian community.

Let us go to the facts in terms of the application of the MRRT as it was announced and developed on 2 July 2010. I am pleased to say—unfortunately the Leader of the Opposition is unwilling to acknowledge this—that Australia has continued to have consecutive years of economic growth. I think we should all be proud of that. Everyone in this House, irrespective of their political positions, should be proud that Australia has had 21 years of consecutive economic growth. I might also say that we are exceptionally good on the question of unemployment at 5.4 per cent, inflation at less than three per cent and, I might say, continued investment in terms of $280 billion committed to capital investment in Australia in the resources sector. The Leader of the Opposition wanted to debate the so-called impact of the mining tax on investment in Australia. What he did not actually focus on was the real facts in terms of the performance of our economy and in terms of the resources sector. I acknowledge that the resources sector has been central to the economic performance of Australia over the last 13 years and will continue to be so in future because we have a major investment pipeline.

Let us deal with a few facts. Since the MRRT was announced, the economy has created over 380,000 jobs in total; it has created 67,000 jobs in mining; there has been over $152 billion of capital expenditure in mining; importantly, capital expenditure in mining has increased by nearly 160 per cent since the MRRT was introduced; I also note, the total business investment has increased by nearly 45 per cent. The facts speak for themselves. I also inform the House that the expected mining capital expenditure in 2012-13 is $109 billion which is more than three times what it was before the MRRT was introduced: $35 billion in 2009-10. So much for the facts. It also reflects on why the Leader of the Opposition did not want to debate the issue that he advanced in terms of the request for the MPI. The House should
also be aware that resource investment pipeline in terms of what is in an advanced stage of a planned capital investment has more than doubled since the MRRT was announced. It has increased from $110 billion in April 2010 to nearly $270 billion today—that is, $160 billion.

Let us now go to the suggestion from the Leader of the Opposition that the government is seeking to walk away from its commitment of 2 July 2010 to the mining industry. Let us go to the Argus-Ferguson report, something that the Leader of the Opposition wanted to quote in question time yesterday. Let us go to the all-important question of royalties and the endeavour by the opposition to muddy the waters in respect of the government’s intentions with respect to discussions with state and territory governments on these issues. Let us also go to the failure of the Leader of the Opposition to speak out in opposition to increases in state royalties such as in New South Wales and Queensland over the last 12 months in the face of declining commodity prices. This was the most inopportune time to actually increase state royalties, because, unlike the MRRT, you pay royalties in both good and bad times, and once you increase royalties beyond the capacity of industry to pay, that is when you get mines mothballed or closed completely and the loss of jobs. It is interesting to note that on the east coast of Australia, in New South Wales and Queensland, in the last 12 months, where state royalties have been increased by coalition governments, we have lost 6,000 to 7,000 jobs in the coal and mining industries. Roughly 6,000 of those jobs were in Queensland where the member for Dickson comes from.

Opposition members interjecting—

Mr MARTIN FERGUSON: The only thing that saved Queensland in terms of those job losses in the coal sector is the fact that we have attracted $55 billion in new investment into coal seam, methane and LNG construction jobs in Queensland during the same period.

That has saved the bacon of Queensland and also saved the bacon of the Queensland government, because it has one of the highest unemployment rates at the moment of state and territory governments because of those foolish decisions. On the issue of royalties, we are not breaking our agreement. This was touched on in full at pages 16 and 17 of the Argus-Ferguson report and I quote:

… the royalties entities pay on iron ore and coal are to be credited against the MRRT liability of a project—accepted by government. It goes on to say:

It provides a way to meet the needs of the States and Territories and captures more of the profits at the peak of the resources cycle, in a way royalties alone cannot, for the benefit of all Australians. That is the objective of the MRRT and the PRRT.

Importantly, it says:

Equally, the MRRT should not be used as a mechanism to enable States and Territories to increase inefficient royalties on MRRT taxable commodities—iron ore and coal—

Accordingly, the PTG also recommends the Commonwealth, State and Territory Governments put in place arrangements to ensure that State and Territory Governments do not have an incentive to increase royalties on coal and iron ore. This would limit their negative impacts, while allowing the Commonwealth’s taxation regime to maximise the return to the community during the highpoint of the resources cycle, so achieving the balanced outcome described above.

That statement from the Argus-Ferguson report says it all. It was well designed and implemented. There is no walking away from the Argus-Ferguson report by the government. It was fully implemented. Now
the government is in discussions with state and territory governments about the interface between royalties and the MRRT, as demanded by the Argus-Ferguson policy transition group. Perhaps it is about time that the Leader of the Opposition read this report rather than neglecting it, just like he neglected the BHP announcements of last August about the real reason BHP was not going on with the Olympic Dam expansion in South Australia. *(Time expired)*

**Ms JULIE BISHOP** (Curtin—Deputy Leader of the Opposition) *(15:45)*: After the last election, I met in Sydney with a number of mining and resource ministers from central African states. There were ministers from Chad, Cameroon, the Congo and Burundi. They told me that the reason that they were in Australia was because they were seeking investment from the Australian investment community in their countries because they saw an opportunity to capitalise on the sovereign risk that prevailed over investment in the Australian mining sector. They could relate to me chapter and verse of the impact of the carbon tax and the mining tax on Australia's international reputation as a reliable trading partner and as a reliable place to do business. Does anyone recall the phrase 'sovereign risk' being used in the same sentence with 'Australia' before this lot came into government?

Today the coalition has raised as a matter of public importance the disastrous saga of the latest version of the minerals resource rent tax, the mining tax, and the impact on sovereign risk for Australia. As the Leader of the Opposition so eloquently catalogued it, the MRRT, the minerals resource rent tax, has been an unmitigated disaster for the Gillard government. This tax reminds me of the Cheshire cat, appearing and then disappearing until it just fades away, leaving only the grin. You will remember that in *Alice in Wonderland* that prompted Alice to think 'she'd often seen a cat without a grin but never a grin without a cat.' Well, we have seen revenue without a tax but never a tax without revenue. This really is like a scene from *Alice in Wonderland*.

We got a public taste yesterday from the member for Griffith, God bless him, as to the bitterness that resides within Labor on this issue. He wanted Australians to understand, very clearly, that the current fiasco was the idea of the current Prime Minister and her Treasurer. Indeed, former Prime Minister Rudd made a point of noting that the Treasurer deserved to be pinned with the title 'father of the minerals resource rent tax'. According to the member for Griffith, it was the Treasurer's idea from the beginning and as the then Prime Minister he agreed to proceed with it based on the assurances of the Treasurer. But, as former Prime Minister Rudd said in his most understated way, 'It has not collected any real revenue of any significance so far.'

When the whole Kevin thing came crashing down the first time round in 2010, the member for Griffith lost his prime ministership. However—and it is important that my colleagues recall this—the Treasurer, the principal architect of this unmitigated mess, actually got a promotion to Deputy Prime Minister. That is the Labor way: completely mess up a policy and you get promoted.

**Mr Dutton:** And the treachery.

**Ms JULIE BISHOP:** Let alone the treachery. I wonder how much longer he will be the Deputy Prime Minister? How much longer will he be Treasurer now that we have a second train crash, with the MRRT? If the member for Griffith were to return to the top job, he would probably last a nanosecond. However, will he last much longer under the present Prime Minister? He can count on her loyalty, of course, can't he? The Treasurer, if
he is worried about his position, might find it instructive to talk to the member for Scullin, the member for Barton and Senator Trish Crossin, to name a few. They can all vouch for the Prime Minister's loyalty, can't they? What is going to happen to Swannie? It reminds me of the old Russian tradition of throwing the weakest individuals out of the sleigh as the baying wolf pack gets closer and closer. I wonder who is going to be the next one to be ejected, Wayne? Desperate prime ministers do desperate things and, given this Prime Minister's inability to take responsibility for any of the disasters that she has presided over, there will be a scapegoat. In this case, I cannot think of a more deserving scapegoat than the Treasurer.

Let us look at some of the detail of this mining tax. The government that broke its word on the carbon tax and the surplus is now planning to break its word on the mining tax. The government is desperate for cash following yet another fiasco—the amazing disappearing budget surplus. By the way: thanks for that, Treasurer—that was another one of his disasters. With a non-existent surplus, Labor is now scratching around for some more revenue. It seems that the Prime Minister is on track to rip up her 2010 written agreement with the mining companies in the same way that she ripped up the written agreement with the member for Denison on gambling reform. Now we have the mining tax in a shambles. The only certainty for miners in Australia and for the investment community is that if Labor is re-elected it will increase and broaden the impact of the mining tax after the election. There is no doubt at all that that is the case.

In the event that anybody was under the misapprehension that the mining tax was not in a shambles, think of the message that this is sending to the international investment community. After months of hiding the truth, we now know that the mining tax has raised only a fraction of the revenue promised in the budget and in the Mid-Year Economic and Fiscal Outlook, MYEFO. It has grossed $126 million. But that is not the full story. You see, when you remove the lower company tax payments of about $40 million and then remove the administration costs—estimated by the government to be about $50 million over three years—you find that it has raised virtually nothing.

And yet the Treasurer has linked over $15 billion worth of expenditure to this mining tax and now has no money to pay for its promises. Having raised only a fraction of what was intended, Labor is now indicating that they will grab more money from the states and the mining companies after the election to fill their mining tax black hole. They will take more money from the states and they will take more from companies. Do you know what that means? Fewer services from state governments and fewer jobs and investment in Australian mining companies.

The Treasurer likes to blame iron ore prices for his mining tax disaster, but this claim does not stack up. In the MYEFO, the MRRT was projected to raise $2 billion in mining tax revenue, but since MYEFO was released iron ore spot prices have actually increased by about $30 a tonne. So blaming weak commodity prices for missing his revenue forecasts by 90 per cent defies reason. This is yet another colossal forecasting error by the government. The MRRT failure is the third strike against the Treasurer's economic credibility, and fortunately the member for Griffith is keeping count. The Treasurer promised a surplus, he promised 500,000 new jobs and he promised a mining tax to pay for $15 billion in promises. He has broken all three promises. Labor has a Treasurer with zero economic credibility.
Yesterday the Prime Minister, the Treasurer and the Minister for Trade let the cat out of the bag when they admitted they have a process in place which we know will result in a grab for state government mining royalties as a way of compensating for their failed mining tax and their mining tax black hole. Labor's plan to hit the states with yet another tax grab means less for services for nurses, for teachers, for police and less for infrastructure. In the case of my state of Western Australia and in the case of Queensland this infrastructure is needed to underpin the very mining sector with whom this government is at war. It is not spreading the wealth; it is spreading the pain as state governments are forced to cut back on essential services.

The sovereign risk caused by this return to the MRRT is on top of a litany of government decisions that have tarnished Australia's international reputation. The resources area—remember the hit to condensate. Without any warning to industry they removed a tax exemption on condensate. At the time, we said that it was an absolute smash and grab raid and that it was the equivalent of a drive-by shooting against the oil and gas industry. The other beauty was the infamous decision on live cattle exports that resulted in Australian producers losing potentially half of their market in the long run. In the last 12 months the government has reneged on the purchase of munitions and on the purchase of self-propelled artillery, both to the detriment of a reputable South Korean firm. As a result, the Executive Director of the Australian Strategic Policy Institute commented:

It's a major problem when a big company from a trading partner as important as South Korea chooses not to compete for business in Australia on the basis of 'sovereign risk'—a term indicating a serious lack of confidence in our policy settings.

By the way, Samsung was reported as saying that this government had been disingenuous and dishonourable in its dealings with them. This government is a disgrace, and a mining tax is yet another example of why. (Time expired)

Mr KELVIN THOMSON (Wills—Parliamentary Secretary for Trade) (15:55): There is plenty of Alice in Wonderland about the opposition's approach to the mining tax. They used to complain that the MRRT would raise too much money and risk jobs; now, they wring their hands and say it collects too little money while ignoring the jobs created. Their only consistency is a determination to see absolutely nothing flow into the pockets of ordinary working people who own the minerals. At the core of the MRRT is the fundamental determination of this government to stand up for the working Australians who own resources.

Australia's economy stands as a beacon of resilience around the world. Unlike virtually every developed economy, we avoided recession and saved hundreds of thousands of jobs in the face of the worst global economic conditions since the Great Depression. Australia has had 21 years of consecutive economic growth and one of the lowest unemployment rates in the industrialised world. The resources sector has, of course, underpinned Australia's economic strength. Our resources sector accounts for 16 to 17 per cent of Australia's GDP and expanded by around 12 per cent over the last year, and our resources and energy export earnings reached a record high of $193 billion in 2011-12. Mining accounts for 60 per cent of Australia's total exports of goods and services and is the largest share of outnd trade with Australia's largest trading partner, China. As for employment, in 2011-12 total employment in Australian mining, oil and gas extraction sectors averaged around 248,000 people—20 per
cent higher than in 2010-11. The figures released by the ABS for the September quarter of last year show mining employment at 270,000 for the quarter—around 2.3 per cent of total employment. The Australian Workforce and Productivity Agency forecasts employment in the Australian mining sector will be over 300,000 by 2017, with a further 280,000 employed in oil and gas extraction.

Because of the profits based nature of the MRRT, the MRRT has had no negative impact on Australia's iron ore and coal industries. This is an opposition at war with the facts. You are entitled to your own opinions, but you are not entitled to your own facts. Facts are things to be shared. So let me share some facts with the House and with the opposition. Since the announcement of the MRRT in May 2010 there have been 50 coal and iron ore projects approved including infrastructure projects worth around $57 billion. The House should not forget that, when the MRRT was announced, those opposite, coming out to do the bidding of the mining billionaires, described the MRRT as 'investment destroying' and 'job destroying'. The shadow Treasurer wanted us to believe that under the MRRT Australian mining had no real place for growth, but in fact each of the major iron ore producers in Australia have spent or are planning to spend billions of dollars expanding their iron ore operations.

Since May 2010 there have been iron ore operations approved, increasing production of iron ore by 55 per cent. And since May 2010 there has been approval for around $24 billion committed to coal projects, including infrastructure.

The investment in coalmines will increase Australia's capacity by 76 megatonnes per annum, an increase of 20 per cent from Australia's 2010 saleable coal production, including both thermal and met-coal but not brown coal. Committed investment to increase the capacity of Australia's mining industry, as at the end of October last year, was a record $268.4 billion, an increase of three per cent from April 2012. In the six months to October last year, 24 resources and energy projects, with a combined cost of $11.9 billion, were completed in Australia. For 2011-12 the Australian Bureau of Statistics reported total exploration in Australia at $7.1 billion, 14 per cent higher than 2010-11. Metals and other minerals exploration expenditure for 2011-12 totalled $3 billion—again, 34 per cent higher than in 2010-12. So the real threat to investment in Australia is not the mining tax; the real threat to investment in Australia is the possible election of a Liberal government which has learnt nothing from the global financial crisis and is hell-bent on slash-and-burn austerity measures.

In 2008 private aggregate demand collapsed and the Labor government had to step in with stimulus to shore up demand—225,000 jobs were created through the government's spending program; and, in fact, since November 2007, Labor has created over 800,000 jobs, including in mining, in retail, in health and in skilled trades. And unemployment is well below the previous Liberal government's average of 6.4 per cent.

The OECD, the Organisation for Economic Cooperation and Development, found that Australia's fiscal stimulus measures were amongst the most effective in the OECD in terms of stimulating economic activity and supporting employment. The Nobel Prize winning economist Joseph Stiglitz lauded the Labor government's spending, saying:

Not only was it the right amount; it was extraordinarily well structured, with careful attention to what would stimulate the economy in
the shorter run, the medium term and the long term.

He said:

When I look around the world it was, I think, probably the best-designed stimulus program in the world and you should be happy that in fact it worked in exactly the way it was designed to work.

The global financial crisis wiped a massive $160 billion off government revenues. If we had not implemented a timely and targeted stimulus, we would have experienced a deep recession and much higher unemployment, with all the destruction of capital and skills that comes with that. Such a devastating blow would have set our economy and budget back years. There is no serious issue of public debt in this country, as a result of the stimulus: gross debt peaks as a percentage of GDP at 18.4 per cent in 2011-12 and 2012-13; net debt peaked in 2011-12 at 10 per cent. Our net debt has peaked as a percentage of GDP at almost one-tenth the level of the major advanced economies. In Australia's case, that is like someone earning $100,000 a year owing only $10,000. And our net interest payments for 2012-13 will be 0.5 per cent of GDP. That is like someone earning $100,000 paying only $500 a year in net interest. We are paying down net debt as a percentage of GDP now, and gross debt as a percentage of GDP falls from next year.

This refutes the coalition's irresponsible claims that our nation's debt levels are somehow comparable to debt-stricken parts of Europe.

The government's actions in relation to mining, to stimulus, to skills and to renewable energy have ensured that we have one of the strongest economies in the world. We have a AAA credit rating. We have a low unemployment rate—Australia has less than half the unemployment rate seen in Europe and the rate is significantly below other advanced economies. We have, as I have said, an exceptional job creation record. We have contained inflation, with underlying inflation in the middle of the RBA's target band. We have low interest rates—currently at three per cent, lower than at any time under the previous Liberal government, meaning that a family with a $300,000 mortgage is paying $5,000 less in repayments a year; $100 less a week.

The Labor government is building on resilient economic fundamentals that are the envy of the world, solid growth, low debt, healthy public finances, contained inflation, low interest rates, a gold-plated AAA credit rating—one of only seven countries in the world which has that—but we are not done yet. We are investing in labour reforms for the future, the NDIS, Gonski in education, the NBN and renewable energy. We stand for an Australia where every child can get a quality education, where their parents can have a decent-paid job and their grandparents can retire with a dignified income. We are at a critical moment when strong rather than weak Australian government leadership is vital—the kind of strength of leadership that we have shown through the minerals resource rent tax and which we will continue to show.

Mr CHRISTENSEN (Dawson) (16:05): It is with great pleasure that I rise to speak to this urgent matter of public importance—the adverse impact of the government's management of the mining tax in terms of investment into Australia.

Australia is a very successful country. Despite the government, we are still successful. But the fact is that we have a history that is littered with failures that sometimes we don't really want to talk about too much. It goes back to the long-distance navigational abilities of Burke and Wills; the introduction of the cane toad into...
Queensland, to try and clean up the mess of grubs eating the cane stalks—

**Mr Tehan:** The rabbit!

**Mr Christensen:** The rabbit is another one. The development of the Holden Sunbird—I mean, no-one would want to be caught dead in a photo with that one! In more recent times we have had the iSnack 2.0. I think that lasted four days on the shelves. Click Frenzy, which happened last year, probably did not even last four minutes before the internet system went down and nobody could buy anything. And even Slim Dusty, that great Australian songwriter, put a song together about a failure: the *Pub With No Beer*, he called it. But I have to tell you that there is nothing so lonesome, morbid or funny than to gamble your surplus on a tax with no money.

The reality is that we have got another failure here in front of us with this mining tax and it is a failure of epic proportions. The thing about failures is that most people actually learn from them, do something about them and move on. But the government will not even acknowledge its failure on the mining tax front. The Treasurer was dragged, kicking and screaming, to announce to the public that this tax had raised only $126 million in half of a year of its operation—a quarter of what it was predicted to raise. He talks about the need for this tax to spread the wealth and spread the benefits around to everyone. As the member for Casey pointed out the other day, it is spreading $5.50 to every Australia—fantastic! It is not even enough to buy a McDonald's meal.

We have heard the Treasurer and the Prime Minister blame all sorts of different things for the reason this tax has fallen short. We have heard the blame falling on commodity prices. The Treasurer has certainly said that no commodity analysts or economists had forecast the tumble that took place in iron ore prices last year, but the fact is that iron ore prices have actually risen—so that is not a real excuse. But he did say that the resources rent taxes, by their nature, are difficult to forecast and that jumps and falls in the revenue relative to the estimates is to be expected. He is trying to blame it on international pressures on the mining industry or the resource industry and what that does with prices.

But then we have another excuse, and that is that it is the states' fault. This seems to be the Prime Minister's approach, that it is all those terrible state governments—even the Labor state governments—that are doing the wrong thing by having royalties. Royalties are something that state governments have always had and that were in existence for the life of the Howard government, when we did not have great deficits and debt. This is something that has been around for a long time, yet somehow it is the states' problem. Then we had the member Lyne coming in, as part of that menagerie that makes up the government, saying that it is these loopholes that are the flaw in the system and saying that these loopholes allow Rio and BHP to have $1.7 billion credits to buffer themselves from paying the tax—as *The Age* put in its newspaper today.

But the thing is that these are not flaws; it was a tax that was actually designed that way. The tax was actually designed to allow the big miners to have $1.7 billion in credits to buffer themselves from paying. It was a deliberate design that was done in the deal that the Prime Minister made with the big three miners after she knifed the member for Griffith and took over his job.

**Mr Tehan:** She did what?

**Mr Christensen:** She knifed the member for Griffith and took over his job on the basis of doing a deal with the mining...
companies that has seen this tax be completely flawed and a failure.

I can remember the full-page ad that the former local Labor member put in the Mackay newspaper. It had Julia Gillard smiling and it said: 'The deal is done! We have done the deal with the mining companies.' The Minister for Resources and Energy today said how great it was that this was a tax that was supported by the mining industry. Of course the big three miners would support a tax that they were never, ever going to have to pay. Hell, if you came to me with an income tax deal like that, I would sign up right away! The fact is that we have got more than $15 billion worth of commitments and promises from this government that are linked to this mining tax.

I have got to tell you that, out of that $15 billion, $5.6 billion is tied up in the Regional Infrastructure Fund. That actually makes up more than 95 per cent of that Regional Infrastructure Fund. Out of that is a project on the doorstep of my electorate, which is the upgrade of the Peak Downs Highway. The government said that they were going to contribute $120 million to that. The question now is: where is the money going to come from? For the member for Flynn, who is sitting behind me, the Gladstone Port Access Road was one of the promises that this mining tax was going to deliver. I am not exactly sure how much that was; but, again, where is the money going to come from?

**Mr O'Dowd:** It was $25 million.

**Mr CHRISTENSEN:** So $25 million for the Gladstone Port Access Road. For the Townsville Ring Road, which will have to be used by some constituents in the northern part of my electorate and certainly by constituents in the member for Herbert's electorate, $160 million was to be funded out of this mining tax. Where is the money going to come from? Wouldn't you wish for whinging Wendy from the Labor Party ads to turn up right now to front the Treasurer and ask, 'Where is the money coming from?'

The government say that they are not going to touch the mining tax and that they are not going to fiddle with it to increase the revenue. That may be right for now. There are already dogs barking. We had the member for Hunter say last night that the tax should be fiddled with to get more out of the mining industry. We have had the member for Griffith allude to that as well. As sure as night follows day, we are going to see after the next election, if—heaven forbid!—this government is returned to office, that the mining tax will be jacked up and that all bets will be off.

The mining tax has already caused sovereign risk to Australia. The resource industry just simply does not know what government policy is these days. After the next election, there are going to be question marks again. I want to tell you, from my electorate's point of view, what it has done. We have had report after report in local newspapers
about this—jobs going at different mines, mines closing down throughout the Bowen Basin, and ancillary companies to the mining industry having to lay off dozens and in some cases hundreds of employees.

Winston Churchill actually said, regarding socialism, 'It's a philosophy of failure, the creed of ignorance, and the gospel of envy, its inherent virtue is the equal sharing of misery.' Well, there could be no better description for the Gillard Labor government and its mining tax. It is a failure of a government. It put in place a tax policy based on envy, ignorant to sovereign risk that it would create and the subsequent impact on mining investment and jobs. The result has been a failed tax spreading a miserable $5.50 per head of population. What a failure of a tax, what a failure of a government, what a failure of a Treasurer. He should stand down; he should resign.

Dr LEIGH (Fraser) (16:15): There is a lot of overheated rhetoric and debate around the mining tax, so I thought it might be useful to the House to return to the origins of the mining tax that is being discussed today: the Henry review’s extensive report into the Australian taxation system. It discussed the principles behind a profits-based mining tax. It said:

The finite supply of non-renewable resources allows their owners to earn above-normal profits (economic rents) from exploitation. Rents exist where the proceeds from the sale of resources exceed the cost of exploration and extraction.

It goes on to say:

In most other sectors of the economy, the existence of economic rents would attract new firms … However, economic rents can persist in the resource sector because of the finite supply of non-renewable resources.

That is the underlying reason a profits-based tax is a more efficient tax in the mining sector.

We have had profits-based taxes in other contexts as well, the petroleum resource rent tax introduced by the Hawke government being the classic. When that was announced back in 1987, industry members took out front-page ads. We said back then that a profits-based tax would be anti-capitalist, and those on the conservative side of politics opposed a profits-based tax for the petroleum sector.

But what has been the history of that? Under the PRRT there have been substantial increases in production in that sector. Crude oil levies and royalties were hurting the sector, because when the price was low the tax impost became unsustainable. Now more than 20 years of oil production and 30 years of gas production remains in Bass Strait. But the PRRT revenue is volatile. We saw PRRT revenue drop by two-thirds during the global financial crisis. Profits-based taxes are inherently volatile taxes, but they ensure that Australians get a fair share, and they do so without decreasing the incentives to invest in the mining sector. Before the last mining boom, Australians were getting $1 in every $3 of mining profits through royalties and resource charges. But as mineral prices went through the roof, in some cases increasing 10-fold, the share of mining profits that were being collected in tax went down to one dollar in seven. Profits went up by $80 billion, but the government only collected another $9 billion in revenue over the period 1999-2000 to 2008-09.

It was in that spirit that the government took on the recommendation put forward by the Henry review for a profits-based mining tax. It was backed by many sensible economists from widely across the political spectrum. As members of the House with an interest in US politics will recall, Sarah Palin made a name because as Alaska governor she introduced a petroleum profits tax. So in order to oppose a profits-based mining tax
you have to be to the right of Sarah Palin. Indeed, it was the Minerals Council of Australia who, in their submission to the Henry review, said that Australia ought to have a profits-based tax on minerals. They argued for a shift from royalties-based to profits-based taxation in their November 2008 submission, because they recognised that that was the right way of taxing minerals.

Now, some of those opposite will say: 'What about company taxes? Aren't company taxes enough?' But when the House Economics Committee considered the mining tax in late 2011 we had Fortescue come to see us, and I asked executives from Fortescue how much company tax Fortescue had paid, and the answer was zero—none at all; not a cent. So, when those opposite speak in their opposition to the mining tax, they are effectively saying that when world prices go up Australians should not get more. They are on record. The shadow Treasurer said, on 25 May 2010, when asked about mining company tax, 'Well, I think they pay a fair share.' The Leader of the Opposition said, on 26 May 2010, that mining companies 'are paying more than their fair share of tax'. Despite the fact that commodity prices had gone through the roof and mining profits were going through the roof, the Leader of the Opposition thought mining companies were paying too much tax.

And then in 2010 we had this overheated rhetoric, reminiscent of what was said before the introduction of the carbon price, about what a profits-based tax would do to the industry. The Leader of the Opposition said it would 'threaten thousands of jobs in Western Australia and threaten investment'. The shadow Treasurer said it would 'discourage investment and cost jobs'. The Leader of the Opposition described the mining tax as a 'penalty tax almost guaranteed to kill the mining boom stone dead' and said that 'it will kill the goose that's laid the golden egg for Australia'.

Let us see what has happened to that mining boom—to those golden geese. Since July 2010 the Australian economy has created over 380,000 jobs in total; 67,000 jobs in mining. There has been over $152 billion of capital expenditure in mining. Capital expenditure in mining has increased by nearly 160 per cent. Total business investment increased by nearly 45 per cent. Expected mining capital expenditure for 2012-13 is more than three times what it was in the year before the MRRT was announced and the resource investment pipeline has more than doubled since the MRRT was announced. It is difficult to see a mining boom that has been killed stone-dead. It is difficult to see a goose that has been killed. In fact, the only geese appear to be those who are honking the interests of the mining magnates.

Getting a profits-based tax in place is not only economically efficient it is also an equitable way of sharing the proceeds of the boom. Fundamentally, the difference here is that those on the conservative side of the House believe that the minerals belong to those who have the mining licences. But that is not the case. These minerals are owned by all Australians. When the world price goes up it is not going up because of the sweat of the brow and the ingenuity of Australia's mining magnates. Whatever else you can say about Gina Rinehart or Clive Palmer, you cannot seriously argue—no-one in this House has seriously argued—that they are responsible for increases in the world price of commodities. Therefore, the question is: when that world price goes up—in some cases tenfold—shouldn't you maybe increase the rate of tax which those firms are paying? Wouldn't it be fair to increase the rate of tax those firms are paying? That is
fundamentally what we are debating here in this House.

Those opposite argue against the mining tax. They argue that it ought to be scrapped, despite the fact that none of their prophecies of doom have come to pass over recent years. Yes, mining tax receipts will be volatile. That is because commodity prices are volatile. It is also—and I think this is a point that is too rarely acknowledged in this debate—because profits in the mining sector depend on the investment stage. So as we move through the three stages of the mining boom—that price boom through to the investment boom through to the output boom, which we are now seeing, in which total extraction is significantly above what it was—we are going to see different levels of profits. At a stage when firms are doing significant investment, we are going to see lower profit levels. At a stage when volumes are up, we are going to see higher profit levels.

The question for all of us here in the House is: if we believe the minerals are the birthright of all Australians, if we believe that the world price is not set by any of us here, then surely we should believe that a profits-based mining tax is the right thing to do—a profits-based mining tax that is backed by economists across the political spectrum, just as a price on carbon pollution is backed by economists across the political spectrum. It is a good tax, and one of which I am proud.

Mr ALEXANDER (Bennelong) (16:26): Thank you, for the opportunity to contribute to this matter of public importance about the adverse impact of the government's mismanagement of the mining tax on investment. As has been eloquently said by my colleagues before me, our nation's wealth is built on strong economic management that provides the stable and certain conditions essential to attract investment. It is our nation's great misfortune that this stability and certainty has been progressively undermined by five years of economic and policy ineptitude under this Labor government.

Over a very long period of time our nation has earned the highest reputation of one that could be depended upon, of a people whose hand you could shake, whose word could be given and trusted. This reputation was built under fire on foreign battlefields as the staunchest and most heroic of allies. This reputation has been built during peacetime, with relationships based on the foundations of integrity and trustworthiness with our trading partners—sometimes with the same countries against whom we have endured conflict. This reputation has been developed through generosity for those in need in times of disaster or hardship, or through assistance to build a better future. We have shared our good fortune. This reputation has been built on the sporting fields of the world, not just through our successes, but through our willingness to compete against the odds, try with our all and, if defeat visits, smile, shake hands and look forward to the next opportunity to compete. Reputations are so hard won but so easily tarnished. Values of honesty, integrity and trustworthiness are not fashions that may come and go. They are the essential building blocks for a country building a great future to establish and demonstrate in every endeavour and at every dealing.

Today's MPI topic of the adverse impact of the mismanagement of the mining tax on investment is representative of the past five years under this Labor government. Unfortunately, day after day in this place, and in every home, and the places we visit in our electorates, there are questions about this government's values, their honesty, their integrity and their trustworthiness. Time and
again we have seen calculated promises, made in the heat of an election campaign, that put politics above policy. We have seen deals done with Independents to negotiate power and paid for with our dollars—politics above policy. There were promises broken and deals reneged upon. How far does this sad characteristic extend and what are the consequences? We all saw the choices made in the face of the GFC: pink batts, school halls that were overpriced and often not needed and $900 cheques dispersed. These initiatives were plagued by rorts and rip-offs, high cost and more debt and were for no benefit. Surely we can do better. Sovereign risk had never been a label attached to Australia. Sadly now it is, and there are consequences as collateral damage manifests.

This mismanagement of the mining tax is just the most recent example. Prior to that, we saw the memorandum of understanding with the pharmaceutical industry, where the government promised certainty through the PBAC process for PBS inclusion in return for the industry forgoing significant revenues. Not even 12 months had elapsed and the government backed away from their agreement through cabinet deferrals of PBAC recommendations. Tremors reverberated around the pharmaceutical world, and Australia and sovereign risk were mentioned in the same sentence for the first time. Export income of $4 billion, more than the car and wine industry, $1 billion in research and development and huge current and future investment in this sector were put in peril.

Just like with this mining tax fiasco, this mismanagement of economic policy does not just affect the companies but also affects the people we are here to represent. In my electorate of Bennelong there is a company that has developed the first innovation in over 50 years in medical treatment for stroke in atrial fibrillation, replacing the use of warfarin, a type of rat poison, as a treatment of this life-threatening condition. This innovation has passed our TGA and PBAC processes. Even our neighbour New Zealand has listed this medicine, but not us. Instead, this government, in a move that only creates uncertainty for investment in our nation, has decided for the first time ever to conduct a lengthy and costly review of the medicine before it is even listed on the PBS. Also, in a reply I received last week to a question on notice to the Minister for Health, the minister could not even commit that they would not have yet another review of this medicine prior to its listing.

Another example of poor government policy impacting on investment was the response to the ABC Four Corners story regarding live cattle exports to Indonesia. Policy decisions made in haste to grab a headline and appease certain interest groups served only to damage our nation’s standing in the international community, devastate our relationship with our closest neighbour and destroy an industry that generated over $700 million in foreign income per annum and happened to be the biggest employer of Indigenous people in the region. Australia was again cited as a nation of sovereign risk.

The reason cited by Prime Minister Gillard for her challenge against the former Prime Minister Rudd was that he had lost his way—the government had lost direction. The first course of action was to meet with the mining industry and mend the Minerals Resource Rent Tax. It was claimed that in six days, working tirelessly with the Treasurer, this was done. In conflict with this claim, if I recall correctly the Treasurer's first responsibility under the government of Gillard was to replace the deposed Prime Minister and attend the G20 meeting in
Canada for a two-day conference. If you add travel time—one day there and one day back—that left only 2 days to work out the new MRRT. Jet lag is well known to reduce your ability to calculate complex equations. Possibly this is where the problem lies in the failure of what was negotiated to deliver what was promised. Whether it was jet lag, incompetence or simply being outmatched by skilful negotiators on the other side, the result is undeniable.

The mining world, which has delivered such wealth to us, was traumatised by these events, and all for no benefit. The mining industry now risks investment in war-torn Africa in preference to the risks involved in doing business in Australia under this government. This represents the gravest consequences produced by sovereign risk. This has occurred because this government does not have the timeless building blocks based on the values of honesty, integrity and trustworthiness.

Great damage has been done, but for what benefit? The MRRT was projected to generate more than $10.5 billion to fund programs that included the National Disability Insurance Scheme and the education reforms recommended in the Gonski report. However, in the first 6 months only $126 million has been received. When this is impacted by implementation and administration costs of some $50 million, and lost tax revenues, which are in the vicinity of $40 million; this conspires to make a most worrisome situation. Short-term thinking may just rack this shortfall sum up on the national credit card, but it must be widely recognised by now that debt is simply future taxes.

Yes, there will be those with short-term selfish views: yes, slug the big miners and give us a share. You may be distressed to learn that when $126 million is impacted by the setup costs and the loss of revenues, you will get only about a dollar each. Responsible government should behave differently and place policy above short-term cheap politics. The building of industries and relationships with our trading partners must be based on trust, on certainty and on stability. If a government is unstable, it is very hard to produce stable government.

It may not be in fashion to adhere to such values, but when you are entrusted with the responsibility of protecting our wealth, our future and our reputation, only these values, which we have fought to establish as core to the Australian character, will suffice. Values that establish honesty, integrity and trust must replace the political expediency that has so tarnished our reputation with the words 'sovereign risk'.

The DEPUTY SPEAKER (Mr S Geogranas): Order! The time allotted for this discussion has now expired.

BILLS
Parliamentary Service Amendment Bill 2013
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mrs BRONWYN BISHOP (Mackellar) (16:35): In rising to speak to the Parliamentary Service Amendment Bill 2013, I do so in the background that we previously passed through this House—and indeed it has been passed into law—an amendment to the Public Service Act that was designed to give a new setting for the public service. This bill is a mirror version of that, applying to Parliamentary Services. It arose from a long-term piece of work done by the public service entitled Ahead of the game: blueprint for the reform of Australian government administration.
One of the most important things it does is strengthen the values and Code of Conduct and establish employment principles for Parliamentary Service. Likewise, it did similar things for the Public Service. But it is important to realise the distinction between the Public Service and the Parliamentary Service, even though the bills mirror each other. But, importantly, there is a clause in the Parliamentary Service Amendment Bill that says in the proposed section 9(2) that the role of the Parliamentary Service is to provide:

… professional support, advice and facilities to each House of the Parliament, to parliamentary committees and to Senators and Members of the House of Representatives …

And it is proposed that section 9(2) confirms that this role is carried out:

… independently of the Executive Government of the Commonwealth.

I think those are important words to put on the record, because it is specifically to make both houses of parliament work so that we can serve the needs of the people.

The Parliamentary Service values set out in proposed section 10 provide that the Parliamentary Service is committed to service and is ethical, respectful, accountable and impartial, and that is the way in which most members and senators who deal with the Parliamentary Service find that they act. Nonetheless, it is important to have it in the bill.

Other important clauses, which is also in the Public Service Act, are the whistleblower provisions. It is important in a lot of the discussion that is currently going on regarding whistleblowers that we allow the provisions in these two new bills—the public service bill is now law and this one will soon be law—that they be given an opportunity to show how they work. I know that others might like to put in regimes which they think will be better, but a lot of work has gone on to prepare both pieces of legislation, and an amount of discussion has gone on between the government and the opposition, to ensure that there is agreement between the government and the opposition and that it is supported by us both. In this life the Public Service has to serve both sides of parliament. One side will be in government from time to time and then the other will be there. The reliance on the Public Service is extraordinarily important to good government and it is important that both the Parliamentary Services Amendment Bill and the Public Service Amendment Bill are given the support of both the government and the opposition.

There was only one serious amendment that I was able to move to the public service bill, and that related to the ability, under the original provisions, of the Prime Minister to extend the terms of departmental secretaries who have resigned or whose contracts have ended. I am pleased to say that no such provision was included in the Parliamentary Services Amendment Bill.

I do not think there is a need for me to speak at great length, except to say that a lot of work went into the preparation of both bills, that both the Public Service and the Parliamentary Service believe that the employment principles will be important and easier for them to deal with, and that the code of conduct is strong and stresses the ethics that are needed for those who are employed in both services. I am pleased to say that the negotiation that went on between the minister at the table and me resulted in us being able to bring to the parliament bills that we really do think serve the needs of the parliament and, indeed, the Public Service.

The opposition will be supporting the Parliamentary Services Amendment Bill,
which originated in the Senate and is now here in this House.

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:41): I thank the honourable shadow minister for her contribution to this debate, and I also thank her for the work that was done to ensure that the Public Service Act—which is, as described by the shadow minister, a sister piece of legislation—was put together, importantly, in a bipartisan manner, and in a manner that allows public servants and, in the context of this bill, servants of the parliament to work knowing full well that the parliament itself fully, thoroughly and totally supports these pieces of legislation.

This bill amends the Parliamentary Services Act 1999, principally to effect the provisions of the Public Service Amendment Bill 2012, which has now passed both houses. The Public Service Amendment Bill gives effect to recommendations of the Advisory Group on Reform of Australian Government Administration in its report entitled Ahead of the game: blueprint for the reform of the Australian government administration. The bill reflects many of those changes as far as they are relevant to the Parliamentary Service, and also includes a small number of unrelated amendments. In summary, the main features of the bill are as follows: the bill expands the role and responsibilities of secretaries including the provision for a stewardship role for the Parliamentary Service; it revises the role of the senior executive service to reflect better their responsibilities for the wider Parliamentary Service; it includes a statement setting out the role of the Parliamentary Service in serving the parliament; it includes a clearer and shorter statement of the Parliamentary Service values; it includes amendments relating to the Parliamentary Service code of conduct, the Parliamentary Service Commissioner and the Parliamentary Service Merit Protection Commissioner; and it includes provisions in relation to whistleblowing.

The bill will ensure that the Parliamentary Services Act maintains its alignment with the Public Service Act where relevant, while incorporating appropriate modifications which reflect the difference in the role, scale and structure of the Parliamentary Service by comparison with the Australian Public Service. These are important amendments to help ensure that the Parliamentary Service continues to be able to serve the Australian parliament and, through it, the Australian people in a professional and non-partisan manner. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:43): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Customs Amendment (Anti-Dumping Commission) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mrs MIRABELLA (Indi) (16:44): I am genuinely delighted to have the opportunity to debate this bill. It gives me and other members of the opposition an opportunity to highlight the problems that the Labor Party has had with this very important policy area. This bill gives expression to quite a mea culpa from the Labor Party. This is because the government is playing catch-up with a B-grade copy of coalition policy.
It is very good to see the current Home Affairs minister, Minister Clare, having had completely overridden the former Home Affairs minister, Minister O'Connor, and effectively repudiated Mr O'Connor's quite embarrassing attempts, in 2011, to slag and bag the opposition's approach on the issue we are debating today. It has taken the Labor Party over a year to recognise that a better way was needed in anti-dumping administration, to follow the coalition's lead in moving responsibility away from the International Trade Remedies branch of customs. Eventually, it finally got there.

For a party with all the resources of government at its disposal to have taken so long and so laboriously to get to that point, with only a B-grade copy of coalition policy, can manufacturers, the agricultural sector or the Australian public expect this government to deliver the policy, details and personnel that are required for a robust and effective anti-dumping regime? Of course not. How could they? This is the government that cannot deliver free fluff in people's roofs without causing disasters. No doubt it has cost the government a lot of money to get to a similar position as the opposition.

What it needed to do was go through some sort of charade. It went through an unnecessary process of appointing yet another failed Labor premier, John Brumby, to another nice little earner in the process, to oversee a review of whether there should be a change in the body that administers the anti-dumping regime. It should have come a long way since ministers O'Connor and Emerson said all sorts of inaccurate things about coalition policy in their panic not to be seen as lagging behind in this very important policy area of anti-dumping. One of the key parts of that policy was to have a greater focus on anti-dumping investigations and to commit more funding to additional resourcing of the system.

I might take this opportunity to highlight some of the things that were said at the time by then Minister O'Connor. He said, on 28 November 2011, 'It is not practical, as the opposition proposes, to expect employees of an agency to have the skills to tackle every fact or situation that may present itself.' So what have we got? This bill is creating a new agency, the anti-dumping commission, and moving it from Canberra to Melbourne. This is a new agency. And yet we do not hear any apologies from Minister O'Connor. We had another criticism at the time, when Minister O'Connor said, 'The opposition's headline reform'—and I interrupt here as it was not our one headline reform; we have announced many policies in this important area to assist manufacturing and will announce many more—'was to do a bureaucratic soft-shoe shuffle befitting Yes Minister, moving responsibility for investigations from Customs to the department of industry.' He has criticised it as a non-important policy, yet claimed it was a headline reform for the opposition. What did we have last year, on 4 December, when the government accepted the Brumby recommendations to create this new agency? We had another big headline announcement, with ministers Clare and Combet and Prime Minister Gillard. What they have criticised the opposition for doing, they are quite happy to do themselves. These are the sorts of cheap stunts and attacks that the Australian public are absolutely sick of.

We know that the anti-dumping regime in Australia has had significant problems. It has been unworkable with excessive costs and time. There has been difficulty for those wanting to pursue an anti-dumping applications to access the system. These concerns have been voiced to us by industry for a long time. I have been shadow minister in this portfolio for just over three years. It was an important priority for us and we came up with a comprehensive world's-best-
practice policy back in 2011. The government has panicked, followed suit and introduced a whole series of bills regarding anti-dumping, trying to play catch-up. We have not opposed those bills, as we will not oppose these ones.

Our approach has been to genuinely consult industry—to understand and feel the anxiety and difficulty it has had in accessing a system that did not work. We set up a task force of frontbenchers, we consulted extensively and from that we drafted our policy. I am quite satisfied that the coalition has set the agenda in this very important area. When the coalition starts getting accolades from the trade union movement for the initiative it takes in policy, as happened in this area of anti-dumping, you know that the Labor Party is very embarrassed about its inability to listen to industry's concerns of the day.

What we see here is the moving of responsibility for anti-dumping from the International Trade Remedies section of Customs to a separate, new anti-dumping commission based in Melbourne. We heard Minister O'Connor say, back when he was criticising the opposition, that it was just bureaucratic reshuffling to move the administration of it to another section. Then we had the hypocrisy and the waste of money of paying a failed Labor premier to conduct an inquiry to come to a similar conclusion. That occurred last year when the government announced that it was going to establish the Anti-Dumping Commission and commit $24.4 million to the new commission as funding. We do not know where this funding is coming from, and given past practice it is quite possible that this money has again—as has occurred in the past—been found from cost shifting within Customs.

So the opposition will be looking very closely at where these funds are coming from and whether they have indeed been shifted from elsewhere in Customs—an arm of government that has suffered serious stress because of extraordinary, historic ineptitude in border control by this government. We have seen many other cuts to the Customs budget by the Labor government over recent years, and they implied on a number of occasions throughout 2011—and again in 2012—that they had made changes during those years to increase the number of staff working on anti-dumping cases. They said at the time that they were increasing staff from 31 to 45, but later it emerged that these changes were not based on extra financial investment in the system but were merely predicated on the redeployment of resources from other areas of Customs. Indeed Minister O'Connor had invoked that renowned British series Yes Minister, but perhaps he should look closer to home for a more appropriate application of life imitating art.

We know that Australian manufacturing is facing very challenging times. But, unlike the government, we are not going to pretend that the government has no role. The first and primary role of government is to ensure that it removes those things that do damage to business and to manufacturing because of its policies. That is absolutely a first principle. We have not seen the government adopt any policies or any statements that acknowledge or accept responsibility for policies that are doing harm to manufacturers. There is the carbon tax, with increased energy costs and extraordinary, historic escalation of regulatory costs. Just speak to any business sector and you will hear that. There is work to do in those areas as well.

In this area of anti-dumping, there should be a proactive approach. In having a system that did not work for so long, it was doing harm by giving a false sense of security that
there was a mechanism to ensure that dumped goods were adequately dealt with and there were appropriate duties placed on them. So, although the Labor Party has taken some time to follow the policy initiatives of the coalition, we have supported legislation in this House in making improvements to the anti-dumping regime. We do not have complete faith that this government can deliver the world-class anti-dumping regime that this nation deserves and that exists in other jurisdictions like the United States of America and the EU. We need a world-class anti-dumping administration because we are an open economy, and we take great pride in being an open economy, and that is why legislative regimes like anti-dumping need to actually work and not just exist to give the false sense of security that there is something in place.

We saw the new minister's, Minister Clare's, tacit recognition that his ministerial predecessor Mr O'Connor was wrong to criticise the coalition's proposal to move administrative responsibility for anti-dumping away from the International Trade Remedies Branch of Customs and that such a shift should, in fact, be initiated. If only others in the government could follow the lead of coalition policy, perhaps there could be some redemption for this government for the damage that they have inflicted on industry and manufacturing. Sadly, I doubt that will happen, but I do want to assure manufacturing workers, the manufacturing sector and Australians listening to the debate on this bill that the coalition is committed to a strong five-pillar economy—of which manufacturing is an important pillar. We do that because we understand that, in order to have a strong, growing, diversified economy, manufacturing is important. That is why we will not stand for other nations and other companies dumping goods in our jurisdiction below cost when our manufacturers are doing it tough. They are being slugged with a tax, the carbon tax, that is not applied to imported manufactured goods. They are being slugged with additional regulatory costs, unprecedented in our history. They are being slugged by a poor outlook for our economy. Confidence is at record lows, and can you blame people for lacking confidence in the sideshow that is this government? They are suffering.

Yes, there are tough international economic conditions, but the actions of this government make it even harder for workers. So, in the months ahead, and leading into the next federal election, I hope that the voice of manufacturing workers, their families and the communities who have suffered—who have laboured under the damaging policies of this government—stand up and are heard. We hear, time and time again, from the government, stunts and announcements just to fill the void of the 24-hour media cycle. Then a year later it all fizzes away.

We had an announcement last year during the budget about a new manufacturing technology innovation centre, and how this was the answer for manufacturing. There was much fanfare about $29.8 million. Guess what?—it has not materialised. There is not even a hole in the ground. There is nothing; it was just another stunt.

So I say to those Australians who are concerned about the future of manufacturing: do not listen to the empty promises. Do not listen to the stunts and the announcements. Look at the track record of this government. There will be more stunts—I can promise you that!—and there will be fanfare. There will be grandiose motherhood statements but the government have not been able to deliver on basic policies for manufacturing. And they will not deliver the economic growth and the economic conditions and policies
within which manufacturing can not only survive but flourish.

Mr NEUMANN (Blair) (17:01): I speak in support of the Customs Amendment (Anti-Dumping Commission) Bill 2013. Please!—the member for Indi claims that she is a friend of the manufacturing sector and the workers who work in it. She is a person, on that side of the House, who voted dozens of times for Work Choices to be imposed in that sector. If she was on this side of the chamber she would rip away the schoolkids bonus so that manufacturing workers would struggle to educate their children. She would raise their taxes. She would take away the family tax benefit increase and she would take away, from the parents of the manufacturing sector workers, their pension rises. So, the member for Indi should not come into this place and tell us that she is a friend of the manufacturing workers.

What support did the coalition give us in relation to the $300 million steel transformation plant which supports investment in steel manufacturing? They opposed it. They opposed the $5.4 billion new car plant. They opposed the $1 billion clean technology program. I spoke in this chamber in relation to 2,000 workers in my area who work in the manufacturing sector at JBS Australia, the meat processing plant. The coalition opposes the assistance that we are providing. The member for Indi has come into this place pretending to be—a friend of the workers. Please! Give us a break!

This legislation that is before this chamber is an important reform, and it responds to the Productivity Commission recommendations and analysis in relation to dumping. According to the Productivity Commission:

Dumping is said to occur when an overseas supplier exports a good to Australia at a price below its ‘normal value’ in the supplier’s home market. If dumping causes, or threatens to cause, material injury to local producers of like goods, then remedial action—mainly the imposition of special customs duties—can be taken against the imported goods concerned.

Similarly, countervailing duties can be imposed on imports which benefit from certain subsidies from an overseas government and which cause or threaten injury to a local industry producing like goods.

Similarly, countervailing duties can be imposed on imports which benefit from any of the specified group of subsidies 'and which cause or threaten injury to a local industry producing like goods'.

I set out that definition because that is what the Productivity Commission said in relation to dumping. We have signed a couple of World Trade Organisation agreements in relation to this, and they form the basis on which we carry out our obligations. They are article 6 of the General Agreement on Tariffs and Trade 1994, and an agreement on subsidies and countervailing measures which regulate measures designed to remedy material injury caused by subsidised imports, similar to the antidumping agreement I just mentioned. So we have some trade obligations in relation to this. There are those opposite who claimed that China was a market economy, and signed an agreement to that effect. In large part, we are dealing with the consequences of that.

I see the member for Oxley is here. He and I have visited a particular plant in my electorate on numerous occasions. Capral employs 330 workers across my electorate and his electorate in the Ipswich region. In the Blair electorate 13.5 per cent of the workforce is employed in manufacturing. And I think it is almost identical in the electorate of Oxley. So it is an important industry in the whole western corridor between Brisbane and Ipswich.
This legislation is important, and it comes about because we have taken a number of steps. There have been a number of tranches of legislation introduced and passed in this place—I accept that that has been done with the concurrence of the opposition—in relation to antidumping measures.

So we are supporting jobs in the manufacturing sector. We know that they are under significant pressure from the high dollar and international competition. And we know there have been developments in the global markets which make it difficult. But in this debate we should not get the idea that it is free trade or fair trade. It is not either-or; it is both. We want our manufacturing sector to be strong and prosperous. We are talking about a million workers who work in this sector, particularly in states like Victoria, New South Wales and Queensland.

We have taken a number of measures. I have spoken in this place on numerous occasions on previous bills in relation this. We have boosted the capacity of Customs and Border Protection Service investigations by putting in serious money. We have seen investigations almost treble in the last two years in relation to this particular issue.

We believe that international trade should not disadvantage our domestic markets and disadvantage Australian workers. We are undertaking this particular measure. The genesis of this comes back to the referral to the former Victorian Premier the Hon. John Brumby who conducted an inquiry into this issue and came back with a recommendation to Minister Clare that we establish an anti-dumping commission. We are doing so by way of legislative changes today. This is part of the package of reforms that we are undertaking. We announced in December last year that we would make some further changes, and I know that Minister Clare announced on 6 February a new Australian anti-dumping commission. He introduced legislation to establish the anti-dumping—

Mr Turnbull: Mr Acting Deputy Speaker, I rise to take a point of order on the member for Blair's speech which I have been enjoying as I listen intently. He has referred to a minister as Minister Clare. He knows that under standing orders ministers should be referred to by their title, or they can be referred to as the member for their constituency. If I could also add that I think that it is a very pernicious development to start referring to ministers as Minister Smith or Minister Brown.

The DEPUTY SPEAKER: The member will resume his seat. I remind the member to refer to the other members in this place by their correct titles.

Mr NEUMANN: Perhaps the member for Wentworth would like another title rather than the shadow minister for broadband and telecommunications. Perhaps he is aspiring to another one, rather than just the member for Wentworth. The member for Blaxland is also a minister with responsibility for this particular jurisdiction and introduced this legislation. He happens to be the Minister for Home Affairs and Justice, something that you may aspire to someday yourself, Mr Turnbull.

There were 400 stakeholders who contacted the inquiry that was conducted by former Premier John Brumby in relation to this issue. The report found that the workload of administration in this particular area had increased significantly and we needed to get this out of the customs and arrangements recommended what we are doing by way of legislative changes today.
trade measures area and into a stand-alone commission with legislative guidance for the commission's work with increased resources.

We did announce that package in December 2012 and the minister said in a press release when introducing this particular legislation that we would do this, we would create a commissioner's role with legislative guidance and that:

The Commissioner will be responsible for decision-making and other anti-dumping related functions that currently rest with the CEO of Customs and Border Protection.

I think that enhances the legal and financial status in relation to this particular area.

This is very important for my electorate. It is very important for not just many plants across the country, but the Ipswich and West Moreton region has a very important company called Capral, which is a manufacturer of aluminium extrusion products. It is about a 77-year-old Australian company which employs over 900 people across the country. At Bremer Park industrial estate in Ipswich there are 330 workers. Capral can take a 400-kilogram aluminium billet—traditionally it sources that from Australian smelters and turn it into an everyday product—extruding, ageing and finishing that aluminium into numerous shapes and sizes. I had the benefit of seeing that and being there on many occasions. In fact, I can recall I went to a dinner at that particular plant with the member for Oxley, if I remember rightly, where Capral showed what it can do. It was extraordinary capacity. That plant is currently running at about 60 per cent capacity.

The business manager there, Sven Gade, has done a great job and that particular business was honoured on 8 November 2011 in the Chamber of Commerce and Industry Business Awards. He was named the Ipswich Chamber of Commerce Business of the Year at the Ipswich Civic Centre. Sven thanked the Capral team and made the point in his speech that night, that over the past years—talking about the employees—they have been instrumental in steering Capral through one of the toughest manufacturing environments imaginable. Despite the ailing building construction market, Capral has gone from strength to strength. I am pleased that they have increased the number of workers there from 300 to 330.

I have taken the member for Blaxland and the Minister for Justice and Home Affairs to Capral, and I have taken his predecessor to Capral. Phil Jobe has been the CEO of Capral nationally, and I want to pay tribute to Phil's advocacy in relation to this issue. Phil said when he was the managing director of Capral—relating to the reforms that the minister had put in place and what the federal Labor government had done—he was 'pleased with the reforms the government has announced'. In the Queensland Times he made the comment:

The plant at Bremer is world class. It has got the latest technology, it has got a highly skilled workforce and can compete with the best plants in the world. What it can't compete against is products in countries where they are subsidised by governments and where they manipulate their currency. We've been campaigning strenuously for three years for major reform in the anti-dumping regime in Australia that would allow a company such as Capral to put either new cases in or revised cases in that would improve the remedies available to us.

The fact that he happened to thank me and the member for Oxley is neither here nor there. I want to pay tribute to Phil. On 19 December 2002, the board of Capral announced that Phil, whose contract as CEO expires on 15 April 2013, advised that he will not be extending his contract. He did tell me in an email that he would remain as a non-executive director and that Capral had asked him to continue his advocacy in anti-
dumping reform. He said he remained passionate about that particular role, and he would continue to do so.

I am sure that the minister will continue to hear Phil's advocacy for reform. I know that the minister has said that this is yet another part of our reform process and that there is much more to be done.

We are determined to make sure that injurious dumping—which is inconsistent with the international trade rules, reduces competition and afflicts our markets and affects our workers—cannot continue. We have built on the reforms that we announced in the past through the streamlining of this legislation announced when Minister Brendan O'Connor was the Minister for Justice and Home Affairs back in June 2011.

We have made sure that there is a requirement for the minister to make decision in 30 years. We have improved the locus standi of organisations to bring applications in court. This is a particularly complicated area of the law. I have read on numerous occasions advice from Queen's counsel about cases that Capral have been fighting in relation to anti-dumping.

A more effective anti-dumping scheme will support jobs nationally and in Queensland, particularly in the large manufacturing areas around Brisbane and Ipswich. I support this legislation. We on this side of the House are supportive of free trade but we want to make sure that that trade is fair as well. This legislation is good for the local economy and for local jobs in my electorate.

Mr JOHN COBB (Calare) (17:16): I am speaking in support of the Customs Amendment (Anti-Dumping Commission) Bill 2013. I have to say that it is deja vu in the parliament on this issue. Last year, I spoke on the Customs Amendment (Anti-dumping Improvements) Bill No. 3 2012 and said that the government was predictable if nothing else. It does nothing on an issue. Then they try to ridicule the coalition for coming up sensible, sound and needed policy proposals. When they are unable to make that stick, they then turn round and adopt our policy. This is pretty much what they are doing here, so obviously we are going to speak in favour of it. It is needed.

In fact, when you think about, you hear the government bellowing about why the coalition is not coming out with its proposals for the election that, we are told, is on 14 September. They ask why we are not coming out with our costings, totally ignoring the fact that we cannot until they come up with a few budget figures that we are probably not going to see any time soon. The real reason they want us to come up with policy proposals, costings et cetera is so that they can find some policies that they can adopt and sound sensible on—that is a fact. The government is so bereft of ideas that it is desperately pursuing the coalition, trying to get us to release our policies early not so they can ridicule them—which they will do—but so they can adopt them.

Let us get back to this issue of anti-dumping. If you speak to industry, as we have—and I was privileged to be part of the panel that looked at it—the issues become obvious. As always, there are a few different views within industry. But there are issues that stand out. Our anti-dumping system is widely regarded as being far too costly to access and as unworkable in its present form. Perversely, its processes also impose a greater burden of proof—and this has always been true—on local industries than on the competitors who wish to take advantage of our market. Yet the government ignored the issue, so the coalition set out to put in place a robust process to address the problems.
As I said, we set up a task force. The shadow minister for agriculture, Senator Richard Colbeck, Michael Keenan, Sophie Mirabella and I were on that task force, which had the task of extensively consulting a range of stakeholders and of drafting a policy. As a result, our anti-dumping policy was publicly released just over two years ago in November 2011. Further, on 7 November 2011 we said that the provision of extra resourcing for anti-dumping administration was a critical step in facilitating improvements to the system. In short, increased resourcing will almost certainly pave the way for the use of stronger interpretations and evidence in prosecuting dumping cases. It will also be likely to better align Australia's system with those systems in countries such as the USA and EU member states. The USA has always had very strong anti-dumping legislation. In those nations, it is common for the relevant authorities to apply countervailing measures as soon as they are able, within WTO rules, to argue that subsidised imports or potential imports threaten to cause harm to a local industry or industries.

Labor initially slammed our proposals, primarily through its then home affairs minister, Brendan O'Connor, who said over two years ago on 7 November:

Moving responsibility for anti-dumping decisions from Customs to another department is just bureaucratic reshuffling and will take away the responsibility for making decisions from the staff who actually monitor what is being imported into Australia.

However, in 2012 the government announced that it had commissioned former Victorian Labor Premier John Brumby to oversee a review of the merits of transferring responsibility for anti-dumping administration. It was Brumby, in fact, who ultimately recommended the establishment of the Anti-Dumping Commission. That is a little different from saying that it should not be taken away from Customs.

The purpose of this bill is to legislate for the establishment of an Australian Anti-Dumping Commission. The commission will inherit from the international trade remedies branch of Customs the responsibility for investigating and pursuing—and that is very important—anti-dumping cases.

But the critical point is that the Anti-Dumping Commission will be accompanied by increased resources and, as articulated in our policy, this will lead to substantial improvement in the quality of the economic and legal analysis that underpins Australian anti-dumping investigations through a significant sharpening in the skills and qualifications of those people conducting them. In fact, it will be a different mindset and, hopefully, a fresh look.

The government's intention to establish the commission and to inject new funding into the system has generally received strong support from our Australian manufacturers. Principally, they believe that the move will help to enhance the quality of anti-dumping investigations and increase the focus on an issue that is becoming increasingly problematic for a range of our businesses. How do we know that? We know that because we consulted with industry and they told us so. The coalition should be rightly proud of its work on anti-dumping and having played a central role in publicly shaming the government into implementing changes after several years of trying to avoid the issue. I again commend the member for Indi for being so passionate in her pursuit of the issue and her commitment to working with stakeholders to resolve this, and I was very pleased to be part of the panel that did so.

The Australian processing industries have taken a beating in recent years; and, while
the high Australian dollar is a significant factor, it is clear that dumping from other countries is certainly also a factor. As a result, many food processors in Australia have closed or shifted operations offshore. That has had a dramatic effect on the farm sector, especially horticultural production of tomatoes and other foodstuffs. If we actually look at the tomato processing industry in Australia, it has been devastated in recent years by cheap imports, particularly from Italy. Thirty years ago, 400 growers supplied seven canneries; now, I think there are only about nine growers supplying just one processor. If anyone ever goes into a supermarket, it is very obvious that that is a fact. Recent media reports suggest that the EU has protected the processed tomato industry with subsidies since 1978 and currently, for every dollar an Italian farmer makes, the EU puts another 41c in their pocket, which means they can sell to canneries more cheaply than an Australian farmer. That is a fact. The dumping of tinned tomatoes was last reviewed by customs in 2002. They found no 'material injury' to the Australian canned tomato industry. But that was over 10 years ago and I believe that with extra resourcing it is now time to have another look at this issue. We need to look at it soon or customs will again find no material injury to the Australian industry—not because they are not dumping but on the grounds that there is no Australian industry left.

I congratulate the government for adopting our policy even though they could not initiate the solution themselves, but I am very pleased that they have taken this position. I again reiterate that I understand why the government want to release our policies: not so that they can be costed but so they can adopt them. At least they are looking forward a bit and looking for policies that they cannot find themselves. These are policies—I am sure the member for Wentworth would agree with me—that we think about that are meant to be for the nation in the future, not for the party that is adopting them. I support this legislation as it is our policy, and I congratulate the government for finally realising that if they cannot come up with policies for the good of the nation then they can at least adopt ours.

Mr GEORGANAS (Hindmarsh—Second Deputy Speaker) (17:27): Australians like to think of ourselves as being fair—being fair minded, playing by the rules and allowing a fair contest of skill or ideas. We like to think of ourselves as upholding that value of fairness and consider our desire for a 'fair go' in any contest a part of our national character. Some go further than this. Some think that there should be a home advantage in certain cases—that is what you see and hear anyway. I think that in many people's minds local industry and local jobs, as opposed to those overseas, should enjoy a slight home advantage. This has been Australian history for much of the 20th Century. This is a theme that is very close to the hearts of a great many of my constituents that I speak to in the electorate of Hindmarsh and of course the hearts of those of other areas around Adelaide, South Australia and, I am sure, the rest of the nation.

That contest between Australian products, primary and manufactured goods and those from overseas is a topic which gets a lot of attention in the community for two principal reasons: it concerns fairness and it is pretty fundamental to our individual and collective incomes—to all of us—our livelihoods and our survival. Over recent decades and certainly this century, most Australian governments look to fairness and look to a level playing field as being the goal for business and industry. There will always be factors that differ in the production, distribution and costing of manufactured
products and primary industries. But, given these differences, fairness in the marketplace is the absolute goal. We want fairness in a competition between Australian businesses, and that is why we have those rules against practices which are clearly unfair which are enforced by the Australian Competition and Consumer Commission, or the ACCC as we all know them.

Predatory pricing is where one business sells a product at below cost for a sustained period with the sole purpose of driving a competitor who cannot afford to sell below cost out of a particular market. That is against our rules, and we would all agree that it is very unfair. We do not abide by such practices between Australian competitors. We do not abide by such practices of foreign competitors either. For that matter, neither does the World Trade Organisation. Hence our anti-dumping rules, implemented by the Australian Customs and Border Protection Service—our umpire.

Australia's anti-dumping rules and enforcement is necessary so our local industries and businesses are not disadvantaged or forced out of business by an imported product sold below the normal value and cost and dumped on our shores with the sole purpose of putting other businesses out of the marketplace.

This is a period when there is a very high Australian dollar and local producers and manufacturers in Australia are having a tough time against overseas competitors. This is something which Australian businesses have been battling with. In this period, unreasonably cheap competition can be especially dangerous to local enterprises and local businesses. Anti-dumping rules and enforcement are even more important in this climate. The government knows this and has acted.

In 2011 this government announced reforms to improve the timeliness of anti-dumping investigations, improving the access of small and medium-sized businesses to the complaints system and establishing a closer alignment of our systems with those of other nations. Implementation of these reforms is almost complete. Labor has also established the International Trade Remedies Forum to advise government on anti-dumping matters, and elements of the bill before us today stem from discussions between that forum and the government. As we heard earlier, the former Premier of Victoria, Mr Brumby, has also reported to the government on the Australian anti-dumping system and has made recommendations for change. Further improvements to our anti-dumping system have been identified and it is our absolute duty and responsibility to see them through.

The minister has introduced the bill to further improve the responsiveness, the efficiency and effectiveness of the anti-dumping system and to reduce its costs and complexity for industry.

Through this bill we will establish the new Anti-Dumping Commission to investigate dumping complaints, to improve the effectiveness and the efficiency of our anti-dumping system and to make the anti-dumping system easier for small and medium-sized businesses to use the system and increase the resources, including investigators from Customs, to enforce those rules. We will also be increasing the scope or intensity of the potential penalties and remedies in instances of established dumping, which will better protect our businesses. The Anti-Dumping Commission will report directly to the Minister for Home Affairs and will utilise the system of Australian Customs and Border Protection. Australians will approve of these changes. It will be the same principle of fairness but
with the help of a firmer and stronger umpire.

We will have further legislation, probably in the winter session, to enact the next step: changes to the size of penalties, the review processes, appeals, infringement notice schemes and other measures to strengthen the anti-dumping legislation. This is all about fairness and giving Australian businesses, Australian producers and manufacturers a fair go. And who could object to that? Absolutely no-one, we hope. This is a very important bill that will strengthen the anti-dumping laws and put more power in the area of Customs to ensure that people and businesses who are affected by the unfair practices of overseas companies and exporters will be able to go to a particular place and know that their complaints will be thoroughly investigated and that there will be stronger penalties if people are found guilty of dumping. I commend the bill to the House.

Dr STONE (Murray) (17:34): I also rise to talk about the Customs Amendment (Anti-Dumping Commission) Bill 2013. This is a most important area of legislation for Australia, given that we export a huge proportion of our production. We have a very small domestic market—only some 22 million people. When it comes to our agriculture, we export some 60 per cent of all that we produce.

On the other hand, we have an environment where the very high Australian dollar and our tariff regime—which has minimal or non-existent tariffs, except in a few favoured industry sectors like automotive—means we are exposed to product from other countries that is often being offered at prices below the costs of production in the home country.

In 2011-2012, the total imports of foods and beverages, for example, exceeded total Australian exports by $2.8 billion. That represents a huge volume of product coming into this country, most of it from places where there is subsidy embedded in the agricultural production or where there is state managed or state owned enterprise. When it comes to bringing a case against, for example, the importation of canned tomatoes from Italy or canned peaches from Greece, it is extraordinarily difficult for an Australian manufacturer or group of growers to demonstrate quickly and clearly that they have suffered material damage and that the product they are trying to compete against in Australia has in effect or fact been dumped.

I have just come, in the last hour, from a huge meeting of dairy farmers in Tongala. This was a cry from the heart from those producers saying that it is now almost beyond their capacity to continue to produce at below the costs of production. The two major problems are the domestic market failure, with the big two duopolies, Coles and Woolworths, squeezing the price, and the imported product they have to compete against. That product is often disguised or repackaged, in Australia or New Zealand, and the price of the product—whether it is a cheese, an ice cream or some other dairy based confection—is often so low you wonder how it can possibly represent the true value of production, including the cost of its transportation into this country.

This bill tries to produce a better anti-dumping regime in Australia by introducing a new, so-called Australian Anti-Dumping Commission. The commission would take from the International Trade Remedies Branch of Customs the responsibility for investigating and pursuing anti-dumping cases. That, of course, could not be a bad thing. I am sure most people would say that, on the surface, it sounds like a reasonable idea. But it supposes that the relevant Australian industry sectors, whether they involve the manufacture of food, clothing or
footwear—not that we have much of that industry left—or the production of software, have the capacity to investigate the costs of the product that they believe is being dumped. It also supposes that they are going to get sufficient assistance from the Australian Public Service to support their investigations into the true price of production in the dumping country. We cannot take any of that for granted at all.

There is a suggestion of direct additional funding of $24.4 million for the anti-dumping administration, but we are not told where this money might come from or when it might come. We know that this government is in deep, deep strife when it comes to its borrowings. It dissipated the surplus it inherited at the change of government, when John Howard's government was replaced, and there will be no surplus in this coming budget. We are deeply concerned that the $24.4 million, small as it is in the scheme of things, will not be readily found for the new anti-dumping administration. We have already seen the effects of the huge slashing and burning of the Customs and biosecurity agencies, including the corruption that is now being investigated in the importation of contraband product, particularly drugs, in Sydney. Maybe that would not have occurred if the funding for surveillance and proper scrutiny of incoming product had not been so reduced over the period of this government.

We are told that there is an expectation that the commission will be operational by the middle of 2013. Let us hope that is the case. But, if it is to come without at least $24.4 million to support the anti-dumping administration, including the prosecution of cases and tracking down of product costs in other countries, then what is the point of yet another block of administrators or public servants sitting in new chairs in a new office and calling themselves a commission?

We are a naive country when it comes to how we handle our import-export business. We pretend there is such a thing as a level playing field; we pretend there is such a thing as fair trade globally. These are great aspirations, and I would think there are few in this chamber who would not aspire to the glorious ideal of free trade, but the reality is that no such thing as free trade exists around the globe. There are growing subsidies and the use of child labour and slave labour for the production of products such as cocoa. Subsidies are not reducing. We have to have an anti-dumping regime which gives the Australian industry, company or small business all the teeth it needs to prosecute its case and to do it quickly. Too often, when I have been investigating one of these cases, they have cost too much, have taken too long and, by the time there has been some movement, the damage has been so significant that the company cannot survive.

We have here a bill which has borrowed coalition policy, of course, in establishing the commission, but it is different in that we would have had the resources to strengthen our anti-dumping regime. I also hope that someone someday will look at the business of reversing the onus of proof when it comes to establishing a case of anti-dumping for Australian enterprise. At the moment we expect the business or company that alleges antidumping to do all the hard yards: to go and investigate in a country like Thailand or China, for example. Let us take a country where states typically own the enterprises, like China.

We expect a transparent and readily revealed lists of costs—all of the details—so that the case can be built against that nation, in order for the Australian enterprise to prove the case of antidumping. Quite obviously, that is almost impossible to do. If there is a reversal of onus of proof, however, where an allegation is brought, the allegation goes
through a preliminary check and is found to be worthy of investigation, then it is up to the business accused, or where the antidumping is alleged, to prove its costs to the satisfaction of something like the new Anti-Dumping Commission, and so life can go on.

At the moment it is almost impossible for an antidumping case to be brought in Australia. We pay lip-service to the concept, but it is expensive to bring a case and it is extraordinarily long-winded. The chances of you getting true costs from another country to prove your case are almost impossible. You usually have to retreat and become a less viable business, as you are overwhelmed by the unfair competition. A change in food labelling laws would assist us in this whole business of making sure that the consumer is at least more informed about where a product comes from, so if they see an extraordinarily low price they can at least check the label and see where that product came from.

At the moment our food labelling laws make it almost impossible for a consumer to know if the Australian content is just the water in the can, if it is just a little bit of food colouring added at the end of the process or if it is just the crumbing or the curing of the ham that occurred in Australia. It is impossible to really know, if you simply scan the label on the product. All of that plays into the hands of those who aim to dump product on our market.

I think we have to be more grown up about all of this. I am not implying that we wheel back in all of our tariffs; I am suggesting, though, that we live in a climate where we have to manage our trade better. We have to understand that, while we are constantly being told that there is a growing demand for fine food and manufactured food in our region, we have to be realistic about the fact that, at the moment, many Australian farmers are unable to feed themselves and they are unable to pay their bills because of unfair competition.

As I said, I have just come from a rally at Tongala, a town of just 2,000 people, and there were 600 people in the hall. They are people who have been working for nearly 18 months milking their cows seven days a week twice a day with huge costs from additional energy bills brought about, of course, by the carbon tax, the additional pharmaceutical costs and massive increases in their water costs—all of that, and they are being paid below the cost of their production as they bring some of the world's cleanest and most food-secure milk product onto the domestic market. You can understand their despair. They keep being told that if they just produce a good product, if they just work harder, they will have a future. Well, no they will not, because you cannot keep working—whatever your enterprise—when you are not able to meet your basic costs. And, of course, eventually the body wears out and your future generation of dairy farmers turn away and say, 'Why would we bother?'

This antidumping legislation, the Customs Amendment (Anti-Dumping Commission) Bill, is a very important part of the process of making a fairer and better place for our own home-grown enterprise. It is hard enough to survive in our own domestic economy, where we have such a small market and where we have such concentrated buyer power, but then there are also the unfair practices of those whose products are imported—taking advantage of our high Australian dollar and taking advantage of our more poorly resourced Customs checking at the border and our less resourced biosecurity regimes. If companies and individual enterprises keep bringing product into Australia which is below the cost of production, we are going to have to expect that there will be less home-grown product
available for our shoppers to choose from in the future.

I do not think that is a very sensible prospect. I think food security has to be one of the most important issues that any nation addresses. Australia has come late to understand the concept of food security. The Labor government has produced the National Food Plan. I am afraid that antidumping did not have much of an outing in that plan. Certainly, the plan fails to address the extraordinarily difficult economic environment that our food and fibre producers must struggle in to make ends meet in this country.

So I do not oppose the establishment of a so-called Australian Anti-Dumping Commission, but I am concerned that the $24.4 million actually materialises and is dedicated to this commission if it is to be established by the middle of 2013. It will be a farce if all we get is another name on a door and another lot of highly paid, specially appointed commissioners while Rome continues to burn.

Mr STEPHEN JONES (Throsby) (17:48): Since the early 1980s there has been an almost bipartisan position in this parliament that Australia's best interests lay in being an open trading nation. It has been the reason that we can now purchase a TV set for less than we could 20 years ago. It is the reason that we now are able to purchase computers and all manner of other electronic goods for a fraction of what were able to 10 years ago.

It is the reason many Australian working families can afford to have multiple pairs of shoes for their children. When I was growing up if you had more than two pairs of shoes, you were considered to be a wealthy kid. The benefits of having open trade and being an open trading nation have not been without cost. It is absolutely true to say that an open and freer trading arrangement has also been a source of enormous dislocation and restructuring within our own economies, within our manufacturing industries and within our agricultural industries. It is also true to say that those changes have had greater impact on some regions than others. As a trading nation we understand that it is in the broad interest to engage with the rest of the world and enjoy the benefits of open trade.

However, as the minister said in his second reading speech, there are some things that cannot be accepted as part of an open trading scheme, and one of them is cheating—bending the rules. Dumping is cheating. It is not free trade; it is not fair trade; it is an abuse of the system. Industries, companies and workers are injured when goods from overseas are dumped into the Australian market. That is why it is important to ensure that we have a strong, fair and effective dumping regime.

Manufacturing employs over one million Australians and is a key part of a broad based Australian economy, and, whilst there has been enormous restructuring in the economic base of the region that I represent, manufacturing is still an important part of the economy and certainly an important source of jobs for workers within my electorate.

A more effective anti-dumping system will support jobs in our manufacturing sector by ensuring competition happens on a level playing field. That is why I was so pleased when, on 4 December, the Gillard government announced a package of reforms to Australia's anti-dumping system to deliver stronger protection for Australian industry against unfair competition from overseas. Elements of that new package, which built upon three rafts of reforms that have already been introduced into this parliament, are already assisting Australian industry, but key parts of the new reforms include the
establishment of a new anti-dumping commission to investigate complaints, and that is the subject of the bill before the House today. It will further boost funding to Customs by an additional $24.4 million over four years, so that it has the staff, resources and expertise available to deal with cases speedily and fairly. That amount will almost double the resources available in the anti-dumping area of customs. Further, it will make the anti-dumping system easier for small- and medium-sized businesses. It is a key reform for small- and medium-sized businesses—particularly in the fabrication sector in my electorate—that do not have the benefit of in-house lawyers. They are often ably represented by industry associations, but this will make it easier for them to negotiate, to make an application, to keep the doors open until that application is determined. These are key parts of the reforms. The bill will also introduce stricter remedies against overseas producers who deliberately circumvent Australia's anti-dumping rules. Those remedies include the capacity to apply for retrospective penalties from the date when an application is made.

These are important reforms. Establishing a new commission under legislation was a primary recommendation of the review into Australia's anti-dumping and countervailing system by the Hon. John Brumby, the former Victorian Premier and treasurer. The Brumby report found that in the last 12 months prevailing economic circumstances—including the strong Australian dollar, surplus product on world markets and increased competition—have led to the number of new investigations more than tripling over the past two years. Mr Brumby also found that this trend is likely to continue with the expectation that applications for anti-dumping and countervailing measures will continue to rise. The government has recognised that as global economic circumstances change—and Australia is facing intense and in some cases unfair international competition from dumped goods—more needs to be done to ensure that Australia continues to have an effective anti-dumping system.

In many respects this package of measures assists in bringing Australia's anti-dumping and countervailing provisions in line with those of our major trading partners and with the new context in international trade. The government has recognised that, as global economic circumstances change and Australia is facing intense and in some cases unfair international competition from dumped goods, more needs to be done. The new reforms will deliver stronger protection for Australian industry against unfair competition from overseas and, in addition to the significant streamlining reforms to Australia's anti-dumping system which were announced in 2011, will provide some relief, particularly in the manufacturing and agricultural sectors.

The bill represents the next step in the Gillard government's support for manufacturers where dumping is injuring local producers—the creation of an Australian anti-dumping commission. Establishing an anti-dumping commission will increase the profile, status and priority of the anti-dumping system. The commission will be principally located in Melbourne and is expected to commence in July this year. The bill also amends the Customs Act to create the role of and set out the matters in relation to the commission. The commission will be responsible for decision making and other anti-dumping related functions that currently rest with the CEO of the Customs and Border Protection agency. The establishment of this commission will ensure a high level of decision making and reflect the significance of the anti-dumping system in Australia. It will not, however, change or
alter the responsibility of the minister in his
determination powers in respect of anti-
dumping matters.

The bill also amends the Customs
Administration Act to allow the CEO of
Customs to delegate to the commissioner
powers to disclose certain information to the
extent that those powers apply in connection
to paragraph 15(2)(b) of the act and provide
that the prohibition of disclosure of certain
information will also apply to the
commissioner.

Finally, as the commission will be
established as part of the Customs and
Border Protection agency, the bill amends
the Criminal Code Act and Law
Enforcement Integrity Commissioner Act to
ensure that the commissioner is treated
consistently with the CEO and Customs
officers. This means that, like all Customs
staff, the commissioner will be subject to a
range of integrity measures, including drug
and alcohol testing—although I hope that is
never necessary—the mandatory
requirements to report serious misconduct
and termination for serious misconduct.

Importantly, Labor's tough new anti-
dumping measures have been strongly
welcomed by Australian manufacturers,
including the largest manufacturer in my
electorate—BlueScope in Port Kembla—and
the Australian Steel Institute. In Australia it
is not a secret that steelmakers have had to
make a series of tough decisions to
restructure, reduce costs and refocus on the
domestic steel market. In the case of
BlueScope in Port Kembla, this situation has
meant large-scale redundancies and big
reductions in spending, including the closure
of one of its two blast furnaces at the Port
Kembla plant. These changes mean that
BlueScope will focus on supplying the
domestic market, which is around 2.6 million
tonnes per annum. To put that into
perspective, China now produces something
in the vicinity of four to 4.5 million tonnes
per month, which is about twice Australia's
annual output. They are producing more than
twice as much in any one month as we
produce in an entire year. This is important
in a business which is all about scale.

With global growth still in the doldrums,
the oversupply of steel is growing. It is
growing on a monthly basis because many of
these plants simply do not have the same
responsiveness to market pressures as our
steelmaking plants in Australia. The Chinese
government, for example, have estimated
that they have around 150 million tonnes of
excess steelmaking capacity. Other analysts
put this excess capacity somewhere in the
vicinity of over 200 million tonnes. That
means that a whole heap of excess steel is
going to be pushed onto the international
market.

We need to ensure that, when steel from
other steelmakers around the globe enters
international markets, it does so in
accordance with the rules of fair and free
trade, and that it is not dumped here. These
new measures will support local steel
industry jobs in the Illawarra and beyond.
This new anti-dumping approach is about
fairness. We do not allow unfair trade
practices by our own businesses and we
should not allow Australian jobs to be
jeopardised by unfair trade practices from
overseas.

These rules for free trade are set out in the
general agreement on trade and other
bilateral agreements. These rules allow
signatories to impose corrective measures to
respond to dumping of goods and certain
subsidies, known as countervailing
measures. The World Trade Organization
oversees the rules, and in Australia there is
also oversight by the courts. Some in debates
such as this argue that the imposition of
corrective measures or an effective tariff in response to dumping is a retreat to protectionism, that the efficient allocation of resources in Australia simply props up inefficient industries. Others in the debate go even further and argue that, if a company or a country is willing to subsidise Australian consumers by selling us goods which are heavily subsidised or at below cost, then we should just grab this with both hands. I argue, and the Australian government argues, that this is very short-sighted.

Importing goods at below cost might provide some short-term windfalls for some consumers but this comes at the price of long-term headwinds for open trade; what the Productivity Commission describes in its reports on our anti-dumping and countervailing measures system as ‘a system preserving benefits of our anti-dumping regime’. Put simply, the factory worker who loses his job and the farmer who loses access to a local market will turn their sights on a bigger target: the whole system of open trade itself. So, without these measures, and without the capacity for us to turn to local workers, local businesses and industry as a whole and say that we have a free but fair system of trade rules, we lose confidence in the whole system of open trade.

Australian manufacturers know that competing on price alone in this global marketplace is not easy. It is harder still when companies sell their goods at below cost with the objective of injuring a domestic producer and wiping out a whole market. As a country with a strong commitment to free trade, Australia cannot be seen as a soft touch for those seeking to dump their goods into our markets. As I said at the outset, strong anti-dumping measures are about fairness and they are a buttress for a free trade system.

This government has shown a strong commitment to our manufacturing sector by these and other measures. We believe in the future of Australian manufacturing, which still employs around one million workers more than the mining and resources sector. Open trade remains a cornerstone of our economy, but to ensure the integrity of our global market in which we trade our goods, we also need to continue to ensure Australia has a tough and responsive anti-dumping system, to ensure that our policy meets its national as well as its international objectives. I commend the legislation to the House.

Mr CRAIG KELLY (Hughes) (18:03): It is good to be given an opportunity to discuss this important and critical issue of dumping, to provide an update on some of the prevailing issues and to consider their relevance to the establishment of an independent agency with the responsibility for monitoring and combating dumping in Australia, as this bill seeks to do.

Dumping is an important issue of concern across many sectors in the Australian economy. That is reflected by the fact that this House has considered some five tranches of legislative improvements over the term of this parliament. However, I must state that this piece of legislation before us today is certainly somewhat better than the piecemeal approach contained in the previous tranches of legislation this parliament has dealt with over the past 48 months.

What we see before us in this legislation is a bill to give effect to the establishment of an Australian anti-dumping commission, with funding of $24.4 million over the forward estimates. However, there remains the question of the source of this money, and I am yet to hear a clear indication from any government speaker about how this will be funded. Hopefully, the minister will
enlighten those listening to this debate when he makes his speech in reply.

I feel compelled to note my surprise at this move, the most coherent and direct of this Labor government's attempts to deal with the issue of dumping, to establish a dedicated agency to deal with the problem. Of course, the former minister responsible criticised this very policy when the coalition announced a very similar policy last year, with the coalition's anti-dumping task force. So the government seems to have achieved a degree of clarity in this fundamental policy area, which is good, albeit piggybacking on a previously announced coalition plan. Once again, we see the coalition taking the lead from opposition.

The government certainly must feel embarrassed following their relentless negativity and hysterical response to the coalition's anti-dumping policy, which they now seek to copy. Indeed, at the very height of their shrill response to its release, the minister for trade, in a performance comparable to his off-key singing, said the coalition's policy indicated a 'willingness to breach the world trading rules and tear up trade agreements with neighbouring Asian countries'. Now Labor seek to adopt almost that very policy for themselves. Quite an embarrassment indeed.

Another point that is interesting to note was the necessity for the Labor government to hire an old Labor mate to draw up these recommendations. It is just another example of Labor waste, but you have to ask how Mr Brumby earned his pay cheque. It was not hard because he could have got this entire policy by downloading it from the Liberal Party website.

We might ask ourselves: why has the government decided to finally copy many parts of the coalition's policy? Perhaps it has something to do with other government policies that have made Australian manufacturing uncompetitive, such as the government's carbon tax. By imposing a carbon tax on Australian manufacturers when such a tax is not levied upon our foreign competitors, we are simply putting our Australian businesses at a competitive disadvantage. It is natural that many of these companies with all these high costs of producing goods onshore in Australia are seeing goods produced offshore flooding into the country at prices lower than they can manufacture them at. It is not because they are doing anything wrong or because their business models are uncompetitive; it is simply because this Labor government is burdening them with taxes and extra expenses that they have to pay but overseas competitors do not. Is it any wonder that we have seen hundreds of thousands of job losses in the manufacturing sector under this Labor government?

I would like to correct something that the good member for Throsby said. He mentioned that dumping is selling below cost. That is not correct. According to the World Trade Organization's definition, dumping is not simply selling goods below cost and nor is it selling them for an anticompetitive purpose. The World Trade Organization's definition of dumping includes merely selling a good at a lower price in a foreign market than what is charged for that same good in the exporter's domestic market. Effectively, anti-dumping legislation attempts to ensure that a company makes the same levels of profit in the export market as it does in the domestic market.

We need to be careful that this legislation does not set off trade disputes with other countries. There is hardly an exporter in Australia also selling their goods on the local market that does not go in with a slightly sharper pencil when competing in more competitive overseas markets. Under World
Trade Organization rules, that could be deemed as dumping.
When it is all boiled down, dumping is merely geographic price discrimination on an international basis—selling the same good in different markets, segmenting those markets by international boundaries and charging different prices.

If speaker after speaker on both sides of this parliament comes in here and condemns international geographic price discrimination, we also must condemn geographic price discrimination when it occurs within our borders, especially when it causes or threatens to cause material injury to an Australian business. If we fail to do so, if we fail to include geographic price discrimination in our own laws, we are nothing more than hypocrites. For while it is important to have an effective law to deal with geographic price discrimination when it occurs across political boundaries and internationally, it is equally important to have such a law when it occurs within Australia’s regional boundaries.

In the home of free-market capitalism, the USA, the Robinson-Patman Act has a specific provision to deal with geographic price discrimination within America. That act says in part:

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

These competition laws simply do not exist in Australia. Where we experience geographic price discrimination within our boundaries, affecting regional parts of Australia, we simply have no provisions to deal with that, but there are provisions in place for goods that come from overseas. We need to address both issues.

We should not be concerned only about goods being sold substantially below cost or below the cost at which they are sold in international markets. Another issue this parliament should be addressing is the reverse of international geographic price discrimination; it is what you could almost call international price gouging. One only has to look at the higher prices paid by consumers and businesses in Australia for goods that are available much more cheaply overseas. I will give a couple of examples.

In the Adelaide Advertiser today is an article titled ‘The great Aussie pricing disparity’. Under the heading ‘Highway robbery’ were listed several items that Australian consumers pay higher prices for because firms are engaging in international geographic price discrimination against Australia, charging much higher prices in the Australian market. A stunning example is Levi’s 501 jeans. News Limited analysis is that Levi’s 501 jeans in Australia sell for $109.95, yet those same jeans are available in the USA for $62.18. So Australian consumers are paying almost 50 per cent more. We need to ask: what is the cause of this higher price? Is it the manufacturer overseas? Is it Levi’s engaging in international geographic price discrimination? Or is it a lack of competition in the Australian market? These are the issues we should be looking at in this parliament. Another example is Colgate toothpaste. While consumers in America pay a little over $2, it is $3.15 in Australian supermarkets—again 50 per cent higher. Again we should be asking: what is the cause of this discrepancy?

It does not stop with those products. A two-litre bottle of Coca-Cola sells for $3.79 in Australian supermarkets. That Coke is made using the same method around the world in highly efficient automated plants. Yet last year, when I was on a delegation to
Taiwan, at a small 7/11 supermarket that same two-litre bottle of Coke was selling for the equivalent of $1. You only have to look online and you can see that same two-litre bottle of Coke being sold in the USA today for around $1 to $1.20—yet it sells in Australia for $3.79. So we need to ask ourselves: is Coca Cola engaging in international geographic price discrimination against Australia? Or is it a lack of competition in the Australian market?

A few other examples of geographic price discrimination, or reverse dumping, in Australia are in our tech sector, for IT products. A few examples have been drawn to my attention of how Australians are paying much higher prices. It is not only Australian consumers; it is Australian businesses as well, which puts those businesses at a competitive disadvantage. For example, for Creative Cloud, from Adobe—which is something you actually buy online, so there are no additional distribution costs whether they are selling it here or in the USA—Australian consumers pay $62.99 whereas in the USA they only pay $50. A worse example is Adobe CS6 Master Collection, again something you can buy online, so there is no additional cost of distribution—we cannot argue about any different cost in freight. If I were a US citizen I could buy it and pay $2,599. But if I am based here in Australia, and I download exactly the same item, Adobe will charge me $4,344. That is almost 50 to 60 per cent higher in price.

The same goes for Microsoft. An example: Microsoft Windows 7 Home Premium to Professional upgrade—again, a product that can be downloaded, so there are no additional costs to Microsoft in whichever market they sell. As a citizen of the US I could download that and pay $89.95. But downloading that in Australia I pay $104.99—more than 20 per cent more.

These are some of the issues we need to look at. If we are going to look at international geographic price discrimination, where goods are being sold too cheaply in Australia, we should also look at the complete reverse—where Australian consumers and Australian businesses are paying higher prices, because that makes us uncompetitive.

In my few remaining minutes, I would also like to draw the attention of the House to how some of the anti-dumping regulations can actually be used against consumers and against industry and be ineffective. The example I would like to give is bedroom furniture, and the dumping regulations that were applied in the USA from Chinese bedroom furniture manufacturers. Since 2004 the US Department of Commerce imposed strict anti-dumping penalties on wooden bedroom furniture that was imported from China, deeming that those products had been dumped into the US market for less than their fair value. These products had an additional tariff on them from one per cent to more than 200 per cent of the import value. But this did not save the US furniture manufacturing sector. Despite these dumping duties the US have seen a massive decline in jobs in the furniture industry, a massive decline in the number of local sales and imports take up to 80 per cent of the market—a complete reversal. So we need to be very careful and not overplay these anti-dumping regulations, because sometimes they can be used against our industries. Also, there are many Australian companies that rely on components in their production chain, that produce those goods here in Australia. We have to be careful that, as these anti-dumping regulations come in, they are not adversely affected and there are not delays or additional costs put on those companies—(Time expired)

Debate adjourned.
BUSINESS
Federation Chamber

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:19): by leave—I move:
That so much of the standing and sessional orders be suspended as would prevent:
(1) the meeting of the Federation Chamber on Thursday, 14 February 2013, commencing at 9 a.m. and extending until approximately 1.45 p.m.; and
(2) Government business having priority from 9 a.m. until approximately 1.45 p.m.

Speaking briefly to the motion before the House: this will simply facilitate more members speaking on both the appropriation bills that are currently being discussed in the Federation Chamber, but also a number of referrals that have been made from the main chamber, where a number of members have requested a timely ability to contribute to the debate on the resignation of Pope Benedict XVI. Hence that will be listed first after the appropriation bills that are currently being debated in the Federation Chamber. I thank the House for its cooperation.

Question agreed to.

BILLS

Customs Amendment (Anti-Dumping Commission) Bill 2013
Second Reading

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

Mr ZAPPIA (Makin) (18:20): I rise to speak in support of the Customs Amendment (Anti-Dumping Commission) Bill 2013, and I welcome its introduction into the House. Dumping is becoming a major problem for Australian manufacturing industries and for Australian farmers and food producers. It will continue to be a problem, and become a more serious problem in the future, because of a changing global economy. The global economic downturn, and the widening gap between the cost of labour in Australia when compared with labour costs in many other countries, is going to continue to cause problems for industries within Australia. The global economic downturn has also led to two serious affects for Australian manufacturing and food-growers.

Firstly, the value of the Australian dollar has risen in response to Australia's more stable and stronger economy. Secondly, consumption has fallen across many countries, resulting in an overproduction of products and little demand for them from their previous markets. Australia is seen as a secure country in which to off-load goods when previous markets have dried up. It is also seen as a country to dump goods by industries who—because of the global financial downturn—are in financial difficulty and having a fire sale of their products.

In response to those threats, in June 2011 the government announced a series of reforms to protect Australian industries and Australian jobs. These were the most significant Customs reforms in more than a decade. The reforms will result in better access to the anti-dumping system, faster remedies and faster decisions, improved quality of decision making, greater consistency with other countries and stronger compliance with anti-dumping measures. Under the reforms a new anti-dumping commission will be established to investigate dumping complaints, improving the effectiveness and efficiency of our anti-dumping system. The anti-dumping system will be made easier for small- and medium-sized businesses to use; including by providing further funding for the International Trade Remedies Adviser to provide information, advice and support to small- and medium-sized enterprises.
Funding to Customs will be increased by $24.4 million so that it has the resources to deal with cases speedily and fairly, include almost doubling the number of investigators. Higher dumping duties can be imposed in cases where significant numbers of Australian small- or medium-sized enterprises are being injured by dumped goods. There will be speedier reviews, stronger remedies and higher penalties in cases where overseas producers or importers do not comply with, or deliberately circumvent, Australia's anti-dumping rules.

This bill implements three specific reforms. Firstly, the bill amends the definition of subsidy to more accurately reflect the language of article 1 of the Agreement on Subsidies and Countervailing Measures and to clarify that a subsidy is a financial contribution, income or price support that confers a benefit—whether directly or indirectly—in relation to the goods exported to Australia. The bill introduces a new section to provide that, where a countervailable subsidy has been received in respect of goods, the amount of the countervailable subsidy is determined by the minister in writing and should be worked out by reference to the units of those goods.

Secondly, the bill has amendments to deal with circumvention activities. Circumvention is a trade strategy used by the exporters and importers of products to avoid the full payment of dumping and countervailing duties. Circumvention behaviours take various forms, but they all aim to ensure that goods do not attract the intended dumping or countervailing duty. This bill will allow the minister to amend the original notice imposing the dumping or countervailing duty, including by extending the notice so that it applies to different goods, exporters and countries which were not specified in the original notice.

Thirdly, the bill deals with noncooperation in relation to dumping investigations, reviews or continuation inquiries. Schedule 3 also clarifies the provisions that deal with sampling in relation to dumping and countervailable subsidy inquiries and consolidates them into one provision. Sampling is currently undertaken for dumping and subsidy investigations. Sampling is also undertaken where the number of exporters who provide information is so large as to make a determination for each individual exporter impracticable. The minister may limit his or her examination to a selected number of exporters who are a statistically valid sample or who are responsible for the largest percentage of the volume of exports from the country in question that can reasonably be investigated.

Dumping is destroying Australian businesses and Australian jobs. Often when those jobs and industries are lost, they are lost forever. Competing on a level playing field is one thing, but competing with products that are sold below cost is another. That is what is happening. That is why this legislation is timely and why it will be welcomed by Australian industry and Australian workers.

I have had several representations about this matter from industries and residents within my electorate. One of the manufacturing industries that is currently being directly affected by alleged dumping is Tindo Solar, located in Mawson Lakes in the Makin electorate. I understand that Tindo is Australia's sole manufacturer of solar panels. The company began production in November 2011 and was officially opened by Prime Minister Julia Gillard on 26 October last year. At the time, Prime Minister Gillard, the Premier of South Australia, the Hon. Jay Weatherill, the Minister for Industry and Innovation, the Hon. Tom Koutsantonis, and
I attended the official opening and were given a tour of the facilities. It is indeed an impressive manufacturing plant that I have no doubt can compete with plants around the world.

Tindo manufactures what the company refers to as 'technologically advanced, high-performing solar panels' and claims that it can compete with the real cost of solar panels that are being manufactured in China and other places. However, because of the glut of panels across the world—particularly in China—that are being dumped below cost on the Australian market, Tindo believes they are no longer competing on a fair and level playing field. They are confident of competing against real costs of manufacture but not when products are then sold below cost. That appears to be happening with respect to solar panels and, not surprisingly, we have seen the cost of panels come down in Australia. I suspect that part of the reason for that is because the allegations made by Tindo Solar are in fact true and that panels are being dumped on the Australian market at below cost. Proving that products are sold below cost is extremely difficult, particularly when those products are manufactured offshore in a country where we have no ability to carry out investigations.

Last year BlueScope Steel made similar claims about cheap imported steel coming in from Taiwan, South Korea, Japan and Malaysia, affecting production at the BlueScope Port Kembla plant and resulting in job losses. The member for Throsby referred to this matter in his own comments about this bill. Similar claims were made about paper imports from Indonesia and China and the effects they were having on the timber and pulp industries in the south-east of South Australia. I am well aware of the campaign that was raised at the time to try to prevent those cheap imports from coming in, because it was directly affecting output from the plants in the south-east of South Australia and in turn having a direct effect on South Australian jobs.

Concerns are also affecting our nation's food producers, and the member for Murray quite rightly referred to this concern. I have had several discussions with food producers who are not only competing at times with food produced overseas and being sold, in Australia or overseas, below cost but competing with food grown in countries where growers are provided with government tax breaks or government subsidies that do not apply here in Australia. Only last Sunday I spoke to a well-known South Australian winemaker, who raised with me his concerns about the unfair competition Australian winemakers are now facing from overseas produced wine.

The unfairness relates not only to the Australian market but to overseas markets that Australian winemakers were previously exporting to. Trying to stamp out dumping of products in Australia is one thing; competing with them when they are being dumped in a market in another country, but a market that our own producers have relied on in the past, is another—and perhaps a much more difficult matter to deal with. Nevertheless, it is happening. And it is happening because right now, as a result of the global financial crisis, there are companies around the world that are seeking to offload their products—products that in many cases they have in storage and are holding on to at below cost in order to recoup some money on them.

Additionally, our growers are continually having to compete with an oversupply of products resulting from good seasons in other countries. That is another concern that is very difficult to control but that nevertheless sees products being dumped both here in Australia and overseas in markets where growers are competing to
have their products sold. In fact, I have also spoken with several fresh food growers and vegetable growers who are telling me that they equally are now facing serious difficulty as a result of fresh food coming into this country. There is no question in their minds that these products are being sold in Australia below cost.

This legislation will not resolve all the problems I have eluded to, but it is indeed a step in the right direction. It is a step that, as I said at the outset, industries and workers in this country will welcome. It is a step that closes some of the gaps, some of the holes, and enables Australia to better control products that are coming into the country and being sold at below cost. It is a step that does a great deal to protect the jobs of Australian people and the businesses that employ those people. In my own electorate there are about 8,000 people who work in manufacturing. Manufacturing is one of the industry sectors that is most at risk as a result of products being dumped into this country. If this legislation can act in any way to safeguard any of the industries or the jobs of those 8,000 people I refer to—or in fact the one million around the country who are also employed in manufacturing—then it will be worthwhile. I commend the legislation to the House.

Ms MARINO (Forrest—Opposition Whip) (18:34): The Customs Amendment (Anti-Dumping Commission) Bill 2013 is what we see as the next stage of the government's revamp of customs procedures, which it claims will enhance our anti-dumping capacity. It will allow the establishment of the Anti-Dumping Commission as a part of the Australian Customs and Border Protection Service and establish the role of Commissioner. Dumping is defined by Australian Customs as a form of price differentiation whereby goods are exported to Australia at a price that is below their 'normal value'. It also includes the use of export subsidies paid to the benefit of a foreign exporter of goods into Australia, either directly or indirectly, which gives a price advantage to the foreign entity that causes or threatens to cause material injury to an Australian industry. Put simply, anti-dumping measures are applying a temporary import duty, called an 'interim dumping duty', on products that are sold below the cost of production and a 'countervailing duty' for subsidised products in order to eliminate the cost advantage that would give a foreign supplier an unfair advantage and damage local production.

Many countries around the world, as we know, provide advantages for their industries, such as low input and labour costs and low levels of necessary compliance with government regulations. These in turn provide cost advantages to their products in mature overseas markets, where local producers are inundated with compliance and cost issues. In this international marketplace Australia, which produces some of the best-quality and most efficiently produced food and fibre in the world as well as high-quality manufacturing goods, often we struggle to compete on price alone. Frequently in the agricultural sector a large amount of research and development funding is being required to maintain our edge The agricultural sector was growing its production at over two per cent a year in efficiency, and this was quite above the normal rate, but it has come back to around one per cent in recent times.

That is also as a result of some of the challenges facing our growers and our farmers. Of course, one of the only ways that our primary producers can manage this and manage the challenges of the international market is to manage their costs of production. There is innovation, there is cost of production, and there are efficiencies. That is what Australian growers do very
well. What really concerns me is that, in our effort to compete internationally, we do not need to make compliance to the extent where we are far less competitive by adding unnecessary cost to our local growers and producers and increasing the cost of doing business in Australia compared to international competitors. That is where we are at. I would say this has been much worse because, when you look at the costs added to an Australian producer, the cost of a carbon tax is right up there.

I talk to the dairy farmers and the dairy groups and, of course, they have to compete on an international stage and they have to compete in an international market that has a number of subsidy advantages—either subsidy, or tariffs or both. They have, through their efficiency, through their innovation, through their productivity improvements, been able to compete, but the more cost you add to that here the less they can be competitive. For instance, there is an excess of nine billion litres of milk that has to be cooled on farm, and we do know that our dairy manufacturers have been affected by the carbon tax. That adds cost which does not help any of our primary producers or their ability to compete in an international market. Any business that uses power is going to feel any increase in cost imposed by this Labor government. Almost every business in Australia is less competitive in overseas markets, if they are able to export, and less competitive in their own domestic markets against foreign imports because you have increased the cost of their production systems, and that is what we have seen.

It should also be noted by the parliament that the Labor government has a really poor record of defending Australia's borders and maintaining our quarantine and biosecurity. We have an international reputation as a clean and green producer and we should be guarding this. The government clearly has no care for this issue. It does not understand how important our clean and green reputation is around the world. We can see what has happened in China. We can see some of the challenges with consumption of products. That is why maintaining our quarantine and biosecurity measures are so important, but what we have seen is that Labor has consistently stripped funding and personnel from all of the Commonwealth law and border enforcement agencies. To those of us who are in the primary production sector this is front and centre of the problems that we face. Our borders are critical, and our clean and green reputation around the world is the best-selling tool that we have got. People around the world buy Australian produce because they know it is clean and green, but it only stays clean and green if we protect the integrity of our borders and our biosecurity.

I know that the government has taken a further million dollars this year from the Australian Commission for Law Enforcement Integrity and that includes 750 staff cut from Customs. So we are going to be inspecting less cargo. There is to be $64.1 million cut from Customs in the 2011-12 and 2012-13 budgets. Each one of these measures affects our capacity to manage our biosecurity. There has been $264.5 million and 97 staff cut from the Australian Federal Police, and $22.2 million and 144 staff have been cut from the Australian Crime Commission. We know that there have been $15.2 million and 35 staff cut from AUSTRAC and $8.7 million from CrimTrac and $1.2 million from the Australian Commission for Law Enforcement Integrity. Last year the Community and Public Sector Union confirmed the damage that Labor's staffing cuts are doing to Australia's national security.

Regional Australia, especially our agricultural sector, is extremely concerned.
The Beale quarantine and biosecurity review was commissioned by Labor and it called for hundreds of millions of dollars to be spent on AQIS and quarantine annually to provide proper, real protection to our nation's borders so that we can compete internationally and maintain our clean and green reputation and our capacity to produce some of the best quality food and fibre in the world. Instead of heeding the Beale report, the government failed to act, except to spend 2½ years since its release running it down and stripping out its assets. This is particularly important in this debate because, without any price advantage and with additional cost applied by this government, Australian producers and manufacturers have to rely wholly and solely on their capacity to improve their productivity, on quality and on safety to compete effectively in the marketplace, be that domestic or international. We do know that the products that are being imported into this country do not have a carbon tax or certainly not one at the price that Australia has. Australian agricultural and food producers can only rely on that clean image of high quality to find markets. We need to retain that.

If you look around the world, in the future there is a premium on being able to produce some of the best quality food and fibre in the world. Agricultural production in this country drives $155 billion a year in economic production—over 12 per cent of GDP—and yet I do not see the Labor government placing a value on this and being prepared to protect that opportunity and the capacity to produce food. Australians have never gone hungry. Our food and fibre producers in this country produce some of the best quality food in the world, and Australians have never been hungry as a result. Agricultural production in this country supports around 1.6 million Australian jobs and $32 billion a year in farm exports. We do know, because I have said it frequently, that during the global financial crisis it was not acknowledged in this place, particularly by the other side of politics, that it was agricultural exports that kept Australia out of technical recession.

But how often was that recognised here. And how often since that time has more and more been removed out of the agricultural and biosecurity budgets. It has been a constant cash cow for this government. As for producing in this environment, productivity, innovation, research and development and protection of our borders are all key issues affecting growers in this country.

If we are competing with foreign food products that are cheaper and are underwritten by cheap labour or low-quality controls, our producers have to rely on their capacity to innovate, and they are innovative. I have great confidence in our farmers. We also rely on the perception in the international markets that we have a higher quality, safer and more ethical reputation. That is what we sell. We do not just sell a product. But it has to be maintained. Our border and biosecurity protection, our AQIS and quarantine are critical in this. Around the world I do know that Australian produced food is regarded as safe, clean and green. But the government is taking it for granted. It is essential that we maintain this reputation, but it is being put at risk by the incompetence over biosecurity. Our worst fears look increasingly likely as the government continues to ignore glaring failures in proactively protecting Australian shores from pests and diseases.

Australian farmers and food manufacturers know that their greatest selling asset, Australia's virtually disease free status, is at risk. We in rural and regional areas, we who are producers, understand this
very well. But we cannot get that message through to the government. We see cut after cut. I despair to think what is going to be in this next budget. What is the next hit that agriculture, research and development, biosecurity or border protection are going to have to wear because of this government's addiction to wasteful spending. For example, Labor's 2009 federal budget slashed $58.1 million from the quarantine and biosecurity budgets and reduced inspections of arriving passengers and cargo, leading to the loss of 125 jobs. We know that the cuts to screening by the Rudd-Gillard government reduced the number of potential sea cargo inspections by 25 per cent, and 2,150 fewer vessels are being boarded on arrival. Labor has cut aerial surveillance by $20.8 million and 2,215 aerial surveillance hours, or more than 90 days. Labor cut boat interception funding by $48.1 million over the forward estimates. In 2012-13 budget, Customs was forced to cut 1 in 5 senior executive service officers. Labor has cut $9.3 million in 2014-15 to Customs in a plan to reduce capital spending and other 'low-risk' organisational activities.

These are critical matters for all of those who are producing food and fibre in this nation. What we have seen consistently from this Labor government is the failure to acknowledge the fact that they are critical. We have seen attacks on those budgets. What bothers me and others on our side of politics is what the next round of cuts are and how this government is going to continue to add costs. The diesel fuel rebate is coming back—another six-odd cents a litre. Every single thing we use, build with and use in our businesses is delivered on the back of a truck and everybody in regional Australia is actually going to have to pay more, and our capacity to produce and compete in international markets is going to be further compromised. Just consider how many kilometres the vehicles and prime movers do to deliver to us on a daily basis. Every single thing I use in our business on the farm and in our regional community arrives on the back of a truck. We will see that come into being in 2014 if this Labor government stays in office. We need to make a change.

Mr McCormack (Riverina) (18:49): It is a pleasure to follow the member for Forrest, who is always passionate about these particular agricultural and rural issues. She is a strident advocate for all things regional for her electorate and I commend her for it. I just received an email from Barney Hyams from Batlow in my electorate. He wrote that, in relation to this anti-dumping bill, I should highlight the effect that Chinese apple juice concentrate is having on Australian apple producers, with local growers now struggling to find a market for their processing apples due to manufacturers importing cheap Chinese apple juice concentrate. In fact, he said the amount of Chinese juice concentrate imported into Australia is the equivalent to the whole Australian apple crop being turned into juice. And, of course, China does not have the same high food safety production systems adopted by Australian producers. He further notes—and he is a keen observer of parliament—that the member for Fremantle is at the table. Mr Hyams said that she would know the damage being done to the apple producers of Donnybrook by cheap imported Chinese apple juice concentrate.

We know that anti-dumping measures need to be put into place. There is no better form of flattery than copying someone else, and certainly the Labor government is copying the coalition when it comes to the Customs Amendment (Anti-Dumping Commission) Bill 2013, because it is something we have been fighting for for a long time.

The bill's passage will result in the establishment of a new body known as the
Australian Anti-Dumping Commission. The government intends to empower this new body with the responsibility for anti-dumping investigations as a means of addressing some of the many stakeholders concerns about unworkability of the existing arrangements and the many complexities, and significant complexities they are, and costs associated with accessing the system.

There are all sorts of problems with dumping in Australia. No matter how we try and what sort of commissions or organisations we put into place, as we just heard from the member for Forrest we are going to have problems whilst ever the government does not fund our quarantine system to the level at which it ought to be funded and does not fund it to the point where it can actually stop a lot of the dumped produce coming into our nation.

In July last year there was a particular problem in my electorate concerning growers who raised three matters with me: a tenfold increase of federal Labor government charges associated with registering a facility for export; lack of drive and support for opening and maintaining export market access; and failure to impose the same quality restrictions on imported goods as Australian produce goods. It strikes to the heart of this debate that we are having tonight.

In July 2012 orchardists received a notice from the Department of Agriculture, Fisheries and Forestry advising new charges and fees to be imposed to register sheds for packing oranges for export. The new annual charge for registered establishments under what is called 'Tier 3 protocol markets' increased, under this new law put in place by Labor, from $550 per annum to—wait for it—$8,530. That is on top of the high Aussie dollar. That is on top of the fact that they were having their water taken from them. That is on top of all the other things that are affecting the markets and their ability to make a profit. It was a significant increase and an unfair and unwarranted increase which orchardists have no way of recouping. I am told that for a registered inspector to give the shed the all clear could, in some instances and depending on previous standards met et cetera, take as little as 30 minutes to an hour, which seemed, considering one of the new fees is as high as $8,530, quite exorbitant, if not downright outrageous. This was not just happening in Griffith, this was happening right throughout Australia.

Growers feel they were given very little warning about these changes—nothing new about that, coming from the Labor government, because everything they do is policy on the run and, 'Let's waste money here, but hit Australian families and Australian businesses on the other hand.' The move to a centralised unit in Melbourne for the south-east region plant export program is, as my citrus growers believe, bureaucracy gone mad. Indeed, they were right. Unfortunately, they were the ones who had to foot the bill, as always. Growers, families and small businesses are being hit in the neck by this uncaring, wasteful government. The orchardists felt that in addition to the increase in fees, the federal government placed undue barriers on new entrants to the export market. There is failure to assist growers to help their produce to enter key markets, including Japan.

On one hand they are being hit by imports coming in and flooding the market. On the other hand, when they tried to send our—as member for Forrest quite correctly pointed out—fresh, clean, world's-best produce overseas, they were being impeded all the way. And who by? The Labor federal government—the Commonwealth government which should have been
supporting them, helping them and doing whatever it could to make sure that they were able to operate in the so-called free-trade market that we are supposed to be in. The level playing field which—as you would know Mr Deputy Speaker, coming from Maranoa—does not really exist.

Growers believe assistance into the Japanese market could inject many tens of millions of dollars into Australia's balance of trade. In addition to facing difficulty entering the export market, growers feel that they were being disadvantaged in the local market as they were forced to compete with citrus juice and citrus juice concentrate being sourced from overseas countries, particularly Brazil. This has seen many Australian growers withdrawing their juicing varieties. Australian citrus juice is of the highest quality and meets our very high, stringent standards—as it should. Growers are concerned that the imported juice does not appear to be required to meet these standards, and that is a common theme coming from my Riverina electorate, coming from the electorate of the member for Murray and, certainly, from the electorate of the member for Forrest.

Furthermore, many citrus growers are being forced to dump their fruit at record levels as the increase in cheap imports and the high Australian dollar allows juice companies to offer as low as $25 per tonne for navel oranges and the fruit is selling for $4 a box in the cities. So how can they compete? It is just heartbreaking to see this fruit either rotting on the vines or being stripped, laid on the ground and then churned back into the dirt while the good folk of Griffith, Leeton, Yanco and other places in my electorate just watch as their year's produce—their year's work—gets turned over into the ground. It is absolutely shameful and heartbreaking.

Local growers have expressed their dismay at this situation and they believed back then it was the worst case of dumping in history. Nothing has changed. It is still the same today. Citrus growers have a strong history in the Riverina and have spent a century doing what the nation has asked them to do—to produce food to feed us and to produce food to feed foreign nations. It is imperative that the government ensures that Australian produce has the opportunity to thrive not only in local markets but also in the international arena.

I am quite pleased that this Customs Amendment (Anti-Dumping Commission) Bill is going to be put into place, and I certainly hope it is effective. I referred to that huge increase from $550 to $8,530. I wrote to the Minister for Agriculture, Fisheries and Forestry, Senator Joe Ludwig, and I received a reply. It took him nearly two months, but I got the usual standard words from him and, really, it gave my citrus growers absolutely no hope or recompense for the problems that they felt were brought upon them by the Labor government. Only this week, Graham Gorrel, a friend of mine and a columnist in the local newspaper—indeed, Graham Gorrel was the editor of the Daily Advertiser newspaper when I began my journalistic career, and I followed him as the editor of that publication—wrote to me:

I notice in the past week the prune growers in Australia are facing dwindling markets because of cheaper imports, due to the high Australian dollar and the usual raft of other problems. Then a friend told me growers at Shepparton left either 60 tonnes (or it maybe 600 tonnes, but either way a lot) of apricots to rot because SPC couldn't handle any more for processing. … isn't there some way a Federal Government (of any persuasion) can't simply say no more imports of fresh produce in times like these or at any time for that matter? It is ridiculous that we pay less than half the price of Australian vegetables and
fruit for overseas produce like grapefruit, oranges and onions, notably.

Of course, he is so correct.

I notice that earlier in this debate the member for Throsby was talking about the dislocation for manufacturing and for agriculture when we entered these so-called free-trade agreements. He is right. There has been severe dislocation for manufacturing—

Debate interrupted.

**ADJOURNMENT**

The SPEAKER (19:00): Order! I propose the question:

That the House do now adjourn.

**Macarthur Electorate: Australia Day Honours**

Mr MATHESON (Macarthur) (19:00): Today I would like to acknowledge eight very special Macarthur residents who were acknowledged in this year’s Australia Day honours list. Tanyia Harris, Michael Scarce, Dr John Schwarz and his wife Rosalie, Professor Brad Frankum and Bill Phippen received the Medal of the Order of Australia and Dr Lee Bowling and Kevin Cooper received Public Service Medals.

Tanyia Harris from Glen Alpine is the third person in her family to be awarded an OAM. Despite coming from a family of givers, it is her father who Tanyia says was a big inspiration to her while growing up. She recently told the *Macarthur Advertiser* that her dad would give the shirt off his back to someone if they needed it and he taught her to always help others around her.

Tanyia is a much loved member of my community. She is a member of the Rotary Club of Macarthur Sunrise, a board member of the New South Wales harness association and has been involved with Lifeline, Odyssey House and the Festival of Fisher's Ghost. In 2008 she generously donated her Dumaresq Street property to Odyssey House for its drug rehabilitation programs. She recently bought Campbelltown Ambulance Station a new medical library, furniture and equipment and paid for two marquees at Menangle Park Paceway. She is a lovely lady who has also given some of her property to the local Samoan community to run its community garden. Tanyia is one of the nicest people I have ever met and is a great asset to the Macarthur community. I know her personally and have always admired her big heart and kind and generous nature. She is a fantastic example of the great people we have living in the Macarthur region and I am so proud to see her receive this award.

Camden resident Michael Scarce was another local humbled to receive an OAM this year. Michael owns Camden Hire and received the medal for his service to the community through his business and his work with Angel Flight. Michael told the *Macarthur Chronicle* that the work Camden Hire does in the community is something he is very passionate about. He said that to have a business that could help others was always very important to him. Michael works closely with Mater Dei School to provide students with permanent employment close to home. His work with Angel Flight involves flying sick children across Australia from rural areas into the city for medical treatment. I love to see local businesses giving back to their community and I am so pleased to see that Michael has been recognised for his valuable contribution.

I was also proud to see Dr John Schwarz and his wife Rosalie from Elderslie receive medals for their service with the African Aids Foundation. The couple started the foundation back in 1999. It is a non-profit aid organisation that helps families and communities in South Africa and Kenya who are affected by the HIV-AIDS epidemic. John and Rosalie said it was nice to be
recognised for their work but hoped their medals would raise awareness of AIDS in Africa and draw attention to its people—a very lovely couple who have dedicated their lives to helping others, for nothing in return.

I feel proud to have such fine citizens living in my electorate and I admire the great work they are doing to help these children and their families overseas.

This year I was also pleased to hear that Professor Brad Frankum from the University of Western Sydney received an OAM for service to medicine as an educator and administrator. Dr Frankum has been on the board of the Australian Medical Association NSW since 2009. He is the Deputy Dean and Professor of Clinical Education, at the University of Western Sydney, School of Medicine, Campbelltown campus. Professor Frankum said he was grateful for the opportunity to live and work in the Macarthur region and was happy to contribute to our community in whatever way he could. It is something I love to hear from people living and working in my electorate. His work at the School of Medicine in Campbelltown has helped to produce 200 local doctors in the past two years—a great achievement, which he says is the result of hard work from a lot of people.

Also on the list of OAMs is Bill Phippen from Razorback. Bill was recognised for his service to people with a disability and to the community. At 62 years old, Bill is the president of Technical Aid to the Disabled, Disability Services NSW, which helps build special aids for people living with a disability. Bill is a builder and engineer by trade. He started working with the organisation 37 years ago after building a wheelchair-accessible desk for a lady who had polio. He was also very humbled and said he accepted the medal on behalf of his whole team. He told the media that he loved volunteering and found it rewarding and fun.

Bill is another one of our local volunteers setting a great example for the people of Macarthur and encouraging others to give volunteering a go.

Today I would also like to congratulate Kevin Cooper from Ambarvale who was awarded a public service medal for his contribution to agricultural technology and research in the Australia Day honours. And Dr Lee Bowling, of Ingleburn, who also received the public service medal for his work in water quality and management.

I would like to congratulate all of these Macarthur residents for their outstanding contribution to our community. It is fantastic to see so many people from all walks of life helping others and dedicating their lives to some very important causes. It is people like Tanyia, Michael, John, Rosalie, Brad, Bill, Kevin and Lee who make me proud to say that I live in the Macarthur region. Although I am sure they are all humbled by this recognition, I hope their families and friends have made a big fuss of their achievements. I would like to thank them for the great work they do in my community and the fine example they are setting for other residents in Macarthur. Their community is very proud of them and they should all be very proud of themselves for the fantastic work they do.

Media Ownership

Mr SLIPPER (Fisher) (19:05): I rise in the House tonight to mourn the loss of media diversity in Australia. More and more, we seem to have a concentration of ownership of media outlets—and that presents a real danger for Australia's democracy. The smaller the number of newspaper and other media owners there are the less opportunity the Australian people will get to hear a range of points of view and so they will be less able to form opinion on the basis of facts that are put before them.
I would like to encourage people to use independent media as much as possible. Independent Australia is a website that many people observe. I quote from an article by David Donovan:

Australian mass media is concentrated into the hands of a very small number of proprietors. For example, 11 of the 12 major newspapers in Australia are owned by Rupert Murdoch’s News Corporation—Otherwise known as limited news—or John Fairfax Holdings. In fact, Murdoch bestrides the Australian media landscape like a colossus—NewsCorp owns 8 of that 12, and also dominate the regional and suburban newspaper publishing industry, as well as owning a major slice of Foxtel.

When we have such a concentration of media ownership in Australia, that presents a very real threat to the democracy of which everyone in this House is so particularly proud.

Media diversity in Australia is much less than in the United States of America. Yet even in the United States of America there is a concern that concentration of media ownership is stifling democracy and depriving people of the opportunity to receive the information that they need to make informed opinions.

There is an advantage with independent media and technology: it is giving chances to many people to use new forms of media such as:

… the rise of weblogs supplanting the public’s attentions to traditional news media, and the slow death of newspapers due to erosion of mindshare by online influences such as news web sites, chat rooms, message boards and online gaming.

I quote from someone else:

There is an element of democratisation and accessibility that did not exist before as the communications revolution has opened up new opportunities for more voices to be heard, the voices of the people. The cost of internet-based and other digital media has become relatively cheap. The speed and reach of communications has opened up new horizons for trade unions, Indigenous peoples, environmentalists, peace and many other activists and groups. It is being used very effectively to not only disseminate information but as an organising and campaigning tool with some great victories.

For example—and I am quoting from Independent Australia:

Independent Australia—through managing editor David Donovan, investigative supersleuth Vince O’Grady and many others—has spent hundreds of hours of investigating and researching the James Ashby/Peter Slipper scandal—a covert political conspiracy by the Coalition to bring down the Parliamentary Speaker, Peter Slipper, and through him the Federal Government of Australia.

Margo Kingston has also made some very useful contributions with respect to public discussion, encouraging people in the community to look at issues which are of importance.

I do understand that there are arguments in favour of and against the NBN, but I think that it is critical for the independent media to have the NBN go ahead throughout Australia. This will give many Australians the opportunity to get information from a large number of sources. It is alarming, and a wake-up call for all Australians, when you look at the monopoly of print media that I mentioned previously. For example, the Daily Telegraph, owned by News Limited, spent many pages mutilating photographs of me as Speaker, only to report the scathing judgement by Justice Rares dismissing the sexual harassment cases and abuse of process on page 17. So this is a matter which we must consider seriously.

Hunter Syndrome

Mr HARTSUYKER (Cowper) (19:10): I would like to raise an issue relating to the health of a five year old boy, Christian Dierkx, and the distress this government is...
causing to Christian's parents, Rob and Michelle. There are two issues which I believe the government must address in relation to the Dierkxes. The first is the confusion over the decisions made by health authorities associated with the Life Saving Drugs Program. The second is the failure of the federal Minister for Health to deliver on an undertaking to provide the Dierkx family with a logical explanation as to why life-saving drugs have been taken from a little boy who is seriously ill.

Five-year-old Christian Dierkx has Hunter syndrome, or MPS II. Hunter syndrome, or MPS II, is a rare genetic disease which causes the build-up of molecules in the body and leads to the enlargement of joints, organs, heart valves and airways to the point where they cease to function. It is caused by an enzyme deficiency. There are around 10 children in Australia who have Hunter syndrome/MPS II. Elaprase is the only known treatment for Hunter syndrome. Elaprase provides a vital enzyme to displace the accumulation of these molecules.

From August 2009 Christian was being treated with Elaprase, which was funded under the federal government's Life Saving Drugs Program. In December 2011, Christian's parents, Rob and Michelle Dierkx, were shocked when advised that the government would no longer fund Christian's treatment. The reason given was 'evidence of significant neurodevelopmental deterioration'. The Dierkxes disputed the reason and appealed in March 2012 with supporting evidence of a paediatric neurologist plus a staff physician in metabolic disease from Westmead Children's Hospital.

In May 2012 their appeal was rejected but the health department changed the reason. This time the health department claimed there was 'no published data that the lives of patients with a neuropathic form of MPS II are extended by Elaprase therapy'. This reason contradicts the government's own guidelines under which Elaprase can be continued. Those guidelines clearly state that continued eligibility is subject to demonstrating either (1) clinical improvement in the patient or (2) stabilisation of the patient's condition. Two specialists confirmed that Christian's condition has been stabilised. The Dierkxes have told me, and I know they have also explained to the minister in writing, that Elaprase treatment led to a physical stabilisation of Christian's condition, improving his movement, reducing the swelling of joints and leading to less facial swelling and less restriction to upper airways.

After the appeal was rejected, the Dierkxes wrote to the federal Minister for Health, Tanya Plibersek, on 9 October 2012 calling for her intervention and seeking a meeting. They pointed out to the minister in their letter, 'If this treatment is not reinstated it will shorten the lifespan of an otherwise healthy, active five-year-old who is not suffering from any other medical condition.' The minister wrote back saying she would provide them with a response 'as soon as practicable'. Three months later the Dierkxes have received no response from the minister or her office, and her office is not returning calls or responding to emails.

Last October I also contacted the minister's office seeking a meeting with the minister to discuss Christian Dierkx's situation. The minister's office provided me with an email address dedicated to such requests. On 17 October I sent an email requesting a meeting with the minister in the next parliamentary sitting week. I would like to table that email. Late last year my diary secretary again contacted the minister's office seeking a meeting and was advised
that the minister's office would get back in touch with my office to arrange a meeting. It is February and we still have not heard from the minister or her office.

It is now 12 months since Christian was last treated with Elaprase, and as a result his physical condition is deteriorating. A medical examination conducted in December 2012 confirms that he has stopped growing and that he is suffering. The Dierkx family has already endured many challenges in relation to getting Christian the medical treatment that he needs. They have seen with their own eyes the benefits of Elaprase and regrettably they are now witnessing a decline in Christian's condition since the treatment was withdrawn.

Governments in the United Kingdom, the US, Canada and Germany fund Elaprase medication for Hunter syndrome patients. But in Australia it is so much harder to access.

The minister indicated she would respond to the Dierkx request for a review but now it appears this government is shutting the door on the family. I am calling on the minister to deliver on her undertaking and directly address the Dierkx concerns so that there can be doubt that Christian is able to receive the best possible treatment, which he deserves.

The SPEAKER: Is leave granted for the documented to be presented?

Leave granted.

**Australian Parliamentary Delegation to the United Kingdom and Poland**

Ms GRIERSON (Newcastle) (19:15): I would like to take the opportunity in this adjournment debate to continue some comments I was making on the tabling of a report of the parliamentary delegation last year to the UK and Poland. I had time to discuss the UK experience and relationship but I certainly did not have enough time to do justice to the experiences in Poland.

Poland is a fascinating country. It is reaching out strongly to Australia. It wants an improved relationship with Australia. It looks at Australia, praises our economic management through the global financial crisis, considers us a small country that has a significant role to play on the international stage. It sees Australia as having influence. Poland sees itself as being very similar to Australia.

Poland joined the European Union in 2004, and it is the sixth largest country by population in the European Union, but it did not ever join the economic zone. It has had a particularly successful economic experience. We were fortunate to meet with members of their equivalent of the Reserve Bank—their national bank—and speak to them about their economy. Poland's banking sector is reasonably young, only beginning in the late 1980s. It certainly experienced early crises but it escaped the global financial crisis, partly because it was not part of the economic zone just yet. That meant that Poland's currency, the zloty, depreciated after the financial crisis, which kept their export sector internationally competitive.

Poland has shown great economic resilience. By constitution only six per cent of their GDP can be debt. Australia has one of the lowest debt ratios—I think it is still about 25 per cent—but Poland has a dictated six per cent maximum. It is also a country reaching out in trade. It was a founding member for the World Trade Organisation in 1995. I must say that trade was one of the most interesting areas that we experienced. Our ambassador, Ambassador Dunn, has a trade background and I could see the work she was doing in embracing opportunities for our country and for Poland. In my own electorate two Polish companies now own
Inbye Mining Services and Waratah Engineering. It was wonderful for us to see our economic relationship growing.

In the delegation we were very fortunate that many cultural and heritage opportunities were put our way. We started off in Krakow. That was an experience in itself, but going to Auschwitz and Birkenau was truly amazing. We went there with the member for Melbourne Ports and his wife, who are of the Jewish faith and that was a very moving experience. It certainly reminded me how blessed we are in this nation. We are blessed to have sectarian and racial harmony and to have a country full of peace.

We went to the old villages and the old cities of Krakow and Warsaw and to the Warsaw Jewish museum. I would almost say to every MP: 'Please go. It puts our lives and our plight into context.'

We saw the World Heritage salt mines and we saw how ordinary working people spend some time carving magnificent masterpieces. It is a tribute to working people. Poland has a working history and a union history that it is very proud of. In fact, the President was recognised for his work in that movement by the Polish people.

When we were at Auschwitz it was interesting to hear the guide—a guide who does that trip over and over again—and to sense his anger. I spoke to him afterwards and I said, 'You are so angry about this, still.' He said, 'Yes, because of business exploitation of that situation,' because he knew that people made an industry selling off the clothing and that there were industries based on the chemicals for the poisons that were used at Auschwitz. The hair of dead people was used to weave into carpets. It was quite horrific. But I am very grateful to have been part of the delegation. I thank all of the staff involved, and Tim Bryant, Meredith Horne, President Hogg and fellow delegates. (Time expired)
that anyone who seeks elected office has a fair and equal opportunity to do so, regardless of race, gender, age, wealth, status or creed. Perhaps I am a case in point. A then 19-year-old, I took my chances in 2010 in a grassroots preselection. I stood before a gathering of local party members at a local hall and argued my case. Yes, I was nervous, but participating in a time-honoured tradition and profoundly democratic procedure conferred a sense of occasion. It was strangely reassuring. Winners and losers departed that hall with their heads held high.

Sadly, such notions and principles are not clung to as tightly by the federal Labor government. All too often the Labor Party machine will take a unilateral decision and bypass the vote of local branch members. If you have favoured sons and daughters you destroy the narrative of Australian democracy as an advertisement for the empowerment of anybody. You feel the dream slip, you feel cynicism in people about the authenticity of the candidates they get and the last thing you do is promote diversity. We have spent years telling Australians of all backgrounds that their best opportunity of getting into politics is to join a party and work through the grassroots level. When the Labor machine instead of the democratic will determines our elected representatives, the great majority of Australians are going to wonder why they should waste their time.

Australian democracy is owned by all Australians not by faceless men and women doing dodgy deals, and certainly not by the Prime Minister. It should be government of the people, by the people, for the people. The public rightfully look to everybody in this place for strength and leadership, but also as a benchmark for inclusiveness, trustworthiness, impartiality and decorum. On this day, of all days, we need to be mindful. In the words of Australia's alternative Prime Minister, we must grow our awareness of being the best selves.

**Corruption**

Mr STEPHEN JONES (Throsby) (19:25): It has been a tough fortnight in sport as well as in the political arena. Last week, the Minister for Justice and Home Affairs, Jason Clare, hauled the boss of every major sport to Canberra to tell them and the nation that graft and corruption was rife in sport—drugs, physicians, players, gaming, organised crime gangs, the lot. And, while journalists dived for a dictionary to decipher the word 'peptide', we heard allegations of match fixing in multiple sports codes, and we shook our heads in disgust. Steve 'Blocker' Roach, who was no on-field angel in his day, summed it up pretty well on the front page of my local newspaper, the *Illawarra Mercury*, when he said:

If there's 100 players, entire teams, whatever, found guilty of this latest drugs issue or match fixing, we don’t want them in our game. Throw them out.

Meanwhile, over in Sydney, the ICAC was examining a bevy of its reluctant star witnesses, including former members of the New South Wales parliament. The evidence was gut turning. It was made worse by the arrogant, evasive demeanour of those caught in its snare. We have heard some pretty repugnant stuff already, but last week former minister Eddie Obeid smashed through the grubby ceiling of repugnance when he turned on the counsel assisting the ICAC to boast:

I have spent more money than you have made in your lifetime.

This arrogant attitude is abhorrent because it contradicts everything that we as Labor people stand for.

Labor stands for equality and fairness, not hierarchy, greed and privilege. No Labor person, in fact, no decent Australian, would ever think that way let alone say it. No
wonder Labor people turn their heads in disgust. More evidence has been heard this week of grubby cheating behaviour from former state ministers. It is hard stuff for Labor people to take, like when thousands of sports fans are crushed by news that their club and its players may be involved in systematic cheating. It leads us to ask ourselves: is this a blight on me, myself? Can I wear my club jumper in public, or am I somehow tainted by association? Is it true that the behaviour of disgraced ministers, like the behaviour of some player, reflects a broader culture in sport or in politics? These are the right questions to ask.

I for one refuse to accept that we are all to blame. This defiance has a use-by date. If we do nothing to weed out the grubs and the cheats, and if we do nothing to change the culture, then we are all culpable. As fans, as party members, as community leaders we have a responsibility to state and defend the values we stand for wherever that may lead us. Labor, like most of our great sporting clubs, traces its origins to the struggling communities at the turn of the last century. The Labor movement formed a political party to run for office so the government would make laws to improve the lot of ordinary working people. When that office is used as a tool for the betterment of the office holder, it defiles that founding purpose. It is nothing short of a disgrace. When players engage with criminals to corrupt the support, when they cheat, they defile the trust that we place in them as inspiration for our kids and our community. Blocker Roach summed it up pretty well: we do not want them in our game, throw them out.

Macquarie Electorate: Telecommunications

Mrs Markus (Macquarie) (19:28): I recently held a community forum at Colo Heights to discuss mobile phone coverage and other telecommunications challenges facing residents of that community. The community of Colo heights is rural and fairly isolated. The Australian Bureau of Statistics data from 2011 indicates that there are around 332 residents. The main road running through Colo Heights is Putty Road, which stretches for some 150 kilometres, linking Windsor to Singleton. Much of the Putty Road and more specifically that part of it in the Colo Heights area has limited and in many instances no phone reception. It is common to drive for up to 30 minutes without coverage. With no shops and with one petrol station, it is a challenge. There is no communications tower in the area. However, I will give some credit to Telstra: they have installed an SOS tower. Apart from that, there is little coverage. It is an area that has been forgotten by the Labor government.

The road has been the site of a number of accidents in recent years, some of them fatal, and has become a real issue of concern for members of the community. The forum brought together many local residents. I want to particular acknowledge Clint Jones, who rallied the local community. The local community hall was full to overflowing. The forum brought together the local area commander from the police station at Hawkesbury, Rural Fire Service members—particularly the captain and deputy captain from Colo Heights—and business owners. Many people run farms and large businesses from their properties. I need to thank Telstra representatives for being present to discuss what could be done to improve mobile infrastructure for our community. I also acknowledge the presence of the mayor, Ken Ford, and Councillor Jill Reardon.

Throughout the forum we heard story after story of residents who have been involved in incidents on that road. Many of them were unable to access emergency services or gain
a response or communicate because they had no mobile coverage. Mark from Lower Portland came across a motor bike accident while travelling south along the Putty Road one day. Mark, who is a truck driver, had to turn around and drive several kilometres to be able to ring 000. In his words he lost ‘valuable’ time.

Christian and Rosalind have a farm in Colo Heights. One of their employees was stung 280 times after cutting into a bees nest embedded into a tree. This was very serious. They had no phone or emergency services access. They were not able to get to a landline in time. What they had to do was hop in the car and drive until they had phone coverage. By that time they were nearly at the hospitals. That took them 40 mins. That 40 minutes could have been critical for the man who was stung.

Laura was pregnant and at full term while travelling along the Putty Road when she had a flat tire. I have driven on that road alone many times and have often thought about what I would do if I was caught out. She had no mobile phone coverage and therefore was unable to contact her husband. She was forced to wait until someone pulled over on the side of the road to assist her. There are many more stories. I could tell those stories.

In addition to those stories, there are emergency services issues. This is a rural area that is prone to fires. There are many lightning strikes that cause fires in this area. As we are all aware, the Rural Fire Service relies on SMS. Many Rural Fire Service members there either do not receive the warning letting them know that they need to respond to a road accident or to a fire. Many remove their families as soon as they have to respond and take them to a location other than Colo Heights so that they can have access to a phone.

These are issues that need responses. These lives are important. The mobile phone coverage in regional communities is vital to maintain social connections, improve safety and attract and retain workers. The reality is that this government has neglected mobile communications in regional Australia. My community in the Colo Heights area is just one example. This is basic stuff. Communication is important. Six years of inaction is not good enough. I am calling on the government to start investing in Australia’s mobile phone network, particularly in regional communities. (Time expired)

Shortland Electorate: Better Futures Local Solutions

Ms HALL (Shortland) (19:34): I would like to share with the House the outstanding success of the Better Futures Local Solutions program in the Wyong part of the Shortland electorate. The Wyong Shire is one of 10 regions in Australia in which the Better Futures Local Solutions initiative is run. The area was identified as being suited to the program because it is an area of acute disadvantage. Recent statistics indicate that one in four families are jobless and that youth unemployment is very high. There is also a large number of women who have babies at a very young age. This program provides hope for the future and gives young people the opportunity to succeed.

The local advisory group has been established for the area. The program is about building stronger relationships, identifying approaches to employment security, strengthening local labour markets and helping people find jobs. The local advisory group is a very far-sighted group that is really at the heart of the community. The people on that committee represent the community. I would like to acknowledge the role of Kylie Faulder, a community action
leader; Alison McEvoy, who is the government action leader; Warren Welham, who is the chair of the local advisory group; Jillian Hogan, from the San Remo Neighbourhood Centre, and she does great work in that area; Jack Ritchie; Maggie MacFie from Youth Connections and all the other members of that local advisory group.

The program has enjoyed outstanding success. It provides a range of opportunities for young parents and their children. It is being run through the Department of Human Services. It works closely with community groups to offer practical programs that will help parents get into work. One of those programs is the DALE program. I give special credit to Kevin Berger from St Phillips Christian College. This program focuses on helping young parents and their children who have little access to education and employment. It has provided support to young parents to complete high school, develop work skills, improve job readiness and develop parenting skills. It is a fantastic program and has fantastic outcomes: 24 young people graduated from that program last time. They went in with no future; they have come out with a future. It is a fantastic program.

The other program is LEAP—Local Employment Access Program—and that is being run by the San Remo Neighbourhood Centre. It provides local employment and access projects and aims to assist up to about 80 families by coordinating individualised support services. The program is ensuring that people can get around the barriers that are in place to stop them from succeeding. This year there is a new round starting, and I am sure that it is going to enjoy the same success that the program enjoyed last year and continue to benefit young people by running TAFE Skills for Tomorrow programs. This program shows what you can do when you develop a place-based approach to solving problems. This shows what you can do when you include the community in what you are doing. This has also identified that in the northern part of the Wyong Shire, an area where there is the highest degree of disadvantage, there is a shortage of suitable accommodation. We want to try and set up a better futures incubator looking at providing education, early childhood training and social enterprise all from the one site. This is something that we need to do as we look to the future. We need to get behind this great initiative, get behind the local advisory group, get behind people who have got vision for the area and get behind those young people that want hope for the future. I put to the House that this is one of the most successful programs I have ever seen. *(Time expired)*

### Mental Health

**Mr ENTSCH** (Leichhardt—Chief Opposition Whip) (19:39): I rise tonight to speak on an issue that is very close to my heart. The mental health of our young people is something that cannot be neglected and we need to be proactive in the very early stages. That being the case, I would like to highlight the Time Out House in Cairns. This program started as a pilot in 2010. It was initially funded by the Queensland government's Department of Communities and was a collaboration between Centacare Cairns, Far North Queensland Rural Division of General Practise, Youth Link and Aftercare.

Time Out has been crucial for the Cairns community, reducing in-patient stays for young people aged 15-25 through early intervention. In the three years it has been operating it has provided short term accommodation for 38 young people, supported more than 100 in the outreach program and has certainly made a huge difference to the lives of these young people. Personal testimonials from those who have
been through this service are very touching. These young people were suffering depression and anxiety, had attempted suicide or experienced early psychosis, and their families and friends were at breaking point. How things have changed:

Since arriving at the Time Out House I worry less about feeling depressed and anxious and I feel much more confident in myself and my choices. I have recently organised to enrol in a course at TAFE I feel very proud of the efforts I have made and the progress I am making.

That is a wonderful testimony from one client. Another client has said:
The ongoing support from the Time Out program has been a huge part of my recovery at a time in my life when, to be frank, I needed time out and some support and I had no other options.

In terms of psychosocial benefits, young people's personal wellbeing improves significantly during their stay. The rate of those enrolled in a course of study improves from 19 per cent on entry to 71 per cent on exiting the program. The cost of a 50-day residential stay is far lower than putting a young person in an adult psychiatric ward where the average stay is 312 days.

Unfortunately, these kinds of resounding results are not enough to protect this program from state government funding cuts, themselves a direct result of the federal government slashing funding to Queensland Health. Because economic forecasts were so badly mismanaged by the federal Treasurer, the Commonwealth will deduct $103 million from Queensland Health by June. In my area that means $6.5 million slashed out of the Cairns and Hinterland Hospital and Health Services and $900,000 from each of Cape York and Torres Strait regions. As a result, Time Out was told in January that its funding would be discontinued. At this point I became aware and involved in the situation as a direct result of the tireless campaigning of the Queensland state manager of Aftercare, Ivan Frkovic. Mr Frkovic and I both recognised the overwhelming need for this service given that there is no other centre of this kind in North Queensland. It took some very urgent conversations over this last weekend, but tonight I must congratulate Minister for Health Springborg for his foresight and his compassion in agreeing to fund this residential service for a further six months.

I pledge here this evening that, if the coalition is successful on 14 September, I will certainly work my heart out to ensure that we as a government continue to show very strong support for mental health services, especially those targeting young people, as we have in the past.

To close, it is very clear that a multipronged approach is best when it comes to prevention, management and treatment of mental illness. To that length I must commend the work of Cairns mum Ruth Crouch, who, after experiencing the dreadful pain of her son Declan's suicide last year has become a real driver for change in my region. The Declan Crouch Fund and the Dr Edward Koch Foundation are running a campaign to lobby politicians for an adolescent mental health ward in the Cairns Base Hospital. The petition is online and already has some 5,720 signatures, with more on paper. I am sure they will achieve their goal of 10,000 signatures. This is a service that is desperately needed and long overdue. It is so inappropriate to have young people in adult psychiatric wards. I urge anyone with an interest in this issue to visit my website for that link. (Time expired)

Robertson Electorate: National Broadband Network

Ms O'NEILL (Robertson) (19:44): It is very important to note the great work that is being done in the member for Leichhardt's electorate; it is very important to look after
our young people. But people should remember that it was under Tony Abbott as health minister that $1 billion was removed from the health budget, and that has had a real and pressing impact on people's lives—particularly young people.

Before I make my remarks about my own electorate and the very important developments of the NBN, I want to acknowledge the excellent speech given by the member for Shortland, who shares part of the Central Coast with me, and to acknowledge the wonderful work that is being done by the DALE program. Even though that program is operating a little further north than my seat, it is having a powerful impact on that community—getting young parents through high school and into the sort of training that will get them a job; helping them with their work, with their studies and with their parenting. I acknowledge the particular good work of Alison McEvoy and Maggie McPhee, who do much work down the southern end of the coast. We can see people being enabled by Labor programs in our region—and, when they are enabled, they want to get a job; and it is important that we deliver the infrastructure that enables jobs to grow. Growth and jobs: these are the signatures of a Labor government.

We are only months away from the NBN being switched on in my electorate of Robertson. Construction is well underway to connect 21,200 premises to the NBN within 12 months. Very soon households and businesses in Gosford will have access to the world's best-practice internet services, creating a new realm of business opportunities for the CBD. Already, I know that local businesses want the opportunity to innovate. They want to expand their customer base. They want to reach new markets. They want to offer jobs to locals, so that they can enjoy all the benefits of living and working on the coast—being near their families and having the support in place so that they can parent well and enjoy health, happy and active lives.

Bringing the NBN to Gosford took a united effort. It took months of collaboration to bring together a business case that NBN Co. would accept. It is a testament to the seriousness of everyone's desire to progress Gosford that so many groups, from business, government—local, state and federal—as well as countless community organisations came together to ensure that we got this great windfall for our region.

The NBN will go quite some way to addressing the systemic disadvantage that we have on the coast. Due to our geography we have very patchy ADSL services, and this absolutely inhibits business growth and opportunity. In fact, it means that we lose 40,000 of our local people every day to Sydney in a commute. That is a lot of people out of 320,000 to be on the move every single day. And the fallout through the community is really palpable. The commute costs money, but it also costs time: coastal commuters end up spending 20 to 30 hours a week just going to and from work. This is 20 hours that they are away from home; 20 hours that they are away from their loved ones; 20 hours that they are away from their community and the lifestyle that they could be having with a job on the coast. And all of this is in addition to their work commitments.

With train carriages already at bursting point, and the F3 clogged for hours every morning, the case for expanding opportunities on the coast has never been better—and this government is determined to deliver those opportunities. The NBN will provide a major advantage for our local business operators and will offer an incentive for business to move to the Central Coast.
For those who might be listening to this broadcast this evening: the Central Coast is open and ready for business! Gosford will welcome you with all of its beating heart. It will welcome people who want to come and put their businesses in our great CBD and really tap into that fantastic resource of people who want a job on the coast and who want to stay on the coast.

The NBN will mean the Central Coast will be ahead—ahead of Sydney, ahead of Newcastle. We will have a structural advantage that we have never seen before because of this investment by our federal Labor government in infrastructure. The ability to send and receive big files almost instantly means that businesses that previously had to base themselves in capital cities only can pretty well set up anywhere, and I would argue that there could not be a better place in the country to set up your business right now than in the CBD of Gosford.

The NBN will bring new opportunities and more jobs for people on the coast and more opportunities for businesses to grow and to be successful. Even better is the fact that a connection to the NBN will not cost households or businesses a cent—all the equipment and installation is provided. (Time expired)

**Gillard Government**

**Mr FRYDENBERG** (Kooyong) (19:49): There is little disagreement with the proposition that the Labor government under successive prime ministers, Rudd and Gillard, have mismanaged the economy: record budget deficits, including the four largest in Australia’s history, 27 new taxes and numerous examples of waste and mismanagement comprise exhibits A, B and C.

Perhaps most damaging of all has been the government's erratic decision making processes that have lacked consultation, alienated stakeholders and produced policy outcomes inimical to the very interests they pretended to protect. Nowhere is this more evident than when it comes to superannuation—the retirement savings that every Australian seeks to grow. Despite promising at the 2007 election that there would be no changes to superannuation the Treasurer, Wayne Swan, has overseen successive tax increases on superannuation, thereby not just breaking his solemn promise but making it that much more difficult for millions of Australians, young and old, to save for their future.

Facing a $120 billion black hole of unfunded promises, the Treasurer has increased taxes to the tune of $8 billion on superannuation in this country. The Labor government has decreased concessional contribution caps from $100,000 and $50,000 to $25,000, with contributions above that taxed at the top marginal tax rate of 46.5 per cent. And the super co-contribution has been cut from $1,500 under the Howard Government to $500 now.

And there is more to come—the Prime Minister recently ruled out removing the tax-free superannuation payments for over-60s, but only after a public outcry. Given this government's record of broken promises over the carbon tax, private health insurance and border protection, how can we expect to believe they would stick to anything they say should they win the next election? But, significantly, unlike the coalition, which has ruled out any detrimental unexpected changes to superannuation, this government refuses to rule out further changes.

In fact, the Minister for Financial Services and Superannuation and member for Maribyrnong, Bill Shorten, was reported in *The Australian* on 29 November 2012 as telling superannuation funds in a private
meeting that: 'Nothing was off the table.' This is all a desperate attempt to protect the government's budget bottom line. This is despite senior industry figures like the Industry Funds Management chairman, Garry Weaven, saying it is 'time for a pause' on super changes and former Labor minister Nick Sherry—he was superannuation minister from 2007 to 2009—issuing a warning.

The Labor Party is desperate: a structural deficit and a $120 billion budget black hole requires the government to find savings anywhere it can. When it comes to superannuation, the union leadership is egging them on. ACTU Assistant Secretary Tim Lyons has said of the changes to superannuation:

I don't buy the argument that a slight change to tax is going to discourage people from planning for their retirement.

This is not what the majority of Australians think. They want the freedom to invest in their super and to take responsibility for their retirement without being punished with punitive tax imposts put in place by a desperate government.

Should the coalition win the federal election later this year, we have said that, when the budget is back in a healthy state, we will revisit the issue of concessional superannuation contribution caps and super co-contribution benefits for lower income earners, which are currently at levels below where they should be. We have said that we will seek to introduce genuine choice and competition into the selection of default superannuation funds, as the situation is currently dominated by industry super funds. We want any MySuper product to be able to operate freely within the default superannuation market, we want to get more independent directors onto superannuation fund boards, we want disclosure of conflicts of interests to be mandatory and we want to increase the transparency of information for people who are seeking to compare super funds.

Superannuation is a really important issue. It is about aspiration, it is about people saving for the future and it is about people taking personal responsibility. We, on this side of the House, understand their needs and we understand the needs of future generations—unlike the other side. (Time expired)

**Education Funding**

Mr BYRNE (Holt) (19:54): Speaking of the future, if we actually want Australia to succeed in the future in the 21st century, nothing is more important or more critical than ensuring that our kids have the best educational opportunities and educational pathways. Our Labor government, I am proud to say, has sought to strengthen our country's educational security and to provide and support those educational pathways in its Building the Education Revolution, which has improved school facilities at many schools around the country but, most importantly, at 52 schools in my electorate of Holt.

This school modernisation program has been absolutely vital to the local community in my electorate. It is providing the necessary educational and very important social infrastructure which is needed for the rapidly growing Casey region, which is currently estimated to be at 252,400 people. At present, about 40 families, or 118 people, shift into the city of Casey each week, 43,800 students are at school, 7,500 students are attending university and 6,600 students are attending TAFE. By 2036, it is estimated that the population of the city of Casey will be about 450,000, which is approximately the size of Tasmania's population today.

The projects that we provided during the period of the global financial crisis were
quite important—that was the origin of the BER program—particularly when you think about the global job losses in that period of time, which were about 27 million jobs. That is point that I want to stress because the government acted when we faced the GFC. We acted to protect and create Australian jobs and, at the same time, to invest in our kids' future. In our more globally interconnected and highly competitive world, it is important that governments do what they can—I notice that President Obama was speaking about this today—to protect and invest in our children and in our future. We need to continue to build the social and educational infrastructure for our children.

Young people in our region face many challenges, but they only increase if governments fail to invest in children's education. That is why it is so vital for us to support projects such as the BER program and also the trade training centre program which are providing pathways for our kids into the TAFE sector. It is also why Victorians have been very upset with the Baillieu government's cuts to the TAFE sector, which have seen an incredible 25.8 per cent drop in TAFE applications—not tremendously helpful.

By contrast, our federal Labor government has been fully committed to supporting our children in their quest to acquire a trade qualification via the trade training centre program. I think this is really important. It is important to state again in this place, particularly for the young people that I represent in my area, that there is no difference in value between a trade certification and a university degree. Labor and I celebrate and support people who pursue a trades career. We need to encourage it.

I am also pleased to announce that next Monday I will be officially opening the $10.5 million Hallam Valley Trade Training and Skills Hub at the Hallam Senior Secondary College. It shows our commitment to these young people. It shows them a pathway to the future. The building is very impressive. The trade training centre program was actually first announced by the member for Griffith in his budget reply in May 2007. It has become a signature reform of this particular government. We are doing it to address skill shortages and to provide an extra educational investment for our young people in their transition into the TAFE sector.

The Hallam Valley Trade Training and Skills Hub will provide job-ready training in traditional and emerging trades for senior school students at Hallam Senior Secondary College, Fountain Gate Secondary College, Glenelg Secondary College, Endeavour Hills Secondary College, Hampton Park Secondary College, Narre Warren South P-12 College and St John's Regional College. The trade training centre—which, as I said, is an incredibly impressive building—has an automotive workshop, a construction workshop, two theory rooms, two seminar rooms, store rooms, a computer workshop and amenities, and existing facilities that have also been refurbished. It is an investment in our kids' future. You can actually see the trade training centre from the Hallam Bypass, which is another road work that was initiated by the Bracks government. In general, there is a lot of community pride. I am really proud to be opening this centre. It is the government's commitment to the future and it is recognising trade as an incredibly valuable and an important job in our economy. As I said, I will be very proud to open this facility on Monday.

House adjourned at 20:00
NOTICES

The following notices were given:

Mr Bowen to present a Bill for an Act to amend the Higher Education Support Act 2003, and for related purposes.

Mr Bowen to present a Bill for an Act to amend the Higher Education Support Act 2003, and for related purposes.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Cowper Electorate: Headspace

Mr HARTSUYKER (Cowper) (09:30): I take this opportunity to draw attention to the great work done by Headspace around the country and in particular in my electorate. It was an initiative of the Howard government and, to the credit of this current government, an initiative that is being continued. My electorate is fortunate to have a centre for Headspace in Coffs Harbour, and it is doing great work. At the end of January a Headspace centre was launched at Port Macquarie, a development which was welcomed by many in the south of my electorate.

However, the problems of access remain. Kempsey Shire Council has been pressing for outreach services to be provided from Port Macquarie. In March last year it pointed out in a letter to the New South Wales Minister for Mental Health and copied to me that Aboriginal people with a mental illness are among the most vulnerable in our community, and Kempsey has one of the largest populations of Aboriginal people in New South Wales. There is also a significant level of disadvantage in that part of the community. The letter also mentioned that 25 per cent of all referrals to the community mental health service were for those aged 12 to 24. The letter said: 'Kempsey also has a high level of youth unemployment and when those two facts are combined, the ability of those most at risk to access services in another centre is low.' The letter concluded that outreach services would provide immense benefits to those at high risk who were unlikely to be able to otherwise avail themselves of the support they desperately needed.

At council's request, I made representations to the federal Minister for Mental Health and Ageing, seeking assurances that funding would be available to provide outreach services for the Kempsey area from Port Macquarie. The response was that not every community was able to secure a physical Headspace site and that work was being done to expand online and telephone advice services. While these services may be better than nothing, they are not a substitute for face-to-face contact with someone living in or near your own community and able to understand the context of your problems. I hope that in the relatively short time available to it before the next general election, the government will see fit to fund both the Coffs Harbour and the Port Macquarie Headspace sites with much-needed outreach services. Problems similar to those at Kempsey also exist in the Nambucca Valley and in the community of Dorrigo. Just because you live in a small country town does not mean that there are not significant mental health issues; perhaps not visible on the street but certainly below the surface.

I commend the work of Headspace in our community but I hope that the minister for mental health will take heed of my contribution today and the urgent need for outreach services for those two Headspace centres in Port Macquarie and Coffs Harbour so that the youth in the smaller communities can have access to the help that they desperately need.
Corio Electorate: North Geelong Secondary College

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs and Parliamentary Secretary for Foreign Affairs) (09:33): On Saturday week Geelong will hold one of the largest street parties in Australia, Pako Festa. It is our annual celebration of cultural diversity. In the midst of the many cultural groups that will participate in the multicultural parade down Pakington Street will be marching students from North Geelong Secondary College. Late last year, I had the pleasure of visiting this most remarkable school on the occasion of the school's own multicultural festival. To look upon the morning assembly and see faces drawn from almost 30 nations around the world was to look upon modern Australia. It was a beautiful, happy, rainbow nation.

The way North Geelong Secondary College welcomes newcomers to our city and to our country—both new migrants and refugees—is deeply impressive. Around 30 per cent of the students at North Geelong come from a refugee background. Among them there are students from Afghanistan, Iraq, Iran, Africa and Burma. Many arrive after having spent years in refugee camps; there are students who have spent up to nine years of their childhood in these camps. Their schooling has been highly interrupted. They may have little or no English language skills. In January I visited refugee camps in both Kenya and South Sudan, and it is from camps like these that many of the African community in Australia have come into schools such as North Geelong. These camps have their own stories of hope and inspiration, but they are hard places to live, hard places to learn and hard places to grow. North Geelong is helping these students pick up the strands of their schooling and gain the best possible prospects for their future in their new homeland. In the process they are radically changing lives for the better. In the process they are also changing the Geelong community for the better.

North Geelong has developed an innovative program for language training which makes the transition from no school to high school much easier. At North Geelong, the English language program is embedded into the school curriculum so that refugee students can get the specialised help they need at school, rather than by travelling to another school or language provider for their lessons. This specialised support is provided in the school's English language centre. As I walked through the centre and spoke to the students about their lives—where they had come from, and where they hoped to go with their future—it was a profoundly moving experience. The room was full of a wisdom that is born of hardship and pain and a determination that is born of a motivation to grab this opportunity to create a new and unimaginably better life. In truth, the room was full of people who are, and will be, wonderful Australians. The students join the rest of their classmates for maths, PE and art and spend the remainder of the day focusing on their English. After 12 months of intensive English, these students continue to receive support for up to seven years.

North Geelong is the only school in south-west Victoria that offers this type of learning. It may be the only school in the state. And the results speak for themselves. Students are finishing school, completing their VCE and making it to university. North Geelong is giving these students hope for a stable and secure life. We know that education is the key. For these students it might take them a bit longer, and require more persistence, but at North Geelong the door to a better future is well and truly open.
Higgins Electorate: Railway Level Crossings

Ms O'DWYER (Higgins) (09:36): I was very surprised at recent media reports eliciting the fact that the Minister for Infrastructure and Transport and the local member, Bill Shorten, have suddenly discovered the need for spending on infrastructure around railway crossings. I was surprised about that because during the last federal budget the minister for infrastructure provided no money whatsoever for removal of railway crossings to the Victorian government, who had asked for it in their submission. Mr Deputy Speaker, you will know that I have raised this issue in this place on a number of occasions. In my electorate of Higgins I have officially 21 railway stations and I have eight level crossings. I have level crossings along the Glen Waverley line at Glenferrie Road, Kooyong; Toorak Road, Kooyong; Tooronga Road, Malvern; Burke Road, Glen Iris; and High Street, Glen Iris. Along the Dandenong railway line, there are Koornang Road, Carnegie; Murrumbeena Road, Murrumbeena; and Poath Road, Hughesdale.

Since I last spoke in this place the RACV has released its 2012 Redspot Survey. The survey is a snapshot of Victoria's most frustrating congestion sites and it draws on the experience of RACV's two million Victorian members. It has said yet again in its survey that five of Victoria's 10 worst congestion sites are level crossings, with Murrumbeena Road, Murrumbeena coming in at number one for the second time and Koornang Road, Carnegie coming in at number four. Yet the railway crossing at Main Road, St Albans did not come in the top 10 in either the 2010 or 2012 survey.

I am very encouraged to hear that the federal government is pleased to speak with the Victorian government about what it can do to invest in this vital infrastructure. The Dandenong railway corridor is currently operating at or above capacity. As a result, peak-hour train journeys result in the constant closure of level crossings. The related congestion of pedestrian, car and road traffic has a substantial negative impact on businesses, community life, productivity and economic growth.

I would like to invite the minister for infrastructure to come down and visit the railway crossings in my electorate of Higgins, but not to come empty-handed; to come with a promise to help invest in the vital infrastructure that is needed. There is a petition that is currently circulating in my electorate to call for this vital infrastructure spend and the federal government needs to make its contribution. Victoria has received the least amount of infrastructure spending by this current federal government. This issue has been ignored by the previous state Labor governments. In fact, the member for Oakleigh, who has been the member for the last 13 years, has only recently discovered this issue, raising it in the parliament at the end of last year after much agitation in the local community. It is an issue we must act upon. It is an issue that requires federal government intervention and I call on the minister to intervene.

Petrie Electorate: Emergency Workers

Mrs D’ATH (Petrie—Parliamentary Secretary for Climate Change and Energy Efficiency) (09:39): I rise this morning to put on the record the tremendous efforts of emergency workers in Moreton Bay and volunteer members of the QF3 Redcliffe Coast Guard during and after the damaging storms, winds and floods experienced throughout Queensland last month. My electorate follows the coastline in the Moreton Bay region, where many local suburbs suffered
significant damage. Roads were closed, power was lost and trees came down. The clean-up and repair efforts are ongoing and will be for some time.

I know trained SES workers were on the ground immediately in the Moreton Bay region. I would like to recognise their contribution to our community. They were sandbagging, helping residents with damaged houses, removing debris and picking up trees. The SES was established in Queensland in 1975 and provides invaluable support to other emergency services such as police and ambulance. Volunteer members are trained in a range of support activities including storm damage operations, search operations, communications, first aid and operations management. The Moreton Bay region SES unit has six SES groups supporting the community and other agencies in severe storm operations, flood operations, land search operations and agency support—supporting the Queensland Police Service, the Queensland Fire and Rescue Service and the Queensland Ambulance Service.

On behalf of the community, I take this opportunity to say to our SES workers, most of whom are volunteers: thank you for helping to keep us safe. I also acknowledge the efforts of members of QF3 Coast Guard Redcliffe, both during the recent wild weather and in their work during the 2011 Queensland floods. In fact, the commitment and dedication of these volunteers during 2011 was officially recognised at the Australian Volunteer Coast Guard Awards ceremony at Redcliffe on Australia Day this year, just as the next set of storms headed our way.

I extend my sincere congratulations to the 13 volunteers who were awarded their National Emergency Medal for their service rendered in response to a national significant emergency. They were: Don Boscoe, Russ Eager, Peter Hackett, Roy King, Paul Klingner, Bart McLeod, John Osberg, Merv Porteous, Alex Robinson, Peter Slaughter, Vince Turco, Col Ward and, posthumously, Tony Burns. It was then straight back to work for members of the QF3 Coast Guard, who spent most of the 2013 Australia Day weekend dealing with storms and tidal surges while our region felt the impact of Cyclone Oswald and rare mini tornadoes.

These volunteers deserve our respect and admiration and I am very pleased to be able to recognise them here today. I also recognise the efforts of their counterparts up and down the coastline of Queensland, particularly in Bundaberg, where the city has experienced the worst flooding in its history. Finally, I am looking forward to attending the Rotary International Emergency Services Appreciation Night next week, hosted by the combined Rotary clubs of the Redcliffe Peninsula. This special evening enables our community to show our appreciation and recognition for the contributions made by the Redcliffe emergency service agencies, the leaders of those agencies and the volunteers—those who risk their lives time and again to keep us safe when natural disasters strike.

Bowman Electorate: Queensland Floods

Mr LAMING (Bowman) (09:42): There were a range of emergency responses all around the nation to help the people of Bundaberg in central Queensland during the floods of early this year. My area of Redland, being one that had already developed the community flood relief efforts under Suzie Masters and her team, swung into action again.

I would like to acknowledge the unique effort this time to mobilise the Coles and Woolworths stores right through my electorate to collect groceries and non-perishables and have them transported to Bundaberg in what turned out to be a far larger enterprise than we
could ever have imagined when we embarked on it. At Coles Cleveland, Merilyn McCann and Julie Elton and her team devoted their own staff to help pack these groceries into boxes and have them rack stacked and packed, taken out the back and shot off to Bundaberg. Initially, we expected through the great work of Hammond 4WD to take up one semi-trailer. That turned out to be two. We had excellent effort also from Greg Elton, Maxine Shipplock, Daniel Nagi and Aaron Vion. Woolworths Cleveland matched them. They had their own effort to put out large melon bins, collecting groceries there.

At Coles Capalaba Central, Kaye Henderson and the team were helped by Martin and Jess Holzworth, who were just passing by and dedicated the entire day to packing these groceries in large tubs into the boxes that would enable them to be palletised and shrink-wrapped for transport. Tim Kinman at Woolworths Capalaba Central, along with Emma Edsall from Cleveland and Em Mead, his staff, from Birkdale all helped as well as did Woolworths Alexandra Hills who found people rolling up with entire shopping trolleys full of food for donation.

Woolworths Victoria Point Town Centre got on the phone and said, 'We hear it is happening; we want to be part of it too,' and within an hour we also had a collection point there. Coles Victoria Point with Dale Anderson was helped by customers who just stopped their shopping to help with the packing. They included Lorraine, who had a Scottish accent so thick you could carve it, and David Sallow, who just popped in for five minutes to say hello and found himself working all day. At Woolworths Victoria Point, manager Michael had Matty Clark turn up with collections from his street of Orana. The two young boys of Sheldon's Darren Gould gave away their sweets for the week. Kimberley Parker gave an entire trolley because she used to live in Bundy. Sarah Skelly and Nathan Cameron did the same. Lance Hewlett was collecting, of course, in his ute. All of the state members, Steve Davies, Mark Robinson and Peter Dowling, ferried it all to Capalaba and to the great team at Hammond 4WD: Graham Toms, Christa Bool, Chloe Cook, Jana Laufer, Ross and Carol Shaw, Belinda Meredith, Alison Henry, Renne Winnington, Melissa Jack, Grant Chappell, Kacie Newlands and Daniel Egstorf. The Baylisses donated a large truck to do the transporting. LNP HQ got the message out around the state. Gordon Somes, Betta Car and Ute Hire, and Mark did all the driving of a second 20-tonne truck. There was the donation of a container by Mark Finnegan. Glen Lindsay from Lindsay Transport was there. And the Salvos were there to receive it when it got there.

**Live Animal Exports**

*Mr WILKIE (Denison) (09:45):* This week Animals Australia announced they have lodged a second complaint with the government regarding Australian sheep being cruelly butchered at the notorious Al Rai livestock market in Kuwait. Good on them! The sale of Australian sheep at this market is in clear breach of the Exporter Supply Chain Assurance System, ESCAS, which was put in place by the government after the shocking evidence of the live export cruelty in Indonesia emerged on *Four Corners* in May almost two years ago. In fact, Animals Australia first reported breaches in Kuwait with the government five months ago, and in another investigation just last month they found at least 11 merchants selling or butchering Australian sheep. But since Animals Australia first notified the government of ESCAS breaches, thousands of Australian sheep have been sold and slaughtered against regulations and, according to Animals Australia, the only change has been that livestock
traders now tear the ear tags out of Australian sheep in an crude attempt to get around the system. Yes, that is right. The current system is so weak that a tug on the ear and a shriek of animal pain is all that is required to beat the best animal welfare system this country has so far been able to come up with. And that is pathetic.

Since September last year, Animals Australia has also raised news of ESCAS breaches in Pakistan, Israel and Mauritius. And in each instance the government has apparently done nothing, which is evidence, I am sure, that the Exporter Supply Chain Assurance System is simply no assurance at all.

I have received countless emails, letters and phone calls from my constituents about live animal exports and other animal welfare matters. The concern expressed is urgent and genuine. The community is sick to death of this government treating animal welfare as a persistent nuisance and paying it only passing concern. The government has shown itself to be either incompetent or unwilling to police animal welfare or make the establishment of a sometimes talked about office of animal welfare a top priority. This would, I suggest, remove animal welfare from political and commercial self-interest and, with a broad remit to enforce strong animal welfare standards across the whole of government, genuinely help to ensure animal welfare standards are appropriately enforced.

Lyn White and Animals Australia do a fantastic job. They have my gratitude and the gratitude of many other Australians, particularly my constituents. But this is ultimately a government responsibility. And until we have an independent office of animal welfare, I have no confidence that the government will take its responsibility seriously.

**Private Health Insurance Rebate**

Mr TUDGE (Aston) (09:48): I rise to express my concern about the proposed cuts to the private health insurance rebate. Private health insurance is very important in my electorate—70 per cent of my residents take out private health insurance. I represent a very middle-class electorate. It is not overly wealthy; it is not overly poor. It is very middle Australia. And people take out private health insurance in electorates like mine because they want peace of mind. They want the choice of their specialist and they want to be able to access hospitals which are within range, such as the Knox Private Hospital in my electorate.

The government is proposing to remove the rebate from the Lifetime Health Cover loading. This impacts all people who did not take out private health insurance when they hit 30. If you do not take it out when you hit 30 you pay an additional loading. This is currently covered by the rebate; however, the government is proposing that this loading no longer be covered. This will force premiums up by up to 27.5 per cent for many families.

This is not the first change to the private health insurance rebate that the government have put in place. Indeed they have already means tested the private health insurance rebate and, while that affects directly the people with higher salaries, it has a flow-on effect throughout the entire system so that everybody has to pay higher premiums regardless of their income each year.

I am particularly concerned about the proposed changes for three reasons. Firstly, it will have another impact on increasing cost-of-living pressures for many Australians who are already feeling the squeeze at the moment. Secondly, if people drop out of private health insurance because premiums go up—and they will—then it just puts additional pressure on
the public health system, which is already overstretched; there are already extensive waiting lists. Thirdly, this would constitute a further broken promise from the government. They expressly stated before the last election that they would not touch the private health insurance rebate. If they go ahead with these proposals then it will be very damaging to Australians and it will represent another broken promise from this government.

Fraser Electorate: GP Superclinic

**Dr LEIGH** (Fraser) (09:51): On Monday I had the pleasure of turning the first sod for a GP superclinic in my electorate of Fraser. Located at the University of Canberra campus in Bruce, the superclinic is one of 48 such clinics that have either begun operations or are under construction as part of the government's healthcare agenda. This GP superclinic will form part of a hub-and-spoke system in the ACT, with future facilities in my electorate in Casey, and in Calwell in South Canberra.

These investments in high-quality, comprehensive, convenient health services have significant benefits for the people of Fraser. As well as being convenient—grouping services such as occupational therapy and physiotherapy under the same roof as the local GP—superclinics allow for team work among health professionals, promising better quality health care.

Being located at the University of Canberra, the superclinic has a strong emphasis on educating medical, nursing and allied health students. It will soon be turning these university students into the next generation of health professionals, helping maintain and improve the standard of primary health care in the ACT and the broader region.

The GP superclinic could also help attract and retain health professionals. We know that medical students who train in the ACT are more likely to end up living and working locally, so having the magnet of a large, high-quality facility linked to student education is a great benefit for the future of health care.

Established by Ochre Health and jointly funded by Health Workforce Australia, the University of Canberra and the federal government, the Bruce GP superclinic is the product of a partnership, working together to provide better health care.

I thank all of those people involved in establishing the GP superclinic; their hard work is already bearing fruit: Minister for Health, Tanya Plibersek; the ACT Chief Minister, Katy Gallagher; University of Canberra Vice-Chancellor, Professor Stephen Parker; University of Canberra Chancellor, John Mackay; University of Canberra Deputy Chancellor, Tom Calma; and John Burns from Ochre Health. I would also like to acknowledge Thomas Baker, an intern in my office, who attended with us and who assisted me in preparing today's remarks.

With the government's commitment to build more than 60 new superclinics around Australia and to upgrade and extend around 425 existing health practices and facilities, the construction of the Bruce GP superclinic is part of the government's national health vision. This is a vision for better health care, better health training and better health research. I was pleased to see that coming to fruition with the beginnings of the Bruce GP superclinic.

Mitchell Electorate: National Office of Cystic Fibrosis

**Mr HAWKE** (Mitchell) (09:54): In late November 2012, I was honoured to open and welcome the new National Office of Cystic Fibrosis Australia into the electorate of Mitchell and the Norwest Business Park. It was fantastic to meet with the national president, Mitch
Messer, and the national CEO, David Jack, and all of the state presidents and CEOs of Cystic Fibrosis Australia. It was an exciting gathering and it was fantastic to welcome this dynamic institution into my community. As members would know, cystic fibrosis is an inherited recessive genetic condition. If two people are genetic carriers for cystic fibrosis and they have a child, there is a great chance that the child will have cystic fibrosis. The national body supports people with cystic fibrosis by delivering a range of programs including information and knowledge, research, advocacy, quality improvement in health care, awareness and understanding, and national leadership. Investment last year in these areas totalled in excess of $1.2 million, with over $500,000 invested in research. It is, once again, amazing to see an institution like this national body operate without government funding and achieve great things, purely on the basis of citizens' contributions and business and other contributions.

At the launch, after meeting with the presidents and hearing from them, it was time to launch the national data registry. In 1996, Cystic Fibrosis Australia decided to set up a national data registry. Over the next two years, all aspects of developing the data registry were explored and a model released in '98. This model is something that the Minister for Health and the Department of Health and Ageing could take a good look at for use in other areas. This national data registry is a way of ensuring that all of the data from the patient experience is captured from all of the individual cystic fibrosis centres in Australia. The data registry report is very effective. It highlights some of the progress that is being made, and it could provide a good model for application in other diseases and other areas. Using the data from these centres in Australia, the primary aim of the register is to monitor the disease, but it also tells us, after a decade of reports, where progress has been made and where disease trends are changing. An accurate and adequately funded data registry is an essential information source for any group or organisation seeking to provide accurate information, education and research resources. It will help ensure that limited and scarce government funds and community funds are being spent in the right direction.

It was a great privilege to launch the 2012 and 2013 cystic fibrosis data registry report. It is a great honour to have Cystic Fibrosis Australia join us in Mitchell, but I congratulate them on the great work that they are doing nationally. On behalf of all of the Mitchell community, I welcome them and wish them all the very best for their future endeavours.

**Ballarat Electorate: Ballan**

Ms King (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (09:57): I want to talk briefly this morning about a fantastic town in my electorate which, like many towns, is within easy striking distance of the major metropolitan city of Melbourne and the regional city of Ballarat and is becoming a very attractive place for many people wanting to move away from the busyness of the city. There are several such towns throughout my electorate. I have Daylesford, Clunes, Trentham, Creswick and Bacchus Marsh, but today I want to talk a little about Ballan.

Ballan is just over 40 minutes from Melbourne and 20 minutes from Ballarat along the Western Highway and the Ballarat-to-Melbourne railway line. It has a park-and-ride railway station which services not only Ballan but the many commuters from communities as far away as Daylesford. I know that people are grateful for the service, though they would like it improved, but it is certainly very important to the community. According to the 2011 census, it has a population of 2,744, which is about a 15 per cent increase since the 2006 census. The
Moorabool Shire Council is grappling with planning challenges as more people move into the district with the easy commute from both Ballarat and Melbourne by road and rail.

While this has been happening, though, the community has maintained its strong traditional focus while working hard to build for its new future. This weekend, I will attend the Ballan District Vintage Machinery and Vehicle Club's rally at the Ballan Racecourse. Like the Ballan Autumn Festival, which will be held soon, this is a great traditional event which attracts people from all around the region. I encourage people to come.

The people who keep these events growing are the heart and soul of these regions—people like the president of the machinery and vehicle club, Fred Palmer, whose mother, Sylvia, was recently named Moorabool Citizen of the Year, and the secretary, Brian Barry. They volunteer their time to ensure these events continue, just like the hardworking committee of the Ballan Autumn Festival.

Along with these traditional events, Ballan, like its counterparts across my electorate mentioned earlier, has started to show the signs of growth into this new phase. There are traders setting up new specialty businesses like coffee and craft shops, which attract weekend visitors from far away. One of the important developments has been the evolution of health services in the town. It is the site of the first GP superclinic in Australia, which the federal government provided $1.4 million for. A further $3.3 million is being provided for new facilities, including a hydrotherapy pool. I am proud that our government has played such an important part in bringing about this excellent transformation in health services in the community of Ballan. It is important to encourage managed growth and diversity in towns like Ballan, but with this comes a responsibility on governments to invest to ensure residents have access to the services to which they are entitled.

The government, through the Building the Education Revolution, has helped improve education facilities both at St Bridget's and Ballan Primary School to help young people and to facilitate their education. I congratulate the people of Ballan and the Moorabool councillors and staff who work with them, for the energy they are putting into developing this fantastic community.

The DEPUTY SPEAKER (Hon. BC Scott): In accordance with standing order 193, the time for members’ constituency statements has concluded.

BILLS

Appropriation Bill (No. 3) 2012-2013
Appropriation Bill (No. 4) 2012-2013
Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr MURPHY (Reid) (10:00): According to the boringly repetitive pronouncements of the opposition, climate change is either a myth concocted by the government to destroy our country or is a mysterious natural process that is beyond human control or understanding. Neither of these claims is supported by any evidence whatsoever. Instead, it is abundantly
clear that the opposition, in an unprecedented campaign of denial, disinformation and deceit, is deliberately exploiting any misunderstandings about this critical issue in order to gain an immoral political advantage at the expense of public confidence in rational policies that are based on evidence and science.

Despite the opposition's relentless dismissal of the warnings of climate scientists, the ever-more frequent disasters such as record-breaking floods, bushfires and extreme heatwaves are increasingly linked by solid, objective evidence to global warming driven by carbon dioxide emissions. Of course, objective evidence is of no interest to the opposition and their supporters amongst the vested interests concerned only to ensure that nothing gets in the way of their unethical determination to dismantle any measures, such as the price on carbon and support for renewable energy, which may interfere with the expansion of the fossil-fuel industry.

I have previously detailed the clearly understood scientific evidence behind the government's decision to put a price on carbon and to expand the generation of electricity from carbon-free renewable sources such as solar and wind power. Yet, so unrelenting is the opposition's cacophony of deception, I believe it is necessary to recount the science and the warnings about the disastrous consequences of unrestricted carbon dioxide emissions. An understanding of these issues is vital if decisions are not to be made on the basis of ignorance, prejudice or unwillingness to even read the extensive documentation.

Here is the scientific evidence for the effect of atmospheric carbon dioxide on the climate and the oceans. These findings have been put to the test so often that they are regarded as facts by the overwhelming majority of scientists throughout the world. First, energy radiated by the sun in the visible spectrum passes through the atmosphere largely unimpeded and is either absorbed or scattered or reflected back to space by the atmosphere, by clouds and by the Earth's surface. The energy that is absorbed heats the surface and the atmosphere and raises the local temperature in proportion to the nature and latitude of the surface, either land or sea. Second, the heated surfaces emit energy in the longer-wave infrared spectrum in accordance with Planck's radiation law, and this energy, perceptible as heat, is lost to space, balancing the energy input from the sun.

Third, carbon dioxide, present in the atmosphere as a gas, is transparent to visible radiation but is partially opaque to invisible infrared radiation and, in proportion to its concentration, traps heat that would otherwise be lost to space by radiation. As the concentration of carbon dioxide increases, so the heat content and temperature of the atmosphere and the Earth's surface increases. Fourth, carbon dioxide molecules absorb energy at specific wavelengths in the infrared spectrum. The absorbed energy is transformed by collisions to other gas molecules and to the surfaces and increases the temperature of those gases and surfaces.

Fifth, the concentration of atmospheric carbon dioxide has risen from about 280 parts per million at the beginning of the Industrial Revolution to around 400 parts per million today and is currently increasing by around three parts per million per year. The total heat content of the atmosphere and oceans has increased in tandem with the concentration of carbon dioxide in the atmosphere and is continuing to rise. The amount of heat stored in the oceans is about 1,000 times that stored in the atmosphere and fluctuations in surface temperatures are caused by heat moving between the oceans and the atmosphere. There is no evidence that the planet is presently cooling.
Sixth, the atomic nucleus of elements consists of protons and neutrons and the number of neutrons affects the stability of an atom in radioactive decay. Carbon 14 has 14 neutrons and is a radioactive isotope of carbon produced by the bombardment of atoms of nitrogen by cosmic rays and has a half-life of around 5,730 years. Carbon 14 dating is used to determine the age of organic materials that contain carbon and this method of dating exploits the fact that when organisms die they cease to incorporate atmospheric carbon and the carbon 14 that they contain decays at a known rate. Obviously, any remains of plants or animals that formed fossil fuels millions of years ago will contain virtually no carbon 14. It is clear from measurements made since the 1950s that the ratio of atmospheric carbon 14 to carbon 12 has been declining as increasing quantities of carbon 12 have entered the atmosphere. Fossil fuels are the only significant source of the additional carbon 12 and despite claims to the contrary volcanoes emit no more than one per cent of the total volume of new carbon dioxide entering the atmosphere annually. Moreover, volcanoes are generally associated with a short-term reduction of global warming since the smoke and ash they emit reflects solar radiation back into space.

Despite this overwhelming weight of evidence supported by nearly two centuries of scientific study the Leader of the Opposition remains at heart a denier as this quote from The 7.30 Report on 27th of July 2009 shows:

I am, as you know, hugely unconvinced by the so-called settled science on climate change.

Yet the Leader of the Opposition asks the Australian people to trust his own ill-informed judgment against that of the thousands of climate scientists and other experts who warn that Australia and the world are fast approaching a dangerous point of no return unless effective measures are taken to rapidly reduce atmospheric carbon dioxide emissions within this decade. I choose to trust the vast majority of acknowledged experts who understand the complexities of climate science. Is it any surprise that the opposition's so-called Direct Action policy is no more than a disjointed collection of unworkable proposals that will have a minimal effect on the growth of emissions and lacks any measures that will actually reduce the present volumes of emissions?

Statistically-significant increases in the frequency and intensity of climate related natural disasters driven by global warming have been observed in all parts of the world; not least in Australia where long-term records for rainfall and temperatures are now regularly broken while flood levels expected every 50 to 100 years now occur every second year. Do these often destructive events matter to the opposition? Evidently not, if you listen to the leader of the Nationals who, following the recent disastrous bushfires, dismissed concerns about emissions by saying on 9 January this year:

Indeed I guess to be more CO2 emissions from these fires and there will be from coal-fired power stations for decades.

That is what he said. Sadly, the Leader of the Nationals has guessed incorrectly because in fact the carbon dioxide released by these enormous fires produced the equivalent of only one week's worth of emissions from Australia's coal-fired power stations. That is a fact.

Moreover, the carbon dioxide emitted by bushfires is balanced by regrowth. Eucalypt forests regenerate and in a few years draw the emitted carbon dioxide out of the atmosphere. The same cannot be said of coal-fired power stations, since the slow formation of coal from the plants takes place over millions of years. Scientists warn that even a targeted reduction of...
carbon dioxide emissions of 25 per cent by 2020 is unlikely to be enough to avoid serious damage, yet at least that figure is a start. However, given the views of people like the Leader of the Nationals, any such rational policies would be entirely abandoned by a conservative government. The largest single source of carbon dioxide in our country is coal-fired power stations. Together they produce around a third or about 200 million tonnes of our total annual emissions. That is a fact.

Fortunately, the development of concentrating solar thermal energy collectors by scientists and engineers from the University of Sydney before 2006 makes it possible to replace as much as 75 per cent of the coal burned in those power stations. Yet, such was the hostility to this important development by the Howard government that the originating company decided to relocate to the United States, where under new ownership it now sells the same technology back to Australia. That is a national disgrace. I have no doubt that solar thermal collectors that could have been manufactured in Australia will substantially displace fossil fuels in existing power stations in the years to come, as the rest of the world moves rapidly to reduce emissions. Anyone who thinks that the coal industry has a long-term future should look to the story by Mr John Garnaut, published on 7 February this year in the Sydney Morning Herald, that warned that the Chinese government intends to cap coal consumption as the leadership shifts priorities towards energy conservation and efficiency. Recent history shows that the directives of the Chinese government are usually strongly enforced and it should be understood that the fossil fuel industry can no longer count on business as usual.

It is evident that a rapid transformation in the world's energy economy is under way, and countries like Australia and other fossil fuel exporters such as OPEC may well find that the market for their products is at risk of decline and even long-term collapse. Sweden, for instance, intends to cease importing oil by 2020 as renewable fuels and energy efficiency replace petroleum, while the United States has discovered the world's largest deposits of oil in its western states, sufficient for 400 years at its present rate of consumption. There is a so-called gas rush in our country as new technology makes it possible to extract methane from formerly inaccessible sources. Nowhere are the downsides to this development more apparent than in New South Wales. Thanks to the antediluvian policies of the present New South Wales Liberal-National government, homeowners in my electorate of Reid, which covers extensive Sydney Basin coal measures, are at risk of having their properties undermined by coal-seam gas drillers. In New South Wales carpetbaggers have been handed the right to drill where they please by a government controlled by climate change deniers, determined to expand the extraction of fossil fuels as they rob property owners everywhere of the value of their assets.

Although the Leader of the Opposition is glibly attempting to rebrand himself as trustworthy, his answer to Paul Bongiorno at the National Press Club on 31 January this year to a question about the price on carbon and the introduction of an emissions-trading scheme entirely discredited his deceptive facade of righteousness. Evidently unable to ignore a deeply embedded compulsion to give answers to suit the occasion, the Leader of the Opposition explicitly stated that:

…the rest of the world was not going anywhere near carbon taxes or emission trading schemes and that's why the Coalition is absolutely right to say no to a carbon tax and to say no to an emissions trading scheme.
I bring to the attention of the parliament that this statement is entirely false. The Leader of the Opposition seems to be unaware of the list of countries on his own direct action website which have introduced a price on carbon or have introduced emissions trading schemes or intend to do so in the near future—or, for that matter, those that should have been added to that incomplete catalogue, last updated in 2009. Are we to trust the Leader of the Opposition when he claims that countries like China, New Zealand, South Africa and Japan, or the European Union or states like California do not already price carbon or do not intend to introduce emissions trading schemes? Or should we trust those countries and California when they say they understand the need to reduce carbon dioxide emissions and have already introduced a price on carbon and emissions trading schemes or intend to do so?

I am sure that the vast majority of citizens in our country would rather trust the statements of those governments, determined to protect the interests of their people, rather than the unending deceptive claims of the present opposition, which are only interested in getting their hands on the keys to the Treasury by any means whatever. (Time expired)

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (10:16): I welcome the opportunity to speak in this debate on Appropriation Bill (No. 3) 2012-13 because it allows me to examine one very important aspect of Australia’s transport initiatives that I think has been put on the back-burner. I refer to what is generally called the inland rail. This envisages an inland rail line from Melbourne to Brisbane or, to be exact, from the South Dynon yard in Melbourne to Acacia Ridge in Brisbane. It has been talked about for many years but in the serious sense since 1996. That is 17 years. One would have thought by now that we would have come to some sort of real resolution. I admit progress has been made and I certainly do not detract in any way from the people who put their efforts into it.

I am an unapologetic supporter of the idea of an inland rail. I know Everald Compton well, who has championed this cause when others have fallen by the wayside. His moves to form ATEC, the Australian Transport and Energy Corridor, were visionary. It not only envisaged a railway line from Melbourne to Brisbane but, in that corridor, to have gas and high-speed telecommunications. It envisaged the electronic and internet age that we now live in, even when those things were in their earliest manifestations. That group has now morphed into the ATEC Rail Group and they have widened their agenda. Amongst the other lines that they are looking at now is the Surat Basin line in your electorate, Mr Deputy Speaker Scott. This is a $1.3 billion exercise. I understand that that will be able to go ahead without any major government contribution. Then there is the Border rail line from Moree to Toowoomba, at a cost of $1.5 billion. Both of these lines will help decentralise south-eastern Queensland. Still further ahead is a line from Mount Isa to Tennant Creek. Whether that is to be done in conjunction with an upgrade of the Townsville to Mount Isa line or a line from Gladstone to Mount Isa is immaterial. The point we need to recognise now is that there is a lot of mineral extraction going on in parts of Australia that we never envisaged before and we do not have the rail corridors to pick up a lot of this freight. We have a pretty shabby record as a nation when it comes to rail. This was largely because pre-Federation the colonies were self-governing entities and each built a rail system they thought was adequate for their needs. Queensland, Western Australia and Tasmania chose narrow gauge because they wanted to push the lines out as far as they could, particularly Western Australia and Queensland, where they probably would have preferred standard gauge, but it was a matter of cost. Tasmania was
a much smaller entity and probably did not need the heavy duty rail at that time. New South Wales chose the European standard gauge and Victoria the Irish wide gauge—five foot three. South Australia, which was sort of at the crossroads of all the systems, ended up with all three gauges.

We have had some improvements since but it took us until the 1970s to actually link up the capital city network from Brisbane, Sydney, Melbourne and Adelaide to Perth, when the line was finally completed, and that was reducing the five foot three line to a four foot 8½ line between Melbourne and Adelaide—not the most satisfactory way of doing it and one which I reported on in a committee I chaired some years later. The concept was good.

Right up until comparatively recent times, although we had gauge right, we did not have our safety systems and signalling to a uniform standard, which meant drivers could not take trains across borders. That has been corrected to some extent. In fact, in the line from Brisbane to Kyogle the driver used to have to jump out and put the bars into the old device—I cannot remember its name—which allowed the train to continue to the next stop. That has only been removed in the last four or five years.

When you look at that it is a pretty sorry record. Even in the visionary Alice Springs to Darwin railway—and I applaud the concept of that—already we have recognised that the capacity of that line is not up to some of the minerals that it could be carrying right now. It should have been built to a higher standard with its bridges, culverts and track—sleepers and so on. So even there we have cut ourselves short.

In Queensland we tore up the railway line from South Brisbane to Tweed Heads through to the Gold Coast and within two decades we were putting it back again. But we have sold the corridor. That was not real smart. I am not saying that the corridor as it first stood was the ideal one, but we have to go very much further west to get a corridor and even now it is only part of the way down to the Gold Coast, to Robina. Our record has not been all that crash-hot.

One area that does give me a lot of heart is Western Australia. I recognise that the current government has done a tremendous amount and I also acknowledge the work of the National Party over there with their Royalties for Regions, allowing a lot of these things to happen. But it is a pleasure to go on any form of road or public transport from Perth right down to the Collie turn-off. Those roads are just remarkable. The roads are four and six lanes. They have bicycle tracks with different coloured asphalt demarcation so that you can see very clearly that is not part of the road. Their spoon and table drains are properly battered so they can be regularly mowed. Their signage is superb. I imagine bushfire control is marvellous because they do not have trees up against the roadway. Then in various parts of that they have an electric train system running down the middle of it. In other words, they have got to a point where they have done something and they have done it well; they have done it once and they have done it well. I think whatever Compton wanted and still envisages is that we would do it once well. In a report I wrote once I quoted from Vince O'Rourke who, in my opinion, is the best railwayman in Australia. He said that with this inland railway we should do it once and do it well so we could double stack trains from Melbourne to Brisbane. That would be revolutionary, like nothing else we have in Australia.

I use this appropriations debate today to bring this back to the attention of government and, for that matter, to the attention of the opposition. We have talked about this endlessly. There have been eight or nine studies by both sides of politics and they have all gone to their neat
pigeonholes on the walls of the department. I am not criticising the people who did them; what I am criticising is the lack of will to make things happen. We spent $9 billion on school halls and upgrading schools. I am not altogether a total critic of that. I know it has made a vast difference to many schools. I often ask myself if, say, in the $10 billion stimulus package, $5 billion of it had been spent on national infrastructure projects and $5 billion on school halls and the like, we may have had an even better result, one in which the whole nation could have taken some pride and from which we would have had future commercial benefit.

Another thing this inland rail envisages is a 20½-hour trip from Melbourne to Brisbane—in other words, you could turn a train around in 24 hours. That would make it competitive with road transport. The cost of it would be about $4.7 billion. That could be a mixture of government and private money. As we come towards the end of each year and see the road crash figures, we wring our hands and say: 'We have to do various things. We have to upgrade our roads to four lanes here and six lanes there. We need dividers down the middle of certain roads. We have to get trucks off the roads—there are too many trucks on the roads.' We wring our hands and do nothing about it. This would make a dramatic difference to the number of trucks on the road. That would not mean less business for trucks but it would mean that they would hub out of different locations, with less interstate trucking going on. That could be a large net benefit for the environment and for safety.

Also, the inland rail track from Melbourne to Brisbane would save seven hours in transport time and would be 170 kilometres shorter. I have a variation on it that I very much favour. I think the track should go from Moree to Inglewood, into Warwick, across the McPherson Range and come down into Rathdowney on the north coast line into the Brisbane. Not all people agree with me, nor does Mr Compton himself. I think Warwick already has the makings of a hub with transport companies like Wickhams and Frasers already located there and Woolworths having one of their major distribution centres there. Also, it would be a less expensive way of getting the link made between Melbourne and Brisbane. That is not to say that Toowoomba should not be included—it should. I think the existing narrow-gauge line from Warwick to Toowoomba should be upgraded so that Toowoomba would be integrated into this service. The important thing, however, is to get the thing done and to get the benefit of a Melbourne-to-Brisbane freight corridor completed with terminals organised at both ends so that we can achieve this 24-hour turnaround.

I would like to put that back on the agenda. I know times are tough for state and federal governments at present, but one of the things we lack in Australia at present is national vision. The Snowy Mountains scheme was an example of national vision with both sides of politics able to embrace this project. Australians would take pride in this inland rail as the start of a new rail network that opens up our country, with its vast resources and wealth, through the most productive corridor in Australia. It would change the whole economic direction of our country.

Mr GEORGANAS (Hindmarsh—Second Deputy Speaker) (10:30): I rise today to speak in support of Appropriation Bill (No. 3) and Appropriation Bill (No. 4) and the great ongoing work that Labor is doing in a range of areas to further our national prosperity and quality of life. This work is laying the foundations for a prosperous nation for generations to come. This government, since coming to power in 2007, has had some visionary policies that will lay...
down foundations for a fair and just society and for which those foundations will ensure prosperity for generations to come.

The NBN is an infrastructure project that will take us into the future. The NDIS will ensure that people with disabilities live with the dignity that they deserve. The Gonski review is so important for education. As we heard yesterday, if ever there were an antidote to poverty it is through education. These are visionary policies and plans for Australia's future to ensure that our children, grandchildren and great-grandchildren will have a better life than we do. We as members of parliament have done all that we can to fulfil our duty and ensure that that happens.

It has been evident here in Australia for over 100 years that further prosperity to uphold our quality of life is the Labor way, and we can see that in the history of Australia. In today's context, with the challenges for the current generations and the globalised world in which we live, this motive is epitomised by this government's focus on increasing our national workforce. We have seen over 800,000 jobs created since we came to government. We have also seen the improved skills of our workforce and productivity of organisations and businesses striving to realise what they can become.

Labor's focus on increasing prosperity and improving quality of life is quite obvious in our positive approach to superannuation, and we have heard a lot about superannuation this week. Labor created the superannuation guarantee, and back then the coalition opposed it. Labor increased the super guarantee to nine per cent, and the coalition opposed it. Today Labor is increasing the super guarantee from nine per cent to 12 per cent and, as all Australians know, again the coalition is opposing it. There is no single area of policy that has a greater positive impact on the quality of life of millions upon millions of senior Australians than Labor's superannuation policies, and yet we see again the same mantra from the coalition opposing it in every instance. Without superannuation almost all Australians would face retirement on the age pension, which pays far, far less than their wages through their working lives. Thanks to Labor, senior Australians are increasingly retiring on an income far in excess of the value of the age pension, maintaining a relatively high quality of life. In support of this end, Appropriation Bill (No. 3) before us allocates further moneys to the ATO, the Australian tax office, for the purpose of, among other things, securing the transfer of lost superannuation members' accounts to the ATO, from where they will be reunited with the account holders.

Many of us in this place as members of parliament would have spoken to constituents and had people come to our electorate offices to talk to us about superannuation—perhaps they had lost or were not sure where it was. So this is very important: reuniting people with their lost accounts is an excellent way and service provided by this government to assist members of the public to collect all superannuation that they have earned, pulling together what was often in many different accounts and helping people keep their future retirement savings working positively towards their later life.

Retirement often depends at this time on a combination of both private savings, superannuation and the age pension. Where a retiree's savings are such that the income deemed to be generated from those savings is moderate—still within the age pension income test—the person may be eligible for a part pension.

In response to regular constituent queries regarding deeming rates used to calculate income under the age pension income test, yesterday I asked the Minister for Families, Housing,
Community Services and Indigenous Affairs and Minister for Disability Reform, the Hon. Jenny Macklin, about government action in this area. The minister stated that the government is again reducing the deeming rate, effective on 20 March, and this will benefit some 740,000 pensioners around the nation—some 70,000 from within South Australia and my electorate of Hindmarsh, which has a very high population of seniors.

The lower deeming rate will decrease from three per cent to 2.5 per cent for financial investments up to $45,000 for single pensioners or $75,600 for a couple. The upper deeming rate will decrease from 4.5 per cent to four per cent for balances over these amounts.

Part pensioners will see an average increase to their pension of $6.80 a fortnight. This is not an increase in disposable income as much as the increase in September 2009 where single pensioners started receiving a full pension increase of over $30; it is an acknowledgement by the government of the situation of the economy, the responsible investment options for retirees and the returns being received by retirees from their investments. I would like to congratulate the minister and the government for recognising what is right and putting it into action.

The minister went on to announce that from 20 March Australian pensioners will start receiving the new clean energy supplement. Pensioners will get that either fortnightly or quarterly over the next year. For single pensioners that will be around $338 annually; for a couple, $510.

Towards the development of healthy superannuation accounts, we believe work and employment is good for people's self-esteem, social engagement and of course quality of life through heightened income and expenditure. We as a party see employment as a cornerstone of social integration and participation, and that is why we provide the training and support that we do to help people into the workforce: the JET or Jobs Education and Training program, the university funding, the school funding that we have paid and the funding towards future Gonski-inspired appropriations.

This bill includes a further appropriation to the support for childcare assistance program delivered through the Jobs Education and Training Child Care Fee Assistance program, the family day care community support program and the inclusion support subsidy. There is nothing better for a household, including a household with children, than having at least one adult engaged in employment as I said earlier. I am extremely proud that this government considers the assistance that many people may require to access the labour markets and employment, a public good worthy of support and funding. As much as we wish for people to be employed through the course of their lives, people can easily be left behind by being removed from the workforce for extended periods of time. Then comes the loss of skills and the maintenance of those skills through the loss of the workplace culture and participation in the workforce. It is extremely important to give every person the absolutely best chance that we possibly can to maintain their employability throughout life, through their mid-life and into their 50s and 60s. I commend this government's recognition of this fact and the policies that are in place to further people's quality of life through ongoing employment.

Where employment ceases through no fault of the employees, where a business goes bust and hard-earned employee entitlements are lost, this government has continued to look after employees' interests through the General Employee Entitlement and Redundancy Scheme, known as GEERS. GEERS has provided assistance to employees who have lost their
employment and entitlements due to the liquidation or the bankruptcy of the employer. I am sure that all of us see many constituents who are in that situation of chasing moneys that are owed to them. In some cases, the loss of its employees' entitlements by a business may have been other than deliberate. Regrettably, in some cases, it seems apparent that the loss of those entitlements has been a callous and calculated act. The losses of these blameless employees can be tens of thousands of dollars, amounts which would take years and years to save. So I commend the government for its ongoing protection of employee entitlements and the quality of life that they deliver. Further appropriation towards GEERS is contained within this bill as well.

Of note to workers, GEERS was replaced as of 5 December 2012 by the Fair Entitlements Guarantee. It is not a coincidence that the provisions of these bills go to furthering workforce participation and furthering people's retirement savings. It is no coincidence that these appropriation bills go to the quality of life of Australians throughout their working lives and beyond into retirement. These are bread and butter issues on which Labor is principally focused. History tells us that these are policies that only Labor will deliver for the Australian people, our workforce and retirees. As I said, these are important appropriation bills that will lay down the foundations for future generations of Australians.

Unfortunately, this morning, approximately 70 to 90 people in my electorate woke to the news that they will be losing their jobs to offshoring. As many of you know, I have one of the largest call centres in Australia in my electorate, the Westpac call centre. Again we are seeing Westpac sack approximately 90 workers. The number announced yesterday was 70 workers; today I hear from the FSU that the number is closer to 90 or maybe even 100 who will be losing their jobs. Westpac and some of our banks are very profitable in this country. They are doing far better than most banks around the world. In fact, they have super-mega profits, and we see that in their returns every year. I feel that they have a duty to ensure that they give something back to the community. To see them offshore jobs just for the sake of making more profits is horrendous and terrible.

I have been advocating in this place for a long time for an Australian service logo. Just as you go into a supermarket and you buy a product and you want to know where it was made or where it was produced, I think an Australian service logo for the service industry would also serve consumers extremely well. They then can make up their minds and base their choices on the information they have. Knowing that their private information is going overseas they may make a different choice and walk and go to a different bank or a service industry that decides to service that particular customer's needs with an Australian workforce in Australia.

As I said, unlike some of our manufacturing people who are going overseas because they are really finding it tough, in this case in the finance sector area, especially in the banks, we are seeing our banks making mega profits and paying their CEOs millions of dollars, and there is no need to cut the workforce just so that they can make even bigger profits. I am very pleased to support those workers, and I have been on radio this morning talking about it. I will be speaking to the Minister for Financial Services and Superannuation, Bill Shorten, later on today about this issue. I am pleased to support all the bills that have come to this House and I commend the bills to the House.

Mr TUDGE (Aston) (10:44): I would like to use the opportunity of this debate on Appropriation Bill (No. 3) 2012-2013 and Appropriation Bill (No. 4) 2012-2013 to express
my concern about rising cost-of-living pressures hitting residents in my electorate and across Australia, and to express my dismay that the government's policies are making things worse.

As many in this chamber would be aware, essential goods and services have been going up in price way in excess of inflation or indeed wages. People tell me this in my community on a daily or weekly basis, and the stats back this up. The official ABS statistics show that the cost of electricity has gone up by 90 per cent since 2007, water by 64 per cent, gas by 60 per cent, education by 31 per cent and medical and hospital by 38 per cent. In the last 12 months, even childcare costs have gone up by 15 per cent. Cost-of-living pressures are indeed rising, and they are starting to hurt families in a very significant way. I receive correspondence and I receive telephone calls on a very regular basis from people who are struggling to make ends meet because of these price increases.

There are many reasons why the cost of living has been going up, but a significant reason in recent years is government policy. I would like to outline in four ways how the government's policy and the government's approach have contributed to the increase in cost-of-living pressures. The first, of course, is by running enormous budget deficits. In the last four years, the government has delivered the four largest budget deficits in Australian political history, and this year there will be a further budget deficit. We know that, if you run large budget deficits, that will have an impact on the cost of living. It is not just me or other members of the coalition who support this particular view. The Prime Minister and the Treasurer themselves have made exactly this point. The Prime Minister said that achieving surplus was 'the best thing that we can do to help families with cost-of-living pressures'. Wayne Swan said:

… meandering back to surplus … would compound the pressures in our economy and push up the cost of living for pensioners and working people.

And they are exactly right. By running such huge budget deficits, by continuing to run budget deficits, by abandoning their solemn promise to get the budget back to surplus, they are contributing to higher cost-of-living pressures for every Australian in the nation.

The second way the government are contributing to cost-of-living pressures is through specific measures that they have put in place. They introduced the carbon tax, which had an immediate effect on electricity prices and gas prices and, through those two things, every good and service in the nation. Electricity has gone up by at least 10 per cent in the last 12 months alone, and that is entirely due to the introduction of the carbon tax. Gas has gone up by nine per cent—also entirely due to the introduction of the carbon tax. How do we know this? Because the government's modelling before they introduced it said that those costs would go up by that amount. So they actually got the forecast right. They knew that costs were going to increase through the carbon tax, and that is exactly what happened.

Bear in mind, Mr Deputy Speaker Lyons, that these cost increases are occurring when the carbon tax is at $23 per tonne. As we know, the carbon tax is legislated to increase to $39 per tonne and it is then forecast to increase to an incredible $350 per tonne by 2050. So, a 15-times increase in the carbon tax is expected by this government by 2050. Imagine the impact that is going to have on electricity prices. Healthcare costs are going up because the government is taking the axe to the private health insurance rebate. They promised they would not, but they have already means tested the private health insurance rebate, which flows through to everybody, and they are now proposing a further measure to abandon the
ability to claim the additional penalties associated with not taking out private health insurance at the age of 30 against the rebate.

Childcare costs have also been increasing directly due to government policy. The government have decided that the staff-to-child ratios in childcare centres must be reduced. They have already been reduced for the nought- to two-year-olds. They will be reduced in future for the two- to four-years-olds. The Productivity Commission looked into this and said, 'If you go ahead, costs will go up by 15 per cent'. The government knew this, but they have gone ahead anyway. And what do you know? Costs have gone up by 15 per cent, and they will continue to go up as the government's proposals roll through to child care for the three- and four-year-olds.

The third area where they have put up the cost-of-living pressures is through the taxes that they have imposed. We all know about the government's taxes on cigarettes, alcohol and other products that working people use. They have actually introduced 21 new taxes since they were elected to government in 2007. Some of them are direct taxes on products that people use, but others are taxes on businesses, which then flow through to the products and services that those businesses offer.

The fourth area is in regulations. The government have introduced 20,000 new regulations over the five years since they were elected, and they have removed only 200. They promised one in, one out, but they have only removed 200 and have introduced 20,000. What these new regulations do is impose red tape and additional reporting requirements on businesses. What that then means is that business cost structures go up and to recoup those costs they then either have to put up the prices of their services or the goods they manufacture or they have to lay off workers. They are the two choices which they have in order to maintain their profitability.

So, in four ways the government have contributed to the cost of living increases: firstly, by running huge budget deficits; secondly, by introducing specific policies which put up costs in certain areas—electricity, gas, child care and private health insurance, for example; thirdly, by putting up particular taxes—21 in all across the board; and fourthly, by imposing 20,000 new regulations which make business costs so much higher, which then flow on to higher costs for the goods and services that those businesses produce. The government like to talk about their concern that prices have been going up, but when you examine what they have been doing they have, in fact, been contributing greatly to those increases in the cost of living. The astounding thing, though, is that when the government then get some political pressure upon them because costs have been increasing so much, their response is not to examine what they have been doing and remove some of the regulations, remove some of the taxes, tweak some of their policies to try to reduce those cost-of-living pressures or try to run budget surpluses. No, their response has been to spend more money on cash splashes. Last week, for example, the government introduced a bill for a further billion dollars of cash splashes to certain constituents in the community. It is all very well that those residents get a small amount of additional cash in the short term, but all of that cash was put on the government's credit card, all of it just contributes to the government's debt, all of it contributes to the government's yearly deficit. Hence we get into this vicious cycle. The government has taken us into debt, which puts up cost-of-living pressures. So the government then allocates some more cash, increasing the debt levels again, which then puts up cost-of-living pressures. And so the cycle
continues. If we continue on that cycle the government will go broke. You simply cannot continue to allocate more and more cash and put it on the government credit card. It simply cannot be done.

So what should the government be doing to address cost-of-living pressures? It can do a number of things and it can do these things immediately. Firstly, it could get rid of the carbon tax. The carbon tax adds approximately $515 to a family's budget and it reduces business confidence. That would be the first and best thing they could do to reduce cost-of-living pressures on everyday families, including those in my electorate, and it would also be the best thing they could do to support our manufacturers. The second thing they should do is re-examine some of their policies which are increasing prices—their child-care policies and their attacks on the private health insurance rebate. Third, they should stop adding taxes and, where possible, they should reduce taxes to make it easier for everyday Australians and businesses. Lower taxes are in the coalition's DNA. Higher taxes are in the Labor Party's DNA. The fourth thing they should do is cut the regulations and get rid of the red tape which is starting to strangle our small businesses in particular so that they can grow and have confidence and their cost structures will be lower, which then means we can have lower-cost goods and services out in the community. Fifth, they should have a proper competition review, particularly into supermarkets, where many people have concerns that a lack of competition is contributing to higher prices.

That is a list of things the government should be doing. They could be doing those things immediately in order to take the cost-of-living pressures off everyday families. These are some of the things which the coalition will do if we are fortunate enough to be elected to government later this year. The cost-of-living pressures facing families is a very big issue. It is perhaps one of the greatest concerns that residents in my electorate express to me. But what the government have been doing is not alleviating cost-of-living pressures but the reverse. Through their taxes, through their policies and through their enormous budget deficits they have been putting up cost-of-living pressures for everyday families are making it harder for them.

We need to be doing the opposite. The coalition has a plan to reduce cost-of-living pressures, to get the budget back into surplus, to address some of those policies which are causing prices to go up and to remove the taxes. Those are the things that we can do if we are elected to government. They should be things that the government do immediately, but they will not. So we do require a change of government at the end of this year to take pressure off everyday families in my electorate and across Australia.

Ms SMYTH (La Trobe) (10:59): I am very pleased to contribute to this morning's debate on the Appropriation Bill (No. 3) 2012-2013 and the Appropriation Bill (No. 4) 2012-2013 because appropriations debates are an opportunity to articulate one's vision as a government for the nation, and we certainly have articulated our vision for the nation through funding commitments since coming to office. It is an extraordinary history of investment in infrastructure, in education and in health to benefit communities such as mine in La Trobe.

It is extraordinary listening to a member from Victoria whose last contribution was to talk about what a government might do on coming to office. We all know about the 'gonna' government of Ted Baillieu—'woulda, coulda, shoulda'. 'We would, we might, we will at some point,' and then they proceed to dither and do nothing for an entire term. So it is
extraordinary to listen to this sentiment, seemingly about national vision. Typically, when the Liberals come to office, we see them stagnate. We see them come to a standstill. We see infrastructure spending come to a standstill.

But, worse than that, we see them have a look at things that, hypothetically, a Labor government might have committed to in its term prior to, for instance, a government such as Ted Baillieu's coming to office—for instance, the funding commitment that has gone to the duplication of Clyde Road. We all know that under this government a funding commitment of around $30 million was made to the duplication of Clyde Road in my electorate. It was supported also by an investment made by the Brumby government for Clyde Road. At the time that those announcements were made, conservatives were very happy. I know the former member for La Trobe—who is now running again, it seems—was very happy to articulate his concern that this would be a completely ineffective project. People did not want to turn up and congratulate the initiative of this government and the Brumby government in investing in the duplication of a road in one of the growth areas in Melbourne. But now we find that the Victorian minister is very happy to put on a hard hat and a high-vis vest, come out and rebadge this as something that is good for the area and tremendously well supported by the Victorian government. Five minutes earlier it was something that required looking at, required additional work and required some serious thinking, and now, when it is something that is underway and that he and others on the conservative side understand is beneficial for a growing area, they decide that it is something that they want to support.

So, if we are talking about a vision for the nation, this side has it in spades—a vision for the nation which is backed up by the kinds of investments that we see made or secured through appropriation bills such as this and the appropriation bills and initiatives that have preceded it. In the context of the matters I was noting before about the growth area of Melbourne, and certainly the growth area in my electorate, I note today that there is some reporting on a recently commissioned report delivered today called One Melbourne or two? I look forward to the opportunity to consider that in some depth in the coming days. I understand that it is particularly focused on increased investment in Melbourne in those areas that are rapidly growing, including areas such as mine. I certainly know that growth continues to be speedy in the areas of Cardinia and Casey in my electorate, as it does in a number of other parts of Melbourne.

I thought it was worth speaking about that in the context of some of the investments that this government has made to support the growth corridors in Melbourne in order to support the growing population of Melbourne and the growing population of Victoria. It is worth bearing in mind that the investments that were made in Victoria under the Howard federal government at its time of departing office were around $89 per Victorian. At this time it has more than doubled: it has gone to just over $200 per Victorian today. All told, this government has provided an unprecedented $6.8 billion from our six-year Nation Building Program to rebuild and renew Victoria's road, rail and public transport infrastructure. These are incredibly important investments and it is this government, and certainly not the Baillieu government, which is making those kinds of forward-thinking investments, recognising some of the growth pressures in Melbourne and, I am sure, in a number of other cities around Australia. I thought it would be worth reflecting later in my remarks today on some of the specific investments that have gone ahead in electorates such as mine in terms of education.
infrastructure, health infrastructure, roads infrastructure and social and community amenities. I think that is appropriate to do. These are issues that I have raised in this place which I continue to raise formally and informally in advocating on behalf of communities right across my electorate but in particular, in the context of this discussion about growth, in Casey and Cardinia. I look forward to the opportunity to speak further with those councils about some of the findings that are presented in this report.

I would say, however, that in Victoria we have come to realise that any investments that are likely to be made in infrastructure and in growing communities come from this federal government. It is incredibly difficult, and many people will tell you that it is incredibly difficult, to get access to or find an opportunity to articulate the needs of growing communities to the Victorian Premier and to get any kind of meaningful response. We hear that regularly in the state.

The overall investment in health and education by this government has been extraordinary, and certainly in Victoria that has been the case. I would like to talk about some of those investments in health and education in my electorate and also some of the other investments in relation to social infrastructure, roads infrastructure and other commitments that we have made to support our growing population.

I note, as I have noted previously, that this government has made around $110 million in commitments and has delivered those commitments through the Building the Education Revolution program. But that is certainly not the only program that has gone to supporting capital works in my electorate. I am delighted to be able to say that we have invested heavily in trade training within my electorate, which is very much to the benefit of one of the growth regions of Melbourne. I can report to the House that Hillcrest Christian College has been the beneficiary of a trade training centre funding grant of $1.5 million to develop an equine trade training centre. That part of my electorate that is covered by Clyde and right across to Pakenham is an area that will certainly stand to benefit from this. There is a significant amount of interest in the equine industry. There are significant opportunities in the equine industry for young people and people who will be beneficiaries of education through this trade training centre. It shows the practical ways that this government is supporting prospects for employment and opportunity within the region.

Likewise we have made a commitment of almost $1.3 million in a trade training centre at Belgrave. This is a trade training centre which will provide opportunities for training in hospitality, among other things, to not only students at Belgrave Heights Christian College but also students throughout the Hills region of my electorate. So those are two significant investments. There have also been quite significant investments in capital expenditure in a number of other schools throughout my electorate such as Beaconhills College and Heritage College, amongst others. I could certainly go on with quite a comprehensive list.

But, turning to some of the other investments, I should note that prior to coming to office I was certainly an advocate for investment in a new facility for Outlook disability services, which operates in Pakenham for the benefit of residents and families in looking after people with disabilities, their carers and their providers of support. At the time I came to office it was clear to me that the facility they were operating in was absolutely rundown and in need of repair. It was really substandard. It was for that reason that I advocated for a funding commitment to be given to them so that in a growth area there could be a decent facility for
people to go to seek assistance from Outlook, which provides disability services and which also operates some employment services within the region. It was for that reason that this government invested $3.2 million in the building of that new community centre—to support the work of Outlook. It is something that I was very proud to support.

Likewise there have been a series of other investments made by this government. This is all about our practical vision for the nation, articulated in electorates like mine and electorates right around the country. We have seen the commitment, for instance, through the regional and local community infrastructure grant with lighting at a recreation reserve in my electorate—Holm Park Recreation Reserve—some work at Pioneers Park and some work at Coonara Community House in Upper Ferntree Gully, which does fantastic work providing training to local residents and really being a place for the community to come together not only to seek training but also child care and a number of social initiatives. These are practical ways that we are supporting existing communities and growing communities.

It is appropriate in the context of this kind of appropriations debate that those things be revealed because so often we hear from the opposition, with their sort of two-speed response to everything we say—they are a two-speed opposition; all that they do is dead slow and stop; there is no initiative—that they anticipate we will never make appropriations for appropriate health, education or social investments. All the funds for new initiatives, like the NBN and significant road development, come from the infrastructure fairy. This is an opposition which carps repeatedly, but which does not reflect on the positive things—the significant investments in electorates such as mine, which are supported by appropriation bills such as these.

We have seen a very significant commitment from this government in child care, particularly in my electorate at the Upwey Early Learning Centre, where we have invested a very significant amount in developing a new childcare facility there—over $7 million. In addition, we have provided funding for primary health care infrastructure. We have provided around three-quarters of a million dollars in primary care infrastructure grants, which to date have supported three GP practices in my area. This has expanded the services that they can provide—additional rooms and additional infrastructure to support their existing patients and also to extend themselves into new parts of the community. That has certainly been received very favourably within my electorate.

There are an extraordinary number of investments that have been made by this government to my electorate. I am sure that those councils I referred to earlier that have commissioned the report, which is discussed in the media today and entitled One Melbourne or two?, are very much aware of the investments that this government has made in relation to local councils. Certainly, they have been the beneficiaries of Roads to Recovery funding repeatedly. For instance, Cardinia Shire Council received about $1.2 million in 2011 under that program. Casey council received about $1 million; the Yarra Ranges Shire Council, also in my electorate, received almost $2 million; and Knox City Council received about half a million dollars. Those figures are certainly replicated subsequently.

There has also been significant funding for the discrete Black Spot Program in my electorate. For instance, in Berwick at the intersection of Inglis and Buchanan roads and on Amber Crescent in Narre Warren. All of these investments are practical ways that this government is assisting people in growth regions and is assisting people right around the
country. While those opposite would deny that these kinds of investments need to be made, and whereas those opposite will say that this is simply about spending for no good end and that it is seemingly wasted money, I suspect that the electors in my patch, as with electors right around the country in electorates which have benefited from Black Spot funding, Roads to Recovery funding, health investments, education investments and infrastructure investments—big and small—would be very reluctant to take the same view, very reluctant indeed.

These are practical investments which alter the lives of people right around the country, and particularly in growth areas. I am very pleased to be able to speak in favour of this appropriation bill, as I have been proud to speak in favour of the funding measures that this government has supported in the past.

**Mr BILLSON (Dunkley) (11:14):** May I congratulate the member for La Trobe for recognising the great value of the Roads to Recovery program and the Black Spot Program, instigated by the Howard government. I wish her luck as she contests the next election against Jason Wood, the Liberal candidate, who was actually the member for La Trobe when these programs were introduced! I say to the voters of La Trobe that if they like their Black Spot and Road to Recovery programs they should go to the authentic thing, and that would be Jason Wood.

It would be interesting to see how this budget would be explained in the context of the budget delivered in May of last year. These appropriation bills seek to adjust the services or activities area of the Commonwealth and also the capital work space. Appropriation Bill (No. 3) 2012-2013 is presented as a way of redistributing or providing additional expenditure requirements that have arisen since the May budget. There is a range in there that relate to changes in the forecasting of programs, program uptakes and new insights, the timing of payments and the like, and they cover a range of activities including support for the childcare system and the General Employment Entitlement and Redundancy Scheme, or GEERS, system, another measure introduced by the Howard government for employees who had lost their entitlements where their employer became insolvent. There is an allocation of funding for the royal commission—and I hope that goes well—and the synchronisation that is needed with the state based inquiries that are underway.

There is also quite an extraordinary further provision of funding to deal with offshore asylum seeking, and it reminds us of the multiple billions that have had to be spent in border protection as a result of the abandonment of the effective and successful Howard government policies. I remind people in this place that when the Howard government left office there were four people in immigration detention—not 400, not 4,000, but four. Now we look at the thousands in our care as a consequence of Labor's failed border protection policies.

There is some interesting work, particularly in further funding for the tax office targeted compliance activities. This must be of enormous concern for the small-business community—$390 million was announced in MYEFO as a further injection of funding for the tax office to essentially crack down on small business. Small business is doing it hard enough now, and is always inclined to do the right thing in terms of its responsibilities. To see almost $400 million of additional funding to give small business an ever harder time at a time when the economy and government policy are making things very tough anyway must be of concern, particularly on the back of the Inspector-General's report.
That report found that targeted template metrics are used to have a look at BAS returns to identify variations and then trigger some audit and enforcement activity. It saw about 5,791 small businesses targeted through that templating strategy to be issued amended assessments, which the Inspector-General found to be false and unjustified, only to have to pay those amended assessments because they did not have the resources and the capacity to compete with the tax office. Now, on the back of that warning bell from the Inspector-General of Taxation there is another $390 million. Isn't it ironic that in MYEFO the only mention of positive small-business programs was what was being undertaken by the Chinese government to stimulate their economy—that was somehow going to allay concerns about a fall-off in Chinese growth, and that was good for the budget. That was the way MYEFO presented it. But in terms of small business there is $390 million for a further crackdown. There is an allocation in here for that.

In the capital work space, which is Appropriation Bill (No. 4) 2012-2013, there has been some manoeuvring of funds within portfolios away from programs, and changes, particularly in Defence, in operations areas for new projects. There is also $45 million for ANSTO for detailed engineering designs as an equity injection into a nuclear medicine manufacturing facility. That will certainly be of interest. There is a further $32 million in capital funding to expand the immigration detention network—and I will not repeat my earlier comments.

This is interesting, because we have had MYEFO identifying an enormous deviation from a budget delivered only a couple of months earlier, and here we are doing further shuffling of funding at a time when there is already concern and uncertainty about the reliability of the government's forecasting, particularly when you look at things like the mining tax. When you take away the administrative costs and lost company tax revenue that tax really does not make much of a contribution at all to the revenue of the Commonwealth. We learnt today of a substantial warehousing of more than $1½ billion in credits that can be laid off by major companies against future mining tax liabilities. This is the so-called super profits tax, which is really better characterised as a super disaster in tax formulation that has caused uncertainty and a chill in mining investment and optimism in Australia for very little in terms of additional tax revenue.

What is not explained in these papers, though, is that on the back of record budget deficits, debt blowouts, wasteful spending, cost-of-living pressures and other debacles like those I have mentioned, is how the government is going to fund $120 billion of unfunded spending promises that were revealed by the Australian Financial Review. The government is keen on announcements, we understand that, and they are masters of political spin; but in doing the actual hard work of bringing forward a credible and sober plan to fund and implement these announcements and to then see that what is promised is actually followed through, their record is quite dismal. The Australian public is recognising that as an all-too-familiar characteristic of a divided and dysfunctional government.

The government has walked away from the non-negotiable budget surplus promise. That promise was made hundreds of times, even in writing; and some of the leading government ministers wrote to their constituents telling them it had been delivered, which was extraordinary. The irony is breathtaking. I know that for one the member for Deakin wrote to small businesses in his electorate proclaiming the delivery of a company tax cut which never appeared and, despite what the government would say, has never surfaced for a vote in the
parliament. They withdrew that of their own volition and seek to blame others for it. It is interesting that that same letter from the member for Deakin heralded the appointment of the first small business minister, which was, again, wildly inaccurate—but there has been no correction or apology to the electorate or electors of Deakin for that error.

We are still seeing the ramifications of these budget variations washing through the Australian economy. Today, particularly, there was more evidence from the New South Wales Business Chamber about the extraordinarily negative effect the carbon tax is having on small business. It is not difficult to work out. In my own electorate, where about 11 per cent of all jobs are in the manufacturing sector, those small businesses and medium-sized enterprises need to be world-class every day because we know manufacturing is under pressure and we see offshore options rearing their head, at times, at a cheaper price—they undercut our local suppliers because they are free of burdens like the carbon tax. The carbon tax continues to act as a reverse tariff on a big part of our economy. For all those operating within it, it continues to erode confidence, optimism and consumer spending ambitions—prospects for the future that are really hurting small businesses that do not have deep balance sheets or the capacity to ride out a carbon tax that is set to rise and therefore further exacerbate its negative influence on the economy, on consumer and business confidence, and on the outlook for future opportunities and prospects.

Contrast that, in the small business area, with a clear, comprehensive plan to restore small business reward, hope and opportunity. It is actually the centrepiece of our plan Real Solutions for all Australians and I am happy to join my colleagues as I travel around the country explaining and working through that plan at small business forums. People understand that we have practical actions and commitments that will benefit the environment in which they operate and their prospects for the future, and they contrast that with the Gillard government's assurances of more of the same. I am reminded of the census index survey where only six per cent of small businesses thought that deal of government policies are helpful to them—six per cent. Perhaps that might even be kind, but that is the number. Clearly a message that should be going out widely to the Labor strategists in the Gillard government is that the small business community is awake up to them. The fourth minister in 14 months is unlikely to improve their prospects. The neglect of small business in the G20 business advisory group; no mention of small business in the Prime Minister's Press Club speech—these are example after example of disinterest and a lack of commitment to small business.

My community knows that small business is not only the engine room of the national economy, they are the providers of prosperity in communities like mine in the outer metropolitan area of Melbourne. That is why we are so focused on seeing the business back in small businesses and we will implement, if we get the opportunity, a plan that recognises and respects their work and the risks they take—something that this government continually fails to do.

The budget reinforces a number of concerns particularly of the 70,000 people who have private health insurance in my electorate. Various changes will mean the electors of Dunkley with private health insurance are likely to pay around $200 a year more for their private health insurance as a result of premium increases announced by the Minister for Health and other changes to the rebate—the incentive, the modest encouragement that has been available for people who choose from their own discretionary income to provide for their own health
needs. Even that incentive is being eroded by this government, and that is of great concern to the nearly 70,000 people who have private health insurance in my electorate. The vast majority of families are on very modest incomes, and they go without so they can have their private health insurance—yet the government tries to portray health insurance as some kind of a plaything for the rich and famous. That is absolutely not the case.

In the private health space, not only is the private health sector important to the health care of the citizens I represent; it is also an important part of the economy. We have a number of private hospitals in my electorate that do outstanding work and community based hospitals like The Bays; I think of Beleura, I think of Peninsula Private Hospital, I think of the Frankston Private Hospital, to name those that are most prominent. At this time I am urging the state government to give clarity to the planning laws surrounding the proposed extension of the Peninsula Private Hospital. The site they are looking at has been identified as an anomaly to the urban growth boundary; there are planning processes in place for that but there is also a local planning scheme amendment that will shortly go to appeal. That process for the Peninsula Private Hospital's to expand its facilities in our electorate will be greatly assisted by clarity in the state planning policy. That is something that I will be encouraging.

It is an interesting picture. These are variations to a budget that has already had a very limited shelf life. It is a budget that caps four of the nation's biggest deficits in history, that have seen accumulated debts and deficits of $172 billion. We see borrowings continue to expand. We have a government that inherited a budget surplus, no net debt and $70 billion dollars in net assets. It has just turned that around as if throwing money around is the solution to every problem; it has not been discerning and disciplined in making sure that outlays are soberly assessed and carefully implemented so as to get full value for money for the taxpayer. It is not just the taxpayers of today—let us remember that debt is a burden that lands on the taxpayers of tomorrow in the form of higher taxes as the debt will be serviced for years to come. Around $7 billion now would be an extraordinary contribution to programs like the NDIS—an opportunity we do not have because we are busily servicing this escalating debt that has been the hallmark of this Labor administration.

I am optimistic that the Australian public will respond to the very clear plan that has been outlined by the Abbott coalition opposition. We are seeking to put forward clear strategies to strengthen the economy and build prosperity, so we have a safe and secure nation and so that individuals are not concerned about their own personal security. Mr Deputy Speaker, you must know about the anxiety people feel, about the uncertainty in the economy being added to by an ill-disciplined and dysfunctional government. That is not what the country needs now. Even the idea of adjusting the deeming rates has been captured with some cynicism by retirees wondering where the government has been for a number of years when there have been variations in the cash rate and the rates of return that people could get on their investments. It has not been adjusted for a long time. We need clear air for this country and a clear plan. Yesterday the Prime Minister's own department said the Prime Minister is focused on day-to-day issues. Nothing could be clearer than that. Where is the plan for the nation's future? That is where the energy should be, not just tactics on day-to-day political issues.

(Time expired)

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (11:29): I am taking the opportunity of this debate on Appropriation Bill (No. 3) 2012-2013
and Appropriation Bill (No. 4) 2012-2013 before the parliament today to give an update on developments in my own area. Like the previous speaker, the member for Dunkley, most members like to talk about important projects and issues in their electorates. After the budget, I always take the opportunity to report on the initiatives offered to my local area. I can report to the chamber that, since the election of the Labor government in 2007, those budgets have delivered far more and far more effectively, and have been far more welcomed than the budgets of the previous 11 years of the Howard government. In our region, there are some significant challenges and I believe our government have the correct programs and the correct vision for our region and for the nation. I would like to outline some of the programs that were rolled out in the second half of last year in my region.

The first thing I can report is that in June, together with my colleague the member for Throsby, I was very pleased to welcome the Minister for Regional Australia, Minister for Regional Development and Local Government and Minister for the Arts, Simon Crean, to the Illawarra to make an important announcement about funding under the Regional Development Australia Fund. Given that BlueScope Steel announced a restructuring in 2011, it was particularly important to have new programs available to help the region diversify and create social capital. Minister Crean came to the Illawarra on 6 June and announced two lots of funding. One was $5 million for the refurbishment of the Crown Street Mall in Wollongong, a project that is worth a total of $15 million. It is an important project, as the mall stands at the commercial centre of our region. A couple of weeks ago, I joined Mayor Gordon Bradbery to celebrate the turning-on of the free wi-fi in the mall, a popular modern attraction for commercial and retail sectors. The other funding was a contribution of $2.6 million towards to Warilla Southern Community Hub and Youth Foyer, worth a total of $5.15 million. It is another important social capital project. The member for Throsby and I are particularly pleased that this project is being delivered by an award-winning and well-regarded local organisation—Southern Youth and Family Services.

The two projects will create over 200 jobs. The hub will include some accommodation but will also provide education, employment and social services for homeless young people. The hub project builds on the first round of this particular grant program, Father Chris Riley’s Youth Off The Streets project, which was awarded $2.26 million towards a $4.83 million project to transform a former juvenile detention centre, Keelong, into a new accommodation and school for young people with high needs. Next month Minister Crean will be back in the Illawarra to open that facility.

In August, Southern Youth and Family Services received almost $40,000 to deliver the Connect-Ed youth project in our region, which gets young people to design, build and paint signage for community facilities. In the process they gain skills in carpentry, signage and painting. It is a small example of the great projects that that service runs, funded by our government's commitment to building social capital in the regions.

In June, the region was also very pleased to receive $1.451 million for settlement services. Our region has a fantastic record of welcoming newly settled people, particularly refugees, into our region and the Illawarra Multicultural Services have an exemplary record of providing those sorts of supports and services—again, another indication of very important social capital-building through the government's commitment to these sorts of services.
In August, the University of Wollongong Graduate School of Medicine was successful in getting a grant of just over $800,000 in a number of stages to develop a telehealth skills training and implementation project. This is about working with the young trainee doctors who are at the graduate school of medicine to develop new ways of training them to use e-health services on the back of the National Broadband Network rollout. It is a good opportunity for our region to provide, as it always does, the leadership in innovation and new technologies. I will have a bit more to say about the NBN towards the end of my contribution.

Like many of us on this side of the House, I spent a lot of the second half of last year visiting great local schools and opening fantastic new Building the Education Revolution projects. They were, without doubt, universally welcomed by the community of every single school I went to. The sort of infrastructure that many of them could only have dreamed of waiting years and years to achieve was put in place under that stimulus program.

As part of that, I was really pleased in August—there was some remaining funding from the program in our area—that it was decided, between the state and federal government, to target special schools with that funding. We were really pleased to welcome $3.15 million in funding for the Para Meadows School in our area, enabling them to deliver some significant physical improvements to the school in their hall, a covered outdoor learning area and some new classrooms. I had the opportunity to join with the principal at the school to talk about that announcement and it was a great pleasure to go to the graduation of their students, who are always thrilled to have the opportunity to be at that school, to be supported by that school and to participate in the graduation ceremony. It is a great event at the end of the year.

The other really important significant announcement was the second round of the Illawarra Region Innovation and Investment Fund money. This was the fund that was set up post the BlueScope Steel announcement. The fund was set up on the basis of $20 million from the federal government, $5 million from BlueScope and $5 million from the state government. Its intention was to co-invest with interested companies in business opportunities, new job-creating opportunities, extensions of businesses and the establishment of new businesses, with the aim of creating jobs to diversify the economy in the region.

In November, the member for Throsby and I were very pleased to announce that the second round had funded 25 innovative businesses to a total of $17.2 million in grants. In effect, the outcome of that will be to create 512 jobs and to inject 48.8 million worth of investment into the region. That is, of course, a combination of the government funding with the matched funding. Many of these businesses were matching $2 or $3 for each dollar invested by the government. The co-investment grants, very pleasingly, covered a range of industries in our region, including new businesses and extensions of existing businesses in manufacturing, information services, health care, tourism, professional services and—excitingly for my own interests—in education and training.

So it was a very pleasing indication of the confidence and enthusiasm of businesses for our region and their willingness to invest, in partnership with the government, in new job creation opportunities. Those sustainable jobs for the future are terribly important to regions in transition like ours and are a great reflection of the promptness with which the Gillard government responded to that announcement and the tight work that we have done with our community. I want to pay great respect and thanks to the task force in our region, which was set up to address how to best invest and utilise this funding. We had leadership from across
the region working together with government to make sure that we made the maximum benefit from this opportunity and this program. The member for Throsby and I made the announcement at Port Kembla's National Biodiesel Ltd site. It is a new investment opportunity in our region. It got a $2.86 million grant from the fund and it will be investing more than $14.3 million in the infrastructure project that will create 52 jobs. A similar grant was offered to CSC Australia Pty Ltd at Mount St Thomas. They are establishing a centre of excellence within their current technology park campus. This centre will include leading-edge services and security operations and will create 98 new jobs. These are examples of a government that understands the regions and when they need assistance. This government works in real partnership with the regions to deliver these outcomes, and our region is evidence of that.

I was very pleased to welcome, with my colleague the member for Throsby, the Minister for Resources, Energy and Tourism, Martin Ferguson, to the region in the second half of last year. He was there to announce with us a $2.3 million emerging renewables program grant for BlueScope Steel. This was a great message about the future of this business in our region, a business with a long history and close ties with our region, and its capacity to move into new fields and to take up the opportunities that renewables and an economy based around a price on carbon can create for new products and services. It was a great opportunity to have a look at the research work being done in the research and development part of BlueScope around rooftop photovoltaic products. We were thrilled to have that great BlueScope program, which is obviously something that would disappear under those opposite, get funding.

I also acknowledge some programs that sometimes seem smaller but make a real difference to people at the local level. In November, we were very successful in getting nearly $140,000 worth of volunteer grants into the region for 37 organisations which got grants of between $1,000 and $5,000 to support them in their work. These organisations would have to do an awful lot of pie drives and cake stalls to make the sort of money that we give. It is small money by government grants sizes but it makes an enormous difference to communities. A range of local groups benefited, such as the Heathcote headquarters of the Rural Fire Brigade, the Bundeena Community Centre, the Bulli High School P&C, Project Contemporary Art Space Inc., the Older Women's Network and the West Illawarra Hockey Club. These grants covered a range of social activities and community activities that are well supported in the electorate.

I was also very pleased to take up and challenge the point that the former member for Dunkley made to talk about a $748,000 investment in small business in my region. The Illawarra ITEC is a great local organisation that provides small business advisory services. It has been very well received by businesses in the area. ITECs will provide over 392,000 separate advisory services for more than 207,000 small businesses around the country under this program. Our local one is very important to all the businesses across the region and it will be very welcome that it has received grant funding.

As you can see, there is so much that our government has delivered to the regions of Australia with our programs and priorities having real meaning for the regions, so I am going to struggle to cover all of the projects in my region in the time I have. I also want to identify the University of Wollongong in a great announcement under the education investment fund's most recent round. The university received $31 million for the Early Start-Changing
Children's Future project. This will be a research and teaching facility that will target and have spokes into the regions of New South Wales to deliver high-quality education opportunities, training and research for early childhood education. It is a great initiative and I would like to acknowledge that there is a $7 million philanthropic gift to the university to be part of that project. It is a really good story all round, building on the significant money, over $100 million, that we have invested in the University of Wollongong to be a major driver in our region.

Finally, as the NBN is rolled out across my region, I anticipate that it will be a profound support for all those programs and make a great contribution to our region. (Time expired)

Ms MARINO (Forrest—Opposition Whip) (11:44): I rise to speak on these appropriation bills. The south-west of Western Australia, the area I represent, in my view is the best region in the best state in the best country in the world. Those of us who are lucky enough to live there are always grateful that we have that opportunity. South-west people are also quite generous and they want to share the experience of the south-west with the rest of the nation and the rest of the world. We from the south-west want you to come and experience what is so amazing about our region. Come and see the sun going down over the ocean while you dine on fresh WA seafood and a glass of fine Margaret River or Geographe region wine. It is a wonderful experience. Visit our iconic forests: the majestic karri forests in the south and the jarrah forests further north. Perhaps you would rather surf at Smiths Beach at Yallingup or visit the dolphins in Koombana Bay in Bunbury. That is a simple snapshot of what the south-west has to offer.

We also have a lot to offer economically to not only the rest of the state but the nation. The south-west is also the engine room of the state of Western Australia, providing the state's energy and much of the industry which underpins the region's $15 billion economy. It is a mining region that produces $2 billion a year in minerals—a number that will soon grow with the additional coal exports that are planned. It is an agricultural region, with a turnover of over $600 million a year in some of the best quality food, mainly milk, vegetable and beef production. It is some of the best quality and most efficiently produced food in the world. I take this opportunity to recognise the agricultural sector and the agricultural exports as the reason we stayed out of technical recession.

We also have, as members here would know, one of the world's premium wine-producing regions. We would like to see everyone visit this jewel in the Australian crown. I also want to see investment in the south-west for local communities and for visitors so that they can enjoy what we have to offer. We do need a truly regional airport in the south-west, one that has the capacity to take direct flights from interstate and overseas so that tourists and locals for domestic purposes can come and go from the region effectively. Until there is a larger airport in the south-west with a greater capacity, tourists and those travelling domestically will have to continue to fly to Perth and then drive down to the south-west area. When you look at getting from Perth to the south-west, the completion of the Bunbury Outer Ring Road is an essential and urgent piece of infrastructure.

The Bunbury Outer Ring Road and port access road are being delivered. I attended the opening of stage 1 of the port access road in 2002. Stage 2 of that road and stage 1 of the Bunbury Outer Ring Road have both state and federal funding committed—budgeted at a cost of $170 million. Work started on this stage of the project with a ground-breaking ceremony.
that I attended in February 2012 and it is expected to be completed by midyear. The remaining stage of the Bunbury Outer Ring Road is estimated to cost over $260 million, but as yet these funds have not been committed. So we have a major road project that is two-thirds done but is not connected and will not be connected at either end. This is desperately needed. I call on the Labor government to finish the job on the Bunbury Outer Ring Road as soon as possible. In the longer term dual lanes from Perth to Margaret River are essential. It is certainly part of my long-term transport vision for the south-west. It will make the trip safer and it will make the trip more efficient for visitors and locals alike.

When visitors do get to the south-west I want them to be able to experience the great variety that it has to offer. This will mainly come through the myriad innovative and very hardworking small business owners, those who run chocolate or cheese factories or the vineyards you might visit. It will also be provided by the restaurateurs, who are also small business operators, as are your dive charter operator and your joy-flight pilot. All these people are waiting to provide you with the experience of a lifetime. I hope they will still be there when you get there. I hope that the new taxes applied by the Gillard government, like the carbon tax, have not put them out of business. The impact on regional Australia is very underestimated by this government. This tax impact means that you really should go sooner rather than later.

And we will see further increases. In 2014, for a start, the carbon tax will increase by a further five per cent on 1 July. Virtually everything that we eat, drink, use, consume or build with comes on the back of a truck. In 2014—and here is the rub if you live and work in regional areas or if you want to attract people to regional areas—road freight operators will lose 6.858c a litre off their diesel fuel rebate to pay for the carbon tax. So the cost to transport every single thing in rural and regional Australia will go up, and it will be those same small businesses and also the consumers that will have to wear that. On top of the recent 2.4c a litre rise in the diesel fuel excise, this will mean higher costs and greater impacts in all regional areas, including our South-West tourism operators. It does have a direct effect; if you are in small business every cent counts.

When you get to the South-West, like thousands of others from the east, you may decide that you do not want to leave. If you stay, I really do want you to be able to access all of the services and facilities you need. One of the things I want to see achieved is the provision of higher education in the cape region of the South-West. This is something I started working on back in 2010 with a very good cross-section of stakeholders, and our work continues. Our Capes Region Higher Education Taskforce members recently met with the first universities to respond to our document calling for expressions of interest sent out across the country late last November. With me at the two meetings in Perth, Thursday a week or so ago, were task force members Deputy Mayor Tom Tuffin, Jon Berry from the City of Busselton, and Chamber of Commerce Chief Executive Officer Ray McMillan. We met representatives from the University of Notre Dame and the University of Canberra. It was really encouraging already to be having those types of face-to-face meetings with people who want to learn more about the capes region and the great potential for tertiary education opportunities.

I know this is still very much early days in those discussions for the overall project, but our task force continues to work with stakeholders to develop a long-term strategy for tertiary education lifetime learning opportunities in capes region. But, with continuous population...
growth, the task force believes it needs to act now. We need to act now to deliver the best future in education outcomes.

There are 1,000 people a week coming into Western Australia, and this really needs to be considered by the government. There are 1,000 people a week and yet we see constant attacks on the economy of Western Australia. If you are one of those 1,000 and you decide to stay, I hope that we will soon be able to provide more lifetime learning opportunities in the region.

Naturally, when you come to the South-West, we want you not only to feel safe but to be safe. As you explore our beautiful coastline we want you to take care along those winding roads and through our forests. For those of you who cannot make the trip, I am going to bring the South-West back to Canberra again. On 18 June, I am bringing the South-West Sensations Showcase to parliament. Each one of you has received a save-the-date card and an invitation. You may well remember the 2011 showcase which gave you a great taste of the real South-West. It is coming back to parliament, and I invite you all to see, taste and hear what the region has to offer.

As good as the South-West is, there are issues that need to be addressed there. It is the third-fastest growing region in Australia. The government must be held to account over its funding for aged care. The government’s changes to aged-care funding under the Living Longer, Living Better program, which came into effect on 1 July last year, was a reprehensible act that has cut the heart out of small regional aged-care service providers. When the Labor government spruiked their plan as the panacea for our aged-care system, they deliberately failed to tell the Australian people that this program is in fact an attempt to claw back $750 million from the aged-care sector over the next 2½ years. The practical real result, as opposed to the misrepresentations of the government, is that residential aged-care providers will get less funding for new patients than they got for patients last year. Aged-care providers right throughout the nation—and particularly the smaller the ones in rural and regional Australia—which are overlooked and forgotten by this government are affected very directly by this decision.

A very frail, elderly Australian entering aged care in the current year brings with them federal funding of around $56 to $63 a day less than did a resident admitted in the last financial year. Given the average turnover rate in aged-care facilities of around 50 per cent per annum, by the end of the current financial year half of the residents will be supported at this new lower rate. This is an attack on small regional aged-care operators and it is another slap in the face for regional communities by the Labor government, as is the attack on private health, the 61,000 plus people with private health cover in my electorate.

I want to raise the issue of cybersafety. As the internet expands and develops with faster speed and greater reach that threat is growing, particularly for our young people. This is why the need to educate Australians on how to protect themselves and their families is a priority. I believe it is a national problem that needs a national coordinated solution. Everything that I have seen and done to date tells me that education is the key. Cybersafety has to be part of the school curriculum so at least the generations that follow will know better how to protect themselves.

I have conducted cybersafety presentations in primary and high schools and in the community right across the length and breadth of my electorate for the past three years because I recognised very early on the risk and the threat to our great young people. I want
them to be protected. Some of the most disturbing issues that I have dealt with when I go and talk to these young people is the amount of friends that eight- to 10-year-olds have on social websites and what they are exposed to by that contact. Some of the issues that I raise with them are the threats that they face perhaps from something as simple as geotagging or the exposure that they allow themselves through leaving their Bluetooth on. The internet is a fabulous tool but I want to be sure that the online experiences of these young people are safe and that they are enjoying themselves and are learning and that they are using this great resource for the best purpose. But they are at risk.

One thing that these young people often do not understand—as I hear when I meet and talk with them—is that what they put on the internet is actually there forever. Some have the view that, if they simply press the delete button on their computer, content is deleted. It is not. You sent it on the internet. The challenge is from bullying and we have young people at great risk from bullying. It is 24 hours a day, seven days a week for some young people and it is not just the quiet and vulnerable who are affected. It can be our most talented sportspersons, it can be our most academic or popular persons. No-one is excluded from this form of bullying. It brings great distress to young people, but they do not realise the risks that they are exposing themselves to.

My talking about the fake profiles that people generate, the case studies I deal with and the fact that I have had great support from the Australian Federal Police, the Western Australian police and our local police in presenting to these schools and community groups, leads to an awakening for some. That is why I believe that this is a national problem that needs a national solution through the national curriculum. So I will keep working on that outcome for this problem that is facing our young people in this nation.

Mr STEPHEN JONES (Throsby) (11:59): I am pleased to be speaking today on the additional estimates bills, the Appropriation Bill (No. 3) 2012-2013 and the Appropriation Bill (No. 4) 2012-2013. They are the bills which seek the authority from parliament for additional expenditure of money from the Consolidated Revenue Fund. They are also an opportunity for us to do a stocktake on the economic record of government, what it means for us in our local electorates, and where the challenges and threats are for ordinary Australian families when it comes to economic management in this country.

The total additional appropriation being sought through the bills before the House today is just over $1.27 billion. The total appropriation being sought in the first bill is approximately $600 million. This proposed appropriation arises from changes in the estimates of program expenditure, variation in the timing of payments, increases in forecast program take-up and policy decisions taken by the government in response to changed circumstances since the last budget. The major appropriations proposed in the bill come from the Department of Employment and Workplace Relations, which will receive an additional $85 million towards the support for the childcare assistance program to fund an increased demand for the Jobs, Education and Training Child Care Fee Assistance Program. It is a good sign that there has been an increase in demand for this program. It means that there are more parents entering the workforce or entering training to assist them entering the workforce, and that is good for our economy. It is one of the reasons, when you compare the Australian unemployment rate to that around the world, we are at levels envied by just about every other country in the world.
With all the turmoil going on in the international economy, unemployment rates below six per cent are nearly half that experienced in Europe and in the United States.

The government will also provide DEEWR with just over $48 million, primarily to support increased claims for assistance under the general employee entitlement and redundancy schemes where these were received before 5 December 2012. GEERS provides assistance to employees who lost their employment and entitlements due to the liquidation or bankruptcy of their employer. From 5 December 2012 GEERS was superseded by the Fair Entitlements Guarantee Scheme with the entitlements enshrined in legislation and supported through special appropriations—again, another indication of how this government is steadfastly ensuring that workers in this country work under fair and secure conditions and that when things go wrong we have got their back. We have not retreated to the law of the jungle, represented by Work Choices, but have steadfastly gone through and modernised our workplace relations laws to ensure that there is fairness and balance. When something goes wrong, ordinary workers have rights they can rely on including in the case of bankruptcy or liquidation, and where employers fail to have sufficient funds set aside to pay accrued entitlements we have a scheme in place, a scheme of last resort, to look after the workers in those circumstances.

In addition, the Attorney-General's Department will receive approximately $600 million, mainly in relation to the royal commission into the institutional responses to child sexual abuse. History will treat this government kindly, and the Prime Minister kindly, for having the courage to say that it is time we showed leadership and that we called this royal commission. There are hundreds, if not thousands, of victims of child sexual abuse around the country. For decades they have thought that their abuse and the circumstances they faced were not treated as credible, that nobody believed them. They have gone through their lives taking the psychological and other damage that has been done to them into their adult lives. Nobody believed them; they were not treated seriously. For the first time, they will have a whole-of-government response through this royal commission to ensure that their stories are heard and, where criminal acts have occurred, there will be an appropriate all-of-government response to those crimes visited upon those young children. The government will provide the Department of Immigration and Citizenship with approximately $37 million primarily for offshore asylum seeker management purposes as well as for visa compliance and status resolution. The Department of Human Services will be provided approximately $31 million mainly in relation to changed estimates of service delivery costs. The Australian Customs and Border Protection Service will be provided with approximately $24 million for increased border protection capability. The government will provide the Department of Health and Ageing with approximately $26 million as a part of its commitment to support Tasmania's healthcare system, to address challenges caused by Tasmania's ageing population, high rates of chronic disease and constraints in the state's health system as well as to equip it to meet future changes. Again, that is a clear commitment that this government has to ensuring the health needs of all citizens in Tasmania are met.

The government will provide approximately $19 million to the Australian Taxation Office mainly in relation to targeted tax compliance activities and transfer of lost superannuation member accounts to the ATO. The importance of that is to ensure that the retirement savings of Australian workers are not lost and are accredited to the accounts of those workers so they
have the benefit of that money, which is legally their entitlement, through into their retirement. The government will provide the Department of Resources, Energy and Tourism with approximately $14 million for additional establishment costs for the National Offshore Petroleum Titles Administrator and the remaining amounts that appear in Appropriation Bill (No. 3) relate to estimates, variations and minor reclassifications and other minor measures.

Appropriation Bill (No. 4) provides additional funding to agencies for payments direct to local government and some National Partnership payments through the states, the Australian Capital Territory and the Northern Territory; requirements for departmental equity injections; and requirements to create or acquire administered assets and to discharge administered liabilities. The total additional appropriation being sought in Appropriation Bill (No. 4) is approximately $66 million. The Department of Defence will receive an additional equity injection of approximately $469 million to align its appropriations with its work program. The Attorney-General will receive approximately $50 million, as I have said, to help it to deal with the institutional response to child sex abuse. An extra additional injection of $45 million goes to the Australian Nuclear Science and Technology Organisation to complete a detailed engineering design for the construction of a nuclear medicine manufacturing facility and treatment plant. The Department of Immigration and Citizenship will receive an additional $32 million in capital funding. These are important additional appropriations to enable the government to meet its requirements but also to ensure that we continue with our excellent record of economic management, because on this side of the House we deal with the real world economy, not the imaginary economy of those on the coalition side of the House. They cannot even bring themselves to acknowledge that there has been a global financial crisis and that Australia, through the result of good government economic policy acting decisively and proportionately to the challenge that we faced, has been able to come through that crisis in a way that no other modern developed economy throughout the world has been able to do. That is why we have low levels of government debt, in fact one of the lowest levels of government debt as a proportion of GDP of any developed country in the world. Mr Deputy Speaker, compare our government debt, our gross debt to GDP ratio of below 10 per cent to that of Japan, which is struggling with a debt to GDP ratio in excess of 160 per cent, and you get to understand that we are in a very fortunate position indeed with low unemployment and interest rates lower than they were when we formed government. Indeed, the average family, which has a home mortgage of around $300,000, is now paying $5,000 a year less than when we came to office, because of low interest rates. If you want to talk about cost of living pressures on a family budget, one of the greatest fortnightly or monthly expenses that average families have to pay is the repayments on their home mortgage. Those are $5,000 a year less now than when we came to office as a result of good economic management and the decisions that have been taken by the Australian Labor Party in government.

I would also like to make some comment about the decisions that this government has made which have had a direct and important benefit to the local economy in my electorate of Throsby in the Illawarra, New South Wales. We were faced with the potential devastating impact of the restructure, perhaps even the closure, of the BlueScope steelworks at Port Kembla, an important employer but also an important creator of wealth in the Illawarra. It employs over 4,000 people directly or indirectly, but it also is an important provider of business to many small to medium-sized employers within the Illawarra. Faced with a high Australian dollar, high input costs, particularly for coal and iron ore, and competition from
new steel mills in China and India, BlueScope have had to make some significant changes. We were threatened with the prospect of the complete closure of the mill.

As a result of a change in their production focus, switching from export markets to the domestic market, together with an injection of assistance through the steel industry structural adjustment program of this government, which provided over $300 million of structural adjustment assistance to BlueScope and OneSteel, that steel mill is still open.

I would like to say that this was a bipartisan position—that all parties represented in this parliament would see the importance of the steel industry to our economy and the importance of supporting BlueScope, OneSteel and the workers at those companies. But that was not the case. When all of those members—

*Opposition members interjecting—*

**Mr STEPHEN JONES:** They do not pay any. If you looked at the detail you would understand the ridiculousness of the statement. Look at the statements of the CEOs of BlueScope and OneSteel and you will realise that you really are on the wrong side of this argument. All of those opposite are on the wrong side of this argument. They had the opportunity to stick their hand in the air and vote in support of the jobs of steelworkers in this country, but instead they voted against the $300 million steel industry assistance program. They were blind to the needs of workers in my electorate. They put politics and ideology ahead of the needs of steelworkers in my electorate. They will be condemned for that.

We have put in place a number of other initiatives to assist manufacturing jobs in this country. We have put in place important co-investment schemes to ensure that we are assisting companies in the manufacturing industry to transform their businesses to clean energy technologies and to transform their production processes to make them cleaner and more sustainable. One measure that we have put in place over the last six months will make the difference between some of these businesses staying open or not. The anti-dumping measure that we put in place just before Christmas was the fourth in the raft of anti-dumping measures. If you go through the list of what large employers like BlueScope and OneSteel were asking for, each and every one of those measures has been taken up in the anti-dumping measures. We have heard not a word from those opposite on this measure. It is again an example of how those in the government, the Labor Party, have the interests of regions like ours in mind and why these bills should be commended to the House. *(Time expired)*

**Mr RAMSEY** (Grey) (12:14): I might just take the opportunity to put the member for Throsby straight. It is true that the coalition opposed the steel industry package but, of course, it came accompanied by the carbon tax package at $23 a tonne, rising to $29 a tonne over the next four years when the rest of the world is paying about $6 tonne, and the steel industry is paying the carbon tax. The steel industry assistance fund roughly compensated for that amount—in fact, a little more than compensated—but it will run out in four years, when the tax will continue to rise. Of course, it would not have needed that assistance had it not been for the advent of the carbon tax.

But I will come to Appropriation Bill (No. 3) 2012-2013 and Appropriation Bill (No. 4) 2012-2013, which are formulated on the basis of the figures that were put into MYEFO back in October, now admitted by the Treasurer to be pretty much useless because it seems they cannot give the Australian people any indication at all as to what the deficit will be in just
four months time when the end of the financial year will arrive. In fact, the MYEFO was virtually out of date before it was printed. In particular within the MYEFO are the estimations on the mining tax, which at that stage was supposed to raise $2 billion, which was down from the $3.2 billion in the budget, which was down from the $4 billion when the PM and Treasurer Swan signed the agreement with the three big miners, which was down from the $10½ billion which they originally thought it would raise over two years, which is down from the $12 billion that the original RSPT was supposed to raise. In addition to that, within the MYEFO papers was a forecast of a budget surplus of $1 billion which the Treasurer has now admitted is not going to be met. So while the opposition will not bar the process of appropriation bills, it is worth noting that the figures on which they are formulated are highly suspect.

I will come back to the mining tax, which is raising a lot of interest in the public at the moment, and quite rightly. Over the last six months it has raised $126 million dollars, less expenses. There is a $50 million cost to run this scheme and a foregone $38 million from income tax. That raises about $38 million net. I do not want to cause an argument with the good member for Casey, because he said in the chamber a couple of days ago that that amounted to $5.50 a head. Of course, he was talking about the gross amount, because the $38 million is about $2 a head. Now it seems quite likely the Obeid family has made more out of the resources boom than the mining tax, a lot more. It would be laughable if it were not so serious.

It is worth remembering how the Prime Minister came to power and how important this was in her surge to take the prime ministership. She said the Rudd government was a good government but it had lost its way, and she nominated three causes which she saw as needing immediate attention from the Prime Minister. One was to abandon the ETS and not have a carbon tax. Within months we saw a complete reversal of that policy. The second was to fix the flood of boat arrivals, but boat arrivals are going very well indeed!—a complete failure of government and also a significant part of the reason that there is no surplus. The third thing was to settle the mining tax. The mining tax was a political fix, a deal to get the mining industry to stop their very public campaign against the government leading up to the last election. Like Neville Chamberlain, the Prime Minister, Julia Gillard, declared peace in our time. Her frontbench applauded, the caucus applauded, the electorate generally were pretty pleased, and the three big miners certainly applauded because they wrote the deal. In fact, BHP's Gerard Bond sent a draft of the tax to the Treasurer's office. The miners helped draft the tax, so no wonder they got a good deal.

The most essential flaw at the heart of the mining tax is the obligation of the Commonwealth to fund state royalties, and what an incentive that was for the states to lift royalties. Every time they lift royalties, the Commonwealth taxpayers foot the bill. How could the triumvirate of the Prime Minister, the Treasurer and the resources minister ever agree to this? It was a guarantee to ensure that the tax would fail.

But perhaps the greatest sin of the mining tax was to spend all the money before it arrived—before they even knew how big it was—$14 billion over the forward estimates, cash for everyone. In fact, Santa had arrived in the form of company tax cuts, increases to superannuation, cash payments for low-income people, instant write-offs, regional infrastructure funds, school kid bonuses. Some of these things in themselves are not too bad,
but they are all just blatant bribes. And now, except for the $38 million net raised by the tax, it is all borrowed money, adding to the net debt of $160 billion and the $50 billion off-budget spend on the NBN and the as yet undefined and not budgeted for Gonski and NDIS commitments. It is money borrowed that will take at least 10 years to repay, with interest bills in excess of $7 billion—hang onto your hat if interest rates go up again. So that is the mining tax.

I will move on and draw your attention this morning to a pretty sad state of misadministration within my electorate. It involves Port Augusta, a vibrant city at the north of the Spencer Gulf. Port Augusta is one of the great crossroads of Australia, and a place where the traffic for the main east-west and north-south corridors of rail and road intersect. It is the service centre for the north of South Australia and southern Northern Territory. It is also a significant deliverer of services to the Aboriginal community of the far north. There has been a long-term effort in Port Augusta to combat alcohol and drug abuse, particularly in the Indigenous community. The city attracts large numbers of visitors from the remote Aboriginal communities, particularly in the summer when they come south to get away from the heat and to visit family. Some gravitate to Davenport, some into the town camp, some are just generally throughout the community. They cause enormous difficulties in themselves, but if these people happen to be alcohol dependent they cause a lot more difficulty again.

The Port Augusta Drug and Alcohol Rehabilitation Centre was announced in 2007 and received support from the South Australian government in July 2008. It was to be funded from a commitment from COAG of $7 million to specifically address substance misuse in remote communities in South Australia. It was anticipated that the centre would start operations last year. Nothing has happened with that centre, I must say. Nothing at all. Questions were asked last year in the October estimates on my behalf. I was informed that the tender process, while delayed, was in the final stages of negotiation. I have recently been informed the tender process has now been abandoned completely and the government is no longer committed to building a facility in Port Augusta. This is extremely disappointing for me and for the Port Augusta community. While the Port Augusta community and the Port Augusta alcohol management team fully recognise there are desperate needs in other north-western communities, like Ceduna and Coober Pedy in particular, there is no doubt that if you are talking about a most central point to deliver the service to the most people, Port Augusta is essential. It is almost impossible to bypass.

The Port Augusta council received advice in April 2008 that Port Augusta had been suggested as the location and considered eligible for this funding because of the high number of people from remote communities visiting or accessing services in Port Augusta. Tenders for the project to build and operate the facility in Port Augusta were called for in 2010. It took until 2012 until the council was informed that the tenders were not being proceeded with and the new tender proposition would not require the centre to be contracted in Port Augusta.

In answer, again, to questions asked in estimates in October last year, we were informed that the delay for the Port Augusta rehabilitation centre facility had been due to the lack of access to a suitable site or service provider. The Port Augusta council informs me that it has suggested up to five different sites and offered to negotiate access and has had very little feedback or interest from the Office of Aboriginal and Torres Strait Islander Health. They strongly refute that the department and the consultants used for the project, ARAP, have been
working with the council to resolve the issues, as claimed in answers to questions at Senate estimates asked last year on my behalf. I have checked the available records and, to the best of my knowledge, just one meeting with the interested parties has been held in Port Augusta throughout the whole process—in more than four years. The news that there is no longer a commitment to build the centre in Port Augusta is a kick in the guts for the very hardworking Port Augusta Alcohol Management Group.

It absolutely seems amazing that the pledge—or what is left of it after the consultation fees—will now be allowed to fund two centres: one in the north-west as was planned and the other one in the south-east. The original grant was to combat drug and alcohol abuse in remote areas. I do not want to throw any mud on my southern cousins, but how on earth could anyone describe the south-east of South Australia as remote? Somebody should get an atlas out and have a look—92 per cent of the state is within the boundaries of my electorate, and I can guarantee that every remote Indigenous community within South Australia is within the electorate of Grey. There are no remote communities in the south-east.

The people in Port Augusta who have been working so hard—actually not working so hard for this project, because they have hardly been consulted, but hoping so much that this project was going to be delivered, are absolutely livid at the idea that half of this money, and we are waiting for answers from the government, or half of whatever is left will be spent in the south-east.

Going to broader issues just in closing, the Roxby decision has been a major setback for the region. Jobs continue to go—another 100 last week announced by BHP Billiton. We all hope for the best and that that project will get back on track—with the possible exception of the Greens, who may not hope for that. I think there is a feeling within the electorate that South Australia is probably blessed with similar resources to Queensland and Western Australia and yet seems to find it so hard to get projects on track and happening.

The optimists in the industry are now talking about the resources that will be freed up because of lack of progress at Roxby Downs and saying, 'This'll make our projects easier to deliver,' but we are not seeing evidence of that on the ground. Just to name a few, there are the IronClad and Iron Road iron ore projects on the Eyre Peninsula, and OZ Minerals at Carrapateena; Arafura are looking at building a rare-earth processing facility in Whyalla; there was Lincenergy's announcement of the discovery of $20 trillion worth of shale oil near Coober Pedy; there is a group working on the Braemar iron ore deposits nearer to the New South Wales border; and there are the Beach Energy and Rex Mineral copper prospects on Yorke Peninsula—and these are just a very small slice of the possibilities and plans for the electorate of Grey.

There are major infrastructure projects needed to deliver many of these projects, and I am going to run through a quick list in the time left available. I am very pleased that RDA Eyre Peninsula in Whyalla has listed, as a high priority, the redevelopment of the Thevenard port in the far west. There is a need to deliver new ports on the Eyre Peninsula and Spencer Gulf. Perhaps Port Spencer will be the one that will go ahead in conjunction with Centrex Metals. A duplication of the gas pipeline to the upper Spencer Gulf, probably terminating in Whyalla, is going to be needed before too many of these projects can go ahead. We need a new interconnector to Eyre Peninsula. There are vast wind and wave energy reserves, and, bearing in mind the current debate on wind farms, there are very few people for the wind farms to
offend. We still have black spots all over the electorate for mobile phones. The roads have a $250 million backlog—and I am talking about the state roads here. There is $150 million a year, or thereabouts, raised in royalties in South Australia, which is just a very pale imitation of what is raised in Western Australia and Queensland. Very little of that is returning to the electorate of Grey, which is where it comes from. It is worth remembering not so much that the people of Grey feel they are entitled to that money, but if the rest of South Australia, if the rest of Australia, wants all of those vast resources in the Grey electorate to be developed, then the money needs to be spent there to enable those projects to go ahead.

Ms RISHWORTH (Kingston) (12:30): I am very, very pleased to stand and speak on Appropriation Bill (No. 3) 2012-2013, because it gives me an opportunity to speak about the economy and how the work that the government is doing, when it comes to managing the economy, is very positively affecting people in my electorate of Kingston.

We hear a lot about managing the economy. I am proud to be part of a government that has really been active, and ensured that it intervened during the global financial crisis. That is so important because, due to its activeness, it acted during the global financial crisis and we now see an economy that is 13 per cent larger than when it first entered office. It is also an economy that has a AAA credit rating from all three credit rating agencies—something the Howard government could never do. This is a very important accomplishment by the government. The government has not taken its eye off the road when it comes to guiding our economy to ensure that it continues to grow and continues to stay strong.

But it is not all just about a growing economy. When we talk about what is important for good economic management, we have to make sure of who we are managing it for. I am very pleased that the focus of this government has been not only on managing a strong economy but also on delivery for the people around this country, and in particular it is about ensuring that people have a job. Since Labor came to office, I am pleased that it has been a continually relatively low unemployment rate compared to many, many places around the world. The creation of more than 850,000 jobs has occurred since it came to office. Quite frankly, that is an enormous achievement when we have seen what has been happening around the rest of the world.

I know that those on the other side do not like to hear about what is happening around the rest of the world. They like to live in a bubble where they ignore the fact that there has been a global financial crisis and the aftermath of that. They ignore the fact that there has been significant upheaval and in many, many developed countries significant unemployment. I am so pleased that our government has been focusing on people, focusing on their jobs and ensuring that they continue to have a good quality of life because they have jobs, they have an income.

It has always been Labor that has not only been focused on growth, and focused on growing our economy, but also focused on ensuring that that is delivering to people such as those in my electorate of Kingston. It has not just been about the good economic management. What we have also seen is that this government has delivered assistance to families that need it the most, ensuring that those who may be doing it tough—the fact is that while our unemployment has remained low, there are areas that are doing it tough—continue to get support and assistance. One part of that assistance that I am very pleased to have delivered to many families in my electorate of Kingston is the Schoolkids Bonus. Most of us
would be aware, if we are listening to people in our electorates, that sending a child to school can be costly, especially with all the associated costs around uniforms and books. When I speak to parents, they are so desperate to give their children a very good education, but the costs around that can really add up. I am very pleased that the government moved, after originally allowing a number of school items to be tax-deductible, to provide the Schoolkids Bonus. Just in my electorate, in January it delivered to approximately 11,200 families, representing 19,750 primary and secondary students. These families have already received $205 for each child in primary school and $410 for each high school student. Of course, they will receive another payment in July. This has certainly been welcomed by families in my electorate.

I have to say that, after the opposition announced they were going to scrap it if they ever came into government, there was a lot of disappointment and concern around the electorate. In particular, families indicated that they were insulted when it was said by the opposition that families would just waste this money and not spend it on the educational needs of their children. I have to say that there were a lot of mums and dads that came up to me that were feeling quite insulted by this. I was at a shopping centre in Hallett Cove just after the opposition announced their position on this and the fact that they did not believe parents would spend it wisely, and I had a line-up of people wanting to tell me that they would spend it wisely and would spend it on their children's education. I certainly believe them.

But what is even more concerning from my perspective is not just the insult that the opposition gave to these families but the fact that they are going to scrap the schoolkids bonus. This is very concerning, because this has a significant impact for families while their children go to school. Indeed, if the Leader of the Opposition had his way, a typical family with two kids would be approximately $15,000 worse off during the course of their children's schooling. That is a significant burden to be placing on families that want to do the right thing—that want to buy the school uniforms and the school resources and perhaps a computer for their kids to share so that they can connect to the internet and be able to do their school projects. All those things assist kids at school and assist them when they go home at night to do their homework, and these families will have that money ripped away from them if the Leader of the Opposition ever gets his way.

But, of course, that is not the only area in which families in my electorate will find that they are worse off if the opposition ever does come to government. I was very proud once again of the government's decision to triple the tax-free threshold. This has a significant impact for many people in my electorate who are now out of the tax system and do not necessarily have to pay tax anymore. That is a massive saving to many people and provides assistance with the cost of living. But it is also an encouragement for people to enter the workforce and perhaps take up a part-time job, maybe only working one day a week. If they were doing this and found that they had to put in a tax return, it was all too hard. So what we have done is not only to take many, many people out of the tax system and allow them to have a little assistance with cost of living but also to create an incentive to contribute and to go back to work. For many people, that will be a big bonus. So I think this is very important, and indeed it affects many, many people in my local electorate.

In addition, the news of the scrapping of the 15 per cent tax on superannuation for low-income earners was very welcome. This was very popular in my electorate, because we are
not only helping low-income earners with the cost of living now— with the tripling of the tax-free threshold—but also, by getting rid of that tax, helping them in the future. This allows them to accumulate more superannuation that will ultimately ensure that their quality of life is better in the future.

So these are two examples that really show that the government is not just managing the economy very well but also thinking about the people that it is managing it for. Unfortunately, I have had to report to my electorate that these two initiatives will be scrapped if the coalition ever come to government. They have indicated that they will reinstate tax for people earning $27,820 or lower. They will reintroduce it so that they have to pay tax after $6,000, so taking it back to the status quo as before. That has been very distressing for many people in my electorate.

In addition to that it has now been confirmed that the opposition, if ever in government, would reinstate the 15 per cent tax on superannuation for those earning $37,000 or below. It is so important not to put that tax back on. The reason it is so important is that these people, if they are low-income earners, are not going to have the same opportunity to accumulate superannuation over time. They really need a step-up and assistance when it comes to superannuation so that people are not living under the poverty line when they retire. This is a critically important thing for many women workers. Many women workers perhaps might be going back to work, once again, part-time— maybe a day or two days a week. If we do not help them build up their superannuation and ensure that they have a nest egg to retire on then we are going to be committing them to living below the poverty line when they retire.

So these two are really important, and I strongly urge the coalition not to scrap these but to change their policy and to say, 'We came out a bit negative, saying that we're going to scrap these things. We've changed our mind now and our policy is a bipartisan policy to help those lower-income earners really get help with the cost of living today and also help accumulating wealth for the future.'

At the beginning of my speech I made a very important point: when we are managing the economy well we also need to consider who we are managing it for. One of the things that I have been very pleased about is that the Labor Party has had a very responsible fiscal management strategy. We spent when it was needed, when we needed to save jobs and we actually needed to stimulate. Recently we have gone through one of the largest fiscal consolidations ever, because as the economy returns to growth that is the responsible thing to do.

Of course, this was not the attitude of the Howard government. As growth accelerated the Howard government spent more, fuelling interest rate rises. That was very burdensome for many, many people in my electorate. While the national average percentage of homes owned with a mortgage is 34.9 per cent, in my electorate it is 44.3 per cent. So if interest rates are high, this has an unrepresentative burden on my electorate.

What we have seen from the responsible economic management of this government is that those families, perhaps with a mortgage of $300,000 on a standard variable mortgage, are now paying $5,000 less in repayments each year than when the coalition left office. I remember a pamphlet coming out in my electorate in 2004 saying, 'Who do you trust to keep interest rates lower?' That was one done by the Howard government. Unfortunately for them, the evidence is in: it is actually Labor that manages the economy in the interests of people
with a mortgage—the people facing these cost-of-living pressures—ensuring that we are considering what their needs are. As I said, we acted when we needed to to support people to keep their jobs, and we have acted now to ensure that we do not put any extra fiscal pressure on interest rates. We have done that well, and I know that this is certainly welcomed by people in my electorate.

As a member of the government, and as we go forward into 2013, I will continue to urge responsible economic management. This is quite in contrast to the coalition, if the spotlight were ever put on it. However, I will continue to be part of a government that does that, but does that by not forgetting who we are managing the economy for. As a government we will continue to deliver to those who need it most—those low-income earners and those people who really need our assistance—and we will continue to do that because that is why we are here and that is why we govern. I commend the bill to the House.

Mr CRAIG KELLY (Hughes) (12:44): I rise to speak on Appropriation Bill (No. 3) and Appropriation Bill (No. 4). Firstly, I would like to rewind a little and go back to the time of the last election. The Prime Minister when speaking to the country identified four things that were key to a Labor government: first, she was going to fix the mining tax; second, she was going to fix the carbon tax; third, she was going to stop the boats; and, fourth, she was going to stop us going down the track towards a big Australia. In the time remaining to me today I would like to go through a few of those issues and how they have affected my constituents of Hughes.

First, there is the mining tax—an absolute rolled gold disaster. We have seen this government commit $14 billion of expenditure to a mining tax which we now realise will be lucky to raise anything more than a few million dollars. We have seen our Prime Minister and our Treasurer absolutely played off a break by the large mining companies. What it basically gets down to is a fundamental flaw in ideology. I would like to give the example of what was done with the company tax rate. Very simply, it is easy to sit down and see on paper that if we increase the tax rate, we get more money in. But in real life it does not work that way because when you increase rates of tax you have a disincentive for investment, and when you have a disincentive to invest you get less investment, fewer people taking risks, less economic growth and, therefore, you get less tax.

Take the example of what the last coalition government did about the company tax rate. Under the guidance of Peter Costello and John Howard, we lowered our company tax rate from 36 per cent to 30 per cent. I can remember at the time that those on the Labor side argued that lowering the company tax rate was terrible, that all these companies would be paying less tax, that the government would be getting less tax and that we would have less than needed for spending on our hospitals, roads and education. But look at the numbers and what actually happened. In 1999-2000 we raised approximately $24 billion worth of tax which the Commonwealth received from company tax, and that was at a rate of 36 per cent. If we fast-forward just eight years to when we lowered the rate of company tax to 30 per cent, the government received 144 per cent more revenue from the tax over that period of time. So, at a lower tax rate, the government received 144 per cent more revenue.

If we go back to the mid-1980s when the company tax rate was 49 per cent, that represented about 2.4 to 2.7 per cent of GDP. Fast-forward again to the last year of the Howard government and, at the lower tax rate of 30 per cent, we were getting 5.4 per cent
GDP as company tax. That shows that the way to increase the pie, that is the money that we get to spend here in this House, is not to increase taxes; it is to remove the tax burden from companies, to take the tax burden off them and let them invest. It is exactly what we saw with the company tax rate but, unfortunately, we are seeing the exact opposite from this government.

The second rolled gold disaster is the carbon tax. It is an absolute and unmitigated disaster. What we have seen is a plunge in the EU carbon price, yet this Treasury and this government are still forecasting revenues based on an EU carbon price in 2015 of around $29 per tonne. If we look at some of the recent forecasts in some recent analysis, UBS forecast a price of equivalent of $8.86 in 2015. Deutsche Bank forecast a price of $13.67. In fact, at the end of last year, the eight leading European ratings agencies forecast a carbon price average in 2015 of just $14.60, and yet we have the Treasury forecasting in the forward estimates a price that is 100 per cent higher. But it gets worse. A few weeks ago, Societe Generale actually cut the forecast for 2013 back to the equivalent of just A$11. This is going to create a multibillion dollar black hole in the forward estimates. It completely undermines the entire premise of the carbon tax.

I would like to draw the House's attention to some of the adverse effects that Labor's carbon tax is actually having in my electorate of Hughes. Last year, 284 people drowned in Australia. On top of that, there were many more who suffered drowning but did not pass away. They survived, only to have ongoing brain injuries and to require treatment for the rest of their lives. We also note the figures showing that there has been a significant rise in the number of young people drowning in this country. In fact, Royal Lifesaving Society Australia said it believes the rapid increase in young adults drowning is undeniably linked to the fall in swimming and water safety skills in Australia. They have also said that the cost of swimming lessons is a key factor in parents actually giving their kids those swimming lessons and that there is a distinct link between the affordability of swimming lessons and the increasing rates of drowning of young adults. They are the facts. So what has this government done?

I draw your attention to a swim school in my electorate, called Menai Swim Academy. It is a small business which teaches children to swim. They have a 25-metre indoor pool in Menai. Their first three electricity bills since the carbon tax started show that their carbon tax bill for July, including GST, was $877; for August, it was $807; and, for September, it was $657. The carbon tax content is itemised on each of those bills. If we look at the first year, this one small business, one small swimming centre, will pay $10,000 in carbon tax in the first year. But we know that the carbon tax increases year after year, so they have actually forecast that by the year 2020 this one small swimming centre will be paying around $100,000 in carbon tax charges if this government is re-elected and continues on the path of its disastrous carbon tax.

We know that the Prime Minister has advised business to pass the arising costs on to consumers. What our Prime Minister is telling this small business is to pass on the costs to families that wish to teach their children to swim: $10,000 this year and $100,000 by 2020, just in the Menai area alone.

At a time when there is a direct link between the increased number of drownings and the higher prices of swimming lessons, I say to the government: if you are not going to remove the carbon tax in full, at least repeal it as it applies to swimming lessons. It has been done before with the GST. We should do it.
Mr CRAIG KELLY: It is easy for you sit there and smile and laugh. We have families out there that might not be able to afford to pay for their kids to go to swimming lessons because of your carbon tax, so don't you sit there and laugh. I would also like to talk about one of the other great policies of this government—its policy to stop the boats.

Mr CRAIG KELLY: It is easy to laugh, yes. This is another great policy which I am sure that the member on the other side is quite proud of. Last year, we had a record number of boat arrivals. There were 274 boat arrivals, with 17,270 people. And we know the costs. The cost of these blow-outs to the taxpayer is $6.6 billion. That is $6.6 billion of taxpayers' funds that have been wasted on illegal boat arrivals. That is money that would otherwise have gone to our schools, our hospitals, our roads—all desperately needed. And what has the government actually forecast in the forward estimates? This is where it becomes amazing. Already this year 900 people have arrived illegally. That is the fastest start, the greatest number of arrivals, for any year on record. So it looks like this year will be worse than last year. But let us look at how the government has budgeted for this in the forward estimates. Amazingly, the government has actually budgeted for significant reductions in boat arrivals. In fact, the government is actually budgeting to have savings of $5 billion in reduced asylum seeker costs over the forward estimates, yet there is no change in policy. There is no change in policy and already this year we are seeing the numbers increasing ahead of last year and yet this government forecasts that it can save $5 billion over the forward estimates through reducing costs.

Why does all this matter? It matters because it does not give us the ability to do things that we need to do. In my electorate of Hughes there is a road, Heathcote Road, which is a 24 kilometre section. On that road, in the last five years we have seen 10 fatalities and many more serious injuries. So I am sure the people in my electorate were very excited when they read the press release from the foreign minister, who provided $15 million to rehabilitate 40 kilometres of road—not in Western Sydney or in southern Sydney or in other parts of Australia but on the island of Kiribati. The reason given was that the road had been undermined by rising sea levels and coastal erosion. How do I explain to people who live in my electorate, where we have a road that is 24 kilometres on which there have been 10 fatalities, that this government has no money for this road but was able to find $15 million to fix a road in Kiribati—supposedly because of coastal erosion and rising sea levels. But if we actually look at the tide gauges in Kiribati, we see that there have been no rising sea levels at all. But yet that is the excuse given for using $15 million of taxpayers' funds.

But, as I said, why does all this matter? We heard the member for Kingston talking about delivering for the people. But when this mob came to government they had $40 billion in the bank and a budget surplus, and they have blown the lot—every cent. But that is just the start. On top of that, so far to date, they have borrowed $200 billion to fund nothing other than reckless, wasteful and politically motivated spending. And the majority of that has been borrowed from overseas, from foreigners.

Let us just go through how we are going to have to pay this back. Let's just say we pay it back over 20 years. Including the interest repayments, it is going to cost Australian taxpayers the equivalent of $267 million a week every week for the next 20 years. I will put this in some
perspective. Remember the great outcry over the sale of Cubbie Station, the privately owned property. Cubbie Station was sold to the Chinese for $247 million. I want all those who were concerned about the sale of Cubbie Station to think about this. Because of this government's reckless and wasteful spending, every week of the year for the next 20 years we are going to have to give away the equivalent of one Cubbie Station to pay off the debt that this mob have run up in just five years. There will be children who are not yet born who will be paying off Labor's debt. That is $14 billion a year. Just imagine what we could have done otherwise in the next 20 years with $14 billion a year. Australia simply cannot afford another three years of this Labor government.

**Sitting suspended from 13:00 to 13:07**

Ms O'DWYER (Higgins) (13:07): I rise today to speak on Appropriation Bill (No. 3) 2012-2013 and Appropriation Bill (No. 4) 2012-2013. In so doing, I will look at the record of the government on economic management—their record of waste, their record of mismanagement, their record of increased debt and deficits and their economic incompetence.

Why is this important and why must we debate this in the Federation Chamber today? Because, at the end of the day, economic vandalism does not just hurt the government; it hurts the people of Australia, the people who will ultimately have to pay the bill. The Prime Minister and the Treasurer have very tragically let down the people of Australia. Let us look at the Treasurer's record. First, on the carbon tax, it must be the first 'economic policy', as the Treasurer has labelled it, in history that introduces a cost, reduces output and, somehow, miraculously increases productivity. The Treasurer has a very warped understanding of exactly how productivity works. Today, on the front page of the Financial Review, we see that the carbon tax will create a $4 billion black hole in the budget. This is because the Treasurer refuses to accept reality and adjust his assumptions and his models. He is still suggesting that on 1 July 2015, when the Australian and European schemes will be linked, the price per tonne in Australia will be over $25—this at a time when we know that the European prices currently sit around $5 or $6 a tonne. On today's figures, this means, if the schemes are linked in 2015 and we have this dramatic difference in price, that we will see huge revenue shortfalls leaving a massive black hole.

Labor's carbon tax, which has been in place for less than one year, has already seen eight changes. The carbon tax is hurting Australian families because the supposed compensation provided for the introduction of the carbon tax starts making families worse off at $50,000 a year. Only the Labor Party could introduce a carbon tax that actually costs the budget money and hurts Australian families.

What of other promises that the Treasurer has made, like the surplus—or, dare I say, the lack thereof? It was not enough to simply deliver a surplus; the government said it was an 'economic imperative'. They are the ones who set the bar and they are the ones who have failed to reach it. In typical Treasurer fashion, he was quick to blame everybody else for his woes. He has blamed the Tea Party, he has blamed the opposition and, finally, he has ended up blaming the GFC because, he claims, this has caused huge revenue write-down to the books. But that is not the case when you examine the facts.

The 2007-08 federal budget estimated revenues of $287.3 billion in the year 2010-11, yet the actual revenue ultimately came in at $309.9 billion. So, prior to the GFC, the government predicted less revenue than it actually achieved. If the GFC were as damaging to revenue as
the Treasurer would like us to believe, why would the subsequent three budgets increase revenue predictions by so much, in the middle of what he himself called ‘the worst economic crisis in 75 years’? We also know that this government is currently receiving over $90 billion a year more in increased revenue than what was received during the last year of the coalition government.

The real issue here is that this government has a spending problem and it has a problem based on its own heroic and very unrealistic assumptions—the assumptions that it has made around, for instance, the mining tax and the amount of revenue that it claimed would be delivered as a result of its introduction. Let us now go to the mining tax.

After having said that the campaign against the carbon tax was just a hysterical fear campaign and after promising a surplus on 366 occasions, the government promised to introduce a mining tax. This mining tax was expected to deliver revenues of upwards of $2 billion a year—and that was after $1 billion the government wrote down from the mining tax receipts in MYEFO late last year. It is important for us to examine the mining tax because the government has linked $15 billion worth of spending to it. But it has been revealed to us only in the last week that the mining tax has failed to deliver the revenue that was forecast. It has failed to deliver the $2 billion. In fact, it has only achieved $126 million, leading to a huge revenue shortfall, raising less than 90 per cent of what was forecast. What is wrong with this picture? Clearly, the government has designed a tax on our miners that is flawed—flawed from its inception. But do not just take my word for it; listen to the words of the former Prime Minister, Kevin Rudd. He has said that the tinkering with the mining tax, the changes made by the current Treasurer and the current Prime Minister, has led to its ultimate design—a design that we have seen will now cost the budget and the Australian taxpayer, who will have to make up the shortfall. If this were not bad enough, let us remind ourselves of where we were only a few short years ago. A few short years ago, during the coalition government, we had a very different situation. We had a government that could manage the books, a government that had done the hard work over 11 years to pay back Labor’s $96 billion of debt. Now this government has borrowed more than $200 billion. It took 11 years for the previous government to repay the previous debt; not only on that though, the previous coalition government was in fact able—

Government members interjecting—

Ms O’DWYER: You might learn something if you listen. The previous government was able not only to repay debt but to deliver a surplus. In fact, the last years of the coalition government delivered a $20 billion surplus. What is the record of this current government? What is the record of Treasurer Wayne Swan? Is it one surplus, two, three or four? No, he has achieved a record of four deficits. Each and every year he delivers a deficit. The accumulated deficits now add up to over $172 billion. He cannot even get his forecast deficits right either. Last year he predicted, 18 months before the last budget, that it would be a $12 billion deficit; he then had to revise that up to $22 billion and of course it came in at $43 billion.

Government member interjecting—

The DEPUTY SPEAKER (Mr S Georganas): Order! The member opposite will cease interjecting.
Ms O’DWYER: So even when Wayne Swan makes predictions of his deficits he gets the figures wildly wrong. This Treasurer has promised a surplus. In fact, he and the Prime Minister promised a surplus over 500 times.

Government member interjecting—

The DEPUTY SPEAKER: Order! I have asked the member opposite to cease interjecting. I do not wish to take it any further.

Ms O’DWYER: He does not like listening to this because it is a record that even he knows in his heart of hearts he cannot be proud of and he cannot go into his electorate and talk up because it is a damning indictment of the incompetence of this government. While you laugh and you may think it is funny, it is certainly not funny to the millions of Australians, not only in this generation but in future generations, who will have to pay the price. You are borrowing from future generations because of your fiscal incompetence. I do feel for you, Ed, because unfortunately you will wear this.

The DEPUTY SPEAKER: The member for Higgins will refer to people by their correct title.

Government member interjecting—

Ms O’DWYER: Unfortunately, you will have to bear the legacy of that. Let me come to what we will see in this upcoming year. The government have made a number of statements about their plans to address the structural deficit, a structural deficit that we know has increased dramatically under this government. What does this mean though when they say they are going to address the structural deficit? What does this mean when the Prime Minister says that she will—with her Treasurer in the upcoming budget—deliver a budget that is centred around Labor values? I will tell you what it means. It means that this government is planning to increase taxes yet again. Not satisfied with their raids on superannuation, not satisfied with their raids on private health insurance, the government is going to go back to the Australian people and reach into their pocket and take out their hard earned dollars to pay for their fiscal competence. That is what we can expect. The reason we can expect that is that this government has made more than $120 billion of promises which are completely and utterly unfunded. Not one dollar has been accounted for. Not one dollar is actually in the budget. And this is before you count what is already off the books: the NBN, which at last count is upwards of $50 billion, according to some estimates; and the 'Bob Brown bank', the Clean Energy Finance Corporation, at over $10 billion. In fact, we are in the bizarre situation now where we are borrowing money to give it away to failed energy entrepreneurs, because they cannot get financing from anywhere else, in the hope that this will somehow deliver a benefit.

I do not know about you, but I think to borrow money to do this does not sound like a wise idea, and it is certainly not something that the coalition will support in government. Instead we are going to repay debt, because we know that only in repaying debt and repaying the borrowings will we stop paying the very high interest bill which is now around $7 billion a year. That is $7 billion a year which, according to the Productivity Commission, is more than enough, combined with state and federal funding, to cover the annual funding of the National Disability Insurance Scheme which this government professes to hold deep in its heart as something it wishes to achieve.
First they need to get our economy back in order. They need to get our economy back in order and Treasurer Wayne Swan is most certainly not the person to do that. He has been condemned by his own words and by the former Prime Minister Kevin Rudd who has belled the cat on his incompetence, most recently in relation to the mining tax. Treasurer Swan should do the honourable thing and resign for the benefit of all Australians.

Mr COULTON (Parkes—The Nationals Chief Whip) (13:21): I rise to speak on Appropriation Bill (No. 3) and Appropriation Bill (No. 4). Financial management underpins everything that the federal government does. One of the frustrations as a member of this place is quite often the debate—the media and public attention get drawn into sideshows and other peripheral ideals and images when the role of the federal government is to provide an economic framework for other things to follow. We need to look after our defences, we need to take control of who can come and live in this country or visit this country and we need to look after those who struggle to care for themselves. Unfortunately we seem to have been sidetracked.

The financial situation of Australia is a disgrace; it is horrifying. When I speak to some of my friends and colleagues who were in this place at the end of the Keating-Hawke era, they remember the difficulty in repaying $96 billion in debt and the difficult decisions that were made. That figure is much, much higher now and it is going to be incredibly difficult to get the budget back in the black, and yet there is no clear pattern of infrastructure or other major reforms that we can show for that money.

There are two forms of debt. There is debt that is a useful tool. Before I came to this place I was a farmer and debt was one of the tools that I used. But it is one thing using debt to fund infrastructure or something of importance like defence spending and it is another thing to use it to fund the frivolous and mismanagement. Over the last five years the mismanagement of this place has been spoken about. The effect on an electorate like mine has been devastating. Much was said about the BER program. Every school in my electorate has a lovely sign out the front saying that this is brought to you by the federal government, but when this program becomes an issue the federal government runs a mile. I asked the minister in here about a very tragic circumstance for some of the contractors in my electorate, and he washed his hands of it. I will talk about Chris Catterall, a builder in Moree. He has been a builder all his life. He has a small business and he signed up to work on the BER program. He was assured that it was federal funding and everything would be fine but, due to the collapse of Reed Constructions, Chris is now $642,000 out of pocket and is given no comfort or indication of when he may be able to receive that funding. For a small operator like Chris, $642,000 is a lot of money, and I am sure he will not mind my saying that, at the age he is, it is going to affect his ability to retire when and how he was planning to.

Going back a few years earlier, Jarrod Kennedy, who is a metalworker in Dubbo, found out that due to the collapse of TCT Constructions he was not going to be paid for one of the jobs that he had done, a COLA in the Marra Creek school in western New South Wales. What did Jarrod do? He is an innovative young chap. He went out on a Sunday with a gang of men and a crane and he demolished the COLA and brought it home. It caused him a little grief for a while, but he felt that he had built it and was entitled to be paid for it. Those sorts of things are happening all the time.
The pink batts scheme: I have got a contractor in Dubbo who is out of pocket tens of thousands of dollars because of the difficulty in the paperwork and administering it. It may be things like because it is a rural property it does not have a street number, and so it is not accepted by the data methods that are used or there is doubling up on street numbers. There are administrative things like that and I believe the word has been put out to make it very difficult for these people to get their money. It is over budget and they have spent billions of dollars putting pink batts in and nearly as much money taking them out but there is collateral damage on the ground to small businesspeople who are having a go and thought they were safe because their were working for the government.

Take one of the larger decisions that was made, the carbon tax. In the last government, 2007-2010, I was asked once: 'What was my greatest achievement?' I said it would be part of the push that defeated the emissions trading scheme. Unfortunately, due to the change of mind of the Prime Minister at the last election, we ended up with the carbon tax. The week the carbon tax came in, the Kandos cement plant closed down—over 100 jobs; over 100 years of history producing cement in the Mudgee area. Because of the carbon tax, that plant is now uneconomical.

The great irony of this is that Mudgee has now become an area for wind farms, so on one side of Mudgee you have got the hills for the wind farms and, on the other side, you have got the coalmine. Because of policies that we have at the moment, the coal from Mudgee goes over to China, gets turned into wind farms, comes back and the cement that secures these wind towers to the hills, instead of being produced locally, comes through Sydney Heads on a ship from Asia and is trucked back to the midwest.

Other changes that this government has brought are the changes to the isolated child allowance. It is a great tragedy today that country kids have got 30 per cent less chance of gaining a tertiary education than their city counterparts. Due to protests and much of the lobbying done by this side of House, the government reinstated the allowance in a fashion but the means test means that many, many country people who live in urban areas are excluded. We have got people with two or three kids in towns like Dubbo, Mudgee, Inverell, Moree, Burke, Cobar and Warialda who are in the unenviable position of deciding which of their children should have a tertiary education and which of them should not. In the year 2013, I think every child in Australia should be entitled to proceed to the level of their ability and not be restricted because their parents cannot afford to send them to live away from home.

Regional development is another issue. I will acknowledge that in the last term of government I have had three projects in my electorate through the Regional Development Program. The towns that received this money—and I will acknowledge that Moree, Dubbo and Mudgee were pleased to get their projects up—were the only towns and the only councils that, due to the design of the program, were large enough to have the resources to actually put in an application. The application that Dubbo City Council put in for their regional athletics track cost, I think, in excess of $50,000. Smaller communities cannot spend that sort of money simply to put in a proposal. This goes to the fact that the minister's understanding of how regional areas work is clearly lacking. There are a whole heap of smaller communities that have had worthwhile projects—not million-dollar projects but ones where a couple of hundred thousand dollars would mean a lot to that community's ability to progress and move on. Up until this point, they have largely missed out. There is another round of the Regional
Development Program coming out and we are hoping that some of these smaller communities might get a start there.

In relation to telecommunications, there has been much discussion in this place about the NBN; but what has not been discussed is the fact that there are still parts of Australia that have no mobile phone coverage, and so it does not matter that people talk about fast broadband speeds when you are excluded. With mobile phones now being the primary source of communication, to live in an area where you do not have mobile coverage is absolutely unthinkable. I will talk about the village of Goolma, which is on a busy crossroad, between three major towns: its entire valley is without mobile coverage. We have the issue now where emergency service messages are being delivered by mobile phone. People in such areas cannot get the call-out. I spoke to a rural fire service volunteer at Wellington who lives in an area with no mobile phone coverage. He did not get the call-out to a fire because he has no coverage.

This government raided the $2.7 billion that had been put aside for the Regional Telecommunications Infrastructure Fund; it is now gone. This is the pattern that we have been following—money that had been squirrelled away by the previous coalition government to fund ongoing infrastructure into the future has been raided. A lot of these failed programs have now become a future tax burden for our children and grandchildren. I do not think that they are going to be very impressed paying taxes in years to come for the insulation that went into their granddad’s house that nearly burnt it down. This is the great tragedy of what is happening now.

The NBN is still years away from getting to my communities—if it ever does get there. The great irony is that Telstra saw Conroy coming from miles away. Most of my constituents gain their data through the Next G network—through 3G or 4G—which is not part of the NBN and never will be. We have here a proposal for the construction of a white elephant. The other misconception is that there is some sort of broadband desert out there. Most of my schools have fibre-optic cables connected to them. My hospitals have fibre-optic cables connected to them. I spoke to the principal of a large accounting firm in Dubbo on Saturday night who told me that they have very fast broadband. A lot of that is already there. The idea that the government somehow are the champions of broadband, and that nothing had happened before, is an absolute nonsense. If there is a change of government on 14 September, I look forward to getting some common sense and rationality into the broadband debate. The people of regional Australia know that they deserve to have fast broadband and mobile coverage, and we need to make sure that that happens.

Infrastructure, particularly in my part of the world, has not been a high priority for this government. We have spoken previously about the inland rail. If you want practical ways to reduce emissions in this country, taking the trucks off the Newell Highway and putting them on a train is a logical way of doing that. This has been spoken of for some time. The inland rail needs to happen. In the last heavy rainfall event that came down the east coast of Australia, we saw how Queensland became isolated freight-wise because of the reliance on transport up the east coast. An alternative, fast, efficient and cheap method of moving produce between Melbourne, Sydney and Brisbane in an inland manner, and ultimately connecting through to Perth and Darwin through the inland port of Parkes, is something that is long overdue.
A lot could happen this year. But if on 14 September the Australian people do decide to go in a different direction—and I am certainly hoping that they do—it is going to be an enormous challenge for the coalition to clean up the mess that has been left and push Australia back in the right direction. *(Time expired)*

**Sitting suspended from 13:37 to 15:30**

Mr WYATT (Hasluck) *(15:30)*: I rise to speak to Appropriation Bill (No. 3) 2012-2013 and Appropriation Bill (No. 4) 2012-2013, and to raise my deep concerns about the direction in which this Labor government is taking Australia. As to the increase that is required in terms of the bill, the additional estimates bill seeks appropriation authority from the parliament for the additional expenditure of money for the consolidated fund revenue. It identifies a number of things, but in particular I note $37 million extra for offshore asylum seeker management purposes. It is a border issue that should have been controlled, and is of the making of Labor, that means that $37 million is being extracted—taken away from Australian families who are in need of that money.

In the last five years, this Labor government has taken a strong Australian economy from a $20 billion surplus, no net debt and $70 billion in net assets, to a whopping $147 billion net debt. This government is attempting in this bill to appropriate even more funds. It would seem that there are no bounds to the lengths to which this government will go to fund its addiction to wasteful spending.

It is clear that this Labor government is simply not able to manage our economy. This Labor government made promise after promise after promise that it would deliver a budget surplus this financial year. This government promised over 650 times that it would stick to its commitment to a budget surplus—650 times. It is easy to assume that a government could not forget a promise it had made 650 times. So adamant was this Labor government that it would deliver a budget surplus that we were told that a budget surplus was not negotiable, and people were ridiculed for suggesting that this Labor government would not stick to its promise. But, over the last few months, the Prime Minister, the Treasurer and their friends have been slowly sidestepping away from their promise. The Treasurer has been ducking and weaving, and now he openly speaks as if it was never a serious consideration that the government would deliver a budget surplus. As far as I am concerned, this was as good as an admission that the Treasurer had lost control of Australia's finances. It is clear that the Treasurer simply does not have the skills required to effectively manage the economy and deliver the prized promise of a budget surplus. Over the last four years under this Labor government our nation has seen the four biggest consecutive budget deficits on record. We have seen a cumulative total of $172 billion in budget deficits.

It is simply despicable that the Treasurer believes that it is he who is entitled to spend taxpayers' money without giving any due to consideration to the people of Australia. These budget deficits and the massive debt that we have acquired as a result of them is going to weigh heavily on the shoulders of the next generation of Australians to pay off the debt. This debt will take years and years and years to repay—all because this Prime Minister and this Treasurer could not control their addiction to spending.

This is a shameful legacy to leave behind for our children. This government's ability to waste and mismanage astounds me. Over the life of this government we have seen pink batts, school halls, cash for clunkers, and set-top boxes. There are so many examples of how this
government has been wasteful I do not even know where to begin to cover the comprehensive list.

It is also becoming increasingly apparent that the wasteful spending is not the only problem that this government faces. It is becoming increasingly clear that this government not only has a spending problem but that it is completely unable to forecast. As I raised in this place earlier this week, the warning signs about our nation's economy have been clear for all to see—and yet somehow this Treasurer has not seen them. I can only imagine that this Treasurer has put his head in the sand. He has been refusing to listen to the feedback from industry and has been refusing to listen to the advice of the experts. This government, including the Treasurer, has a better grasp on how to deliver spin than how to deliver a budget surplus. We are here today discussing the appropriation of funds because of this Treasurer's inability to balance the books. This government has a $120 billion black hole of unfunded spending promises, and we have debated those in the chamber. He was counting on the mining tax to deliver the funds to cover these costs but now he has realised that his mining tax was a failure and he is looking elsewhere for the money that is required to fund those initiatives, including superannuation and the hit on self-funded retirees that is proposed in their thinking.

There is some good news for the people of Australia: there is a better way. The coalition have a strong track record on balancing the books and paying back the debt. A coalition government would immediately halve this government's wasteful spending and get our economy the fighting chance it needs. Rather than relying on cash grabs, the coalition has well-established, well-planned policies in place to get Australia back on track. The coalition will restore hope, reward and opportunity to all Australians. As was said before, and I will say it again, a coalition government will immediately rescind the carbon tax and we will get rid of the mining tax. Unlike with those opposite, the people of Australia can have faith that these promises would be followed through.

The coalition also has a better plan for education in our country because we believe that education is a cornerstone to the development of skills and knowledge and the ability of Australians to participate in a workforce that is diverse and is becoming more significant in this evolution into a global world and a global economy. Education provides the basis for the skilling that will enable them to be part of an emerging exciting future that provides so many opportunities. We believe that every child needs to have the opportunity of a quality education, and certainly in the chamber we discussed the proposed bill that looks at how the shape and future of education will be in Australia. That also requires the detail of expenditure.

Australia is recognised in the medical research arena. In the past decade alone Australia's health and medical research sector has produced three Nobel Prize winners. We recognise that funding for medical research is the best long-term investment a government can make in the health of Australian people. While the budget conditions are tough and the coalition is committed to returning the budget to surplus, we also recognise that funding of medical research needs to be consistent and ongoing to ensure Australia does not hollow out its capabilities in this field. The coalition has a plan for the health of our nation, and the plan includes the work undertaken by the Health and Ageing Committee, which has looked at the issues and implications of youth suicide, dementia and other elements, including a new inquiry which will look at border protection but also dental health. We will deliver better health services by putting local communities in charge of hospitals and improving cooperation
with states and territories. Mental health is important. The coalition will support early psychosis prevention and intervention centres, or EPPICs. We understand that better services to mental health increase the employment opportunities of those suffering from the various mental illnesses.

We believe that our veterans need to be respected for their commitment and service to our nation through the fair indexation of their military superannuation. A coalition government will deliver fair indexation of the DFRDB and the DFRB military superannuation to our veterans.

For small business it is important that we support them. Small businesses are the engine room of our economy. We need to be doing everything we can to build a thriving small business sector. We will establish a dedicated advocate for small businesses in the form of an ombudsman, conduct a root and branch review of competition policy and get government off the back of small business by cutting $1 billion worth of red tape. A coalition government will put the small business minister in the cabinet, improve small business access to Commonwealth contracts, give small businesses a say in taxation and help small business attract and retain workers. We will protect the rights of independent contractors and the self-employed. The coalition will extend the unfair contract protections for small business. We are committed to building stronger small businesses within our community. We understand that our country needs to invest in infrastructure now to prepare for the future. We need a vision for the future and a plan to get there. The coalition will build the infrastructure that we need now to free up our congested road networks. We will build better infrastructure for Australia.

The coalition believes in real action that will have a genuine, long-lasting impact on our environment. We are not interested in just pretending to do something about the environment; we want to make a practical difference. We will support direct action through the coalition's Direct Action Plan in respect of the environment. We will deliver on our commitment to a five per cent reduction in carbon emissions by 2020. We will establish a 15,000 strong green army charged with the clean-up and conservation of our environment. The coalition is committed to building greener local communities in which people can play a significant role in their own local areas.

We will also work to build stronger, safer communities. We will help people feel safe in their homes again. We will help local communities to be the very best they can be, with less crime and more community friendship. We will establish a new national safe streets program and expand the use of CCTV cameras for crime prevention and detection.

The coalition will ease the cost-of-living pressure for all Australians. Our commitment will be to abolish the carbon tax. We will work to keep interest rates low, we will protect and strengthen Medicare and private health-insurance and we will deliver more affordable and flexible child care.

In my electorate and in my local community I know that people are doing it tough. Many people are struggling with the daily grind to pay their bills and I know the cost of living is a significant concern. Our commitment to communities is important—to encourage the fabric of communities which know that their daily living is guaranteed and that the coalition has a better way. The coalition will restore hope for communities and families. We will reward those who seek and take up opportunities that enable them to be part of the workforce or to personally invest in small business for the betterment of all Australians.
I will continue to fight for what my community is concerned about. I will help build stronger communities that contribute to the economy not only of Western Australia but of all Australia, the community in which we all live.

It is important that we live within our means and that the budgets we allocate through the appropriations process are targeted to ease the pressure on Australian families. I acknowledge the need for particular initiatives in the security areas of this country, but our fundamental focus and the commitment I give is to the families who live in my electorate, to the communities that make up the electorate of Hasluck and certainly to the communities that make up Western Australia and this nation.

Ms BRODTMANN (Canberra) (15:43): It is a great pleasure to talk today on these appropriation bills because it gives me the opportunity to highlight yet again the significant investment that Labor has made in my electorate of Canberra. It is significant that earlier today we heard that consumer confidence has risen to its highest level in just over two years. This surge has been attributed to Australia's optimism about the economy. In terms of infrastructure, health, education, schools funding and most importantly jobs and job security, this Labor government has delivered.

Last week I joined Minister Albanese, the ACT Chief Minister, Senator Kate Lundy, the member for Fraser, the member for Eden-Monaro and other members of the ACT government to launch the preliminary work on the new Majura Parkway in Canberra. This is a major infrastructure investment that will bring millions of dollars in benefits to my seat as well as the capital region, the Eden-Monaro, in Eden-Monaro, Fraser and throughout the region. Labor is investing in major and much-needed roadwork that will link the Federal and Monaro highways and ease congestion in Canberra and Queanbeyan. For the first time ever, the major highways in the north and the south will be linked.

This is one of those infrastructure projects that will make a lasting economic and social difference to thousands of people. It will boost productivity and will make transport and freight delivery more efficient, take heavy vehicles off suburban roads and create hundreds of jobs. This $288 million dual carriageway is being jointly funded by the ACT and federal Labor governments.

This major infrastructure investment follows another significant outlay in my electorate, one that I also opened with my colleague Minister Albanese. Last year, long-suffering commuters of the Tuggeranong Valley welcomed the duplication of 1.5 kilometres of the Monaro Highway. For years—actually, 40 years—motor vehicles and heavy trucks have been crawling along this stretch of road, with a single carriageway bridge located in the suburb of Fyshwick. An estimated 40,000 vehicles used this road every day. Thanks to the Labor government, we now have a new carriageway for motorists, after 40 years. We have waited a long time and it has finally arrived. It was a great day indeed when I joined with the minister to open the $18.5 million upgrade. There was also $1.5 million invested by the ACT government. With this investment in the Monaro Highway and the Majura Parkway, in the foreseeable future motorists and heavy transport operators will be able to drive from the Tuggeranong Valley in my electorate, on the south side, to Sydney along a dual carriageway. These projects are above and beyond the $409,000 Labor are investing in dangerous black spots on Canberra roads. This infrastructure investment by Labor shows our commitment to
improving the transport needs of Canberra and the surrounding regions, and our commitment to boosting productivity, and I welcome this investment.

I also welcome our investment in education in Canberra and across the ACT, and our policy of making every school a great school, a world-class school. Between 2009 and 2012, Labor have almost doubled investment in schools, when compared to the previous four years, to around $65 billion. Our National Plan for School Improvement is the next step in our education reform agenda, providing a once-in-a-generation opportunity to improve the way schools are funded and provide our children with a fair and high-quality education system, no matter what their background is, no matter where they live, no matter what their socioeconomic circumstances are and no matter what their parents' income is. Under the National Plan for School Improvement, the country has set the aspirational goal for Australia to be in the top five countries in the world in reading, maths and science by 2025. The plan will be phased in over six years from 2014 and will include a new way of funding schools, based on the need of the student. The government want to ensure we fund reforms that we know will work to lift the results of all students.

We are investing funding of $475 million over seven years to empower schools to make decisions at a local level, and participating education authorities in each state and territory have received more than $57 million in funding to implement the initiative over the 2012 and 2013 school years in 925 government and non-government schools across Australia. Each school is receiving a start-up grant of up to $50,000 and additional support for training and professional development. In the ACT, 12 schools, both government and non-government, have been selected to participate in the initiative over the 2012 and 2013 school years.

The Labor government have also invested significant money in boosting vocational education in the territory, including in my electorate of Canberra. We have invested over $8 million in the Tuggeranong Sustainable Living Trade Training Centre and $6 million in the Canberra Region Pathways Trade Training Centre.

It was a great pleasure to open one of these trade-training centres with the Prime Minister early last year at St Mary MacKillop College in my electorate, down south. It was like an MGM production! The principal there is quite an extraordinary man, and he is very passionate about his students, his school and St Mary MacKillop, and he put on an extraordinary event, with all the pathways of the school lined by school students not just from St Mary MacKillop but also from other Catholic schools around Canberra and the region. He is very connected into the region as well. There were students there from Catholic schools in Queanbeyan and elsewhere. It was extraordinary to see the adoration, frankly, that these students, the staff and the principal of this school had for the Prime Minister and to see the extraordinary trade-training centre that has been built as a result of our investment in education. The trades training centre has a cafe; there is an area where there is the frame of a house being constructed; it also has a woodwork area and a metalwork area. It is quite extraordinary—very different from my days at Donvale High, where we had one room allocated for metalwork and one room allocated for woodwork; it was all pretty basic I can assure you. I think the highlight of my achievements in metalwork was making a little man out of tin who held up pencils. There is a vast difference between what exists now and what happened in the seventies in the eastern suburbs of Melbourne.
The Labor government has also invested over $130 million for 136 Building the Education Revolution projects in Canberra, which have benefited 67 schools—67 schools which those opposite did not want to see funded and improved. I look forward to my Liberal opponent visiting these schools in Canberra and telling the students and their parents and the staff and principals why they opposed this investment in school education, because it has been so overwhelmingly well-received here. It amazes me that the Liberals would not support Labor’s investment of $54 million to deliver more maths and science teachers, because in the ACT we have invested in so many areas, one being computers: 16,060 computers have been installed under the Digital Education Revolution National Secondary School Computer Fund. The Liberals in my electorate will be hard pressed to tell every parent, student and teacher about the benefits of the new libraries, multipurpose halls and covered outdoor learning areas, as I said, which have been so overwhelmingly well-received in my electorate.

Labor’s investment in education is also matched by our investment in health. I am very proud to place on the record the investment that we have made in Canberra. There was $18½ million allocated to build the Canberra cancer centre at the Canberra Hospital, and almost $50 million to extend the National Bowel Cancer Screening Program—that is not just for here in Canberra but also across the nation, but it was announced here, at Canberra Hospital. There was $15 million for Canberra’s GP superclinics, and earlier this week the federal Minister for Health and Ageing and my colleague the member for Fraser turned the first sod on the new ACT GP superclinic hub in northern Canberra. And I cannot stress enough the importance of Labor’s $500 million blitz on dental public waiting lists. I have spoken in this chamber on the social and economic impact of poor dental health, and so I welcome with open arms this initiative.

In terms of Indigenous health, in September last year on behalf of the minister for health I had the great pleasure of launching the Indigenous Allied Health Australia national office here in Canberra, in my electorate, in Deakin. As the peak body for Aboriginal and Torres Strait Islanders, the IAHA, as it is known, plays a crucial role in developing and contributing to health policy and planning for their communities. The IAHA works with universities to increase the number of opportunities available to Aboriginals and Torres Strait Islanders, and this includes the development of a curriculum framework at all Australian universities for the teaching of Indigenous health within all health science courses. With a focus on the Northern Territory, Western Australia and South Australia, the IAHA is showing an increased effort to attend career markets to encourage more participation from Aboriginal and Torres Strait Islander people in allied health careers.

Closing the gap in life expectancy between Indigenous and non-Indigenous Australians within a generation is a priority for our government. That is why it was such a privilege to launch this new national office and to announce, on behalf of the government, additional funding for the IAHA of $500,000 this financial year. This will facilitate an expansion of support and mentoring for Indigenous allied health professionals. It will allow increased engagement with Medicare Locals, and the funding will promote allied health as a career path for Indigenous Australians and increase IAHA’s online presence. These are all crucial initiatives for Aboriginals and Torres Strait Islanders to close the gap in Indigenous health, and I was proud to be part of this launch and to represent the minister in delivering an additional half a million dollars in funding. As with education, it is those opposite who
oppose investment in health and education. It is those opposite who always say no to almost
eyery appropriation that will improve the lives of Australians and especially Australian
families, and so when it comes to investing in families there is no more stark policy divide
than our approach to helping families with much needed financial relief. The Schoolkids
Bonus is delivering cash payments to 6,750 Canberra families with children at school. That
means $410 for each child in primary school and $820 for each child in high school. The
bonus has already seen millions of dollars spent in local shops on school equipment and
uniforms and on other materials that children need for their education. Under the Schoolkids
Bonus, children benefit, parents benefit and the local economy benefits; yet, it is a policy that
those opposite want to axe—which is extraordinary.

I look forward to engaging with my Liberal opponent as to why he or she wants to take
much needed payments from families and leave parents struggling to meet all the demands of
educating their children. I wonder, too, if the Liberals plan to scrap Labor's increases in
Family Tax Benefit A—payments which begin in July this year. And will they scrap the
increases in the childcare rebate or the tax cuts we introduced to help those earning less than
$80,000 per year?

I now turn to pensioners—my mother is a pensioner—as this is an area which I have got a
very keen interest in. Deputy Speaker, as you know, those opposite have also opposed the
measures that we introduced to help older Australians and Australian pensioners. Labor have
already delivered the most significant reforms to the pension system since the introduction of
the age pension in 1909. Our secure and sustainable pension reforms include pension
increases, a new consolidated pensioner supplement, better indexation and a pensioner work
bonus. Labor's landmark pension reforms have delivered increases of $172 per fortnight for
singles on the maximum rate, and $182 per fortnight for pensioner couples on the maximum
rate.

Finally, I want to turn to jobs and small business because these areas are also of significant
interest to me. I used to have a small business before I came to this place. I am concerned for
the future of Canberra, because the biggest issue here is managing the economy and ensuring
job security. What those opposite are proposing is the abolition of 20,000 public service
jobs—and that worries me significantly. This is one area of concern in my suburb of Weston
Creek, because a lot of jobs, a lot of small businesses, a lot of families and a lot of homes are
going to be affected. My mission, as is Labor's mission, is to ensure job security and the
creation of jobs. We have created 800,000 jobs since we have been in government, and I want
to ensure job security for Canberrans and for all Australians. I also ask those opposite to
clarify where those 20,000 jobs are going to come from and whether they are going to come
entirely from Canberra. As you know, Deputy Speaker, in 1996 we were a target. Are we
going to be a target again for the 20,000 job losses? And which government departments and
agencies are those opposite looking at?

The Labor government has a very strong record of investment across all areas, but
especially in health, education and infrastructure—and I have just outlined that. It does
surprise me, and I am sure many in my electorate, that those opposite oppose spending and
investment that builds better roads, better teachers, constructs better schools, delivers better
computers, invests in better health and supports all Australians from childhood through to old
age.
Mr VAN MANEN (Forde) (15:58): It is always a pleasure to follow the member for Canberra. It is great to see the further centralisation of bureaucracy and spending in Canberra at the expense of the rest of Australia. I rise to speak today on the appropriation bills Nos 3 and 4 of 2012-13. The member for Canberra said in her contribution that we oppose spending money on health, education, infrastructure et cetera. Just for the member's edification, we do not oppose spending in any of those areas. What we are opposed to is spending that is wasteful and not properly targeted. We would much prefer to see the money spent in a sensible, thought-through manner so that we get better value for money from our funds. That brings me to the main point of my speech today: the government's inability to control their spending and, even worse, their basing of spending on forecasts that they have been plainly advised are incorrect. We see them as a government in denial. They are a government with a broken crystal ball that is obviously wreaking havoc over their forecasts. If the government were a corporation, I do not think the shareholders would respond too well to comments like, 'We expected a better year. We thought it would be rosy, so we spent everything that we had. Once that ran out, we borrowed some more money that we were going to pay back. But now who knows where we will get it?' The shareholders might well ask themselves: what on earth have they spent all the money on?

The little bits of correspondence you get along the way are instructive. Some of the money is being spent on pencils and sharpeners, of course. If it is not bad enough that they have spent $5 million on an ad campaign to promote a schoolkids bonus, telling people how they could access the assistance even though it was being paid straight into people's bank accounts, now we find they have spent even more money purchasing things to go inside schoolkits, promoting the Schoolkids Bonus, and parents kits, including things such as a pencil case, a ruler, mini coloured pencils, a sharpener, a lead pencil, a tote bag, a magnetic to-do list and a 2013 calendar. I would have thought that that is why the money was being paid to the families: to go to the stationery store and buy these things for the kids. Why does the department need to send out another marketing kit to the parents when they have already bought that stuff?

The government has already handed out the cash to the parents that was supposed to go to assist with those costs of getting kids back to school. It is perplexing to even try to understand why the government would need to spend more money on top of the advertising that was already pointless because the money was going straight into people's bank accounts.

Meanwhile, we have the Smith Family running a huge campaign at the moment to help disadvantaged children get back to school. Their website states: Without the right uniform, bag or even books, they'll find it hard to fit in and will struggle to keep up. It begs the question: if the government were really out to help families and children with the costs of schooling, why didn't they give the money directly to the Smith Family, or even to the schools, to ensure that the money actually goes to its intended purpose? We all know that, often, these cash handouts end up in electrical retailers' pockets or other places. The fact that the Smith Family are still out there doing what they do best, pushing for more support for disadvantaged children, has me seriously doubting this government's ability to improve the outcomes of our disadvantaged families. The government have been giving them a handout instead of a hand up and not looking for solutions to the problems that cause poverty in the first place.
Last Friday, I hosted the shadow minister for families, housing and human services in the electorate to meet with some of my local community service providers to discuss ways that we can improve the lives of our local families. Local community service representatives included representatives from NightLight, Rosies, Mothers Against Drugs, Lighthouse Calvary Care, the Soul Centre, Queensland police, the state government and Logan City Council. They all met to discuss issues such as homelessness, social inclusion and cost of living pressures on our families. One of these organisations, NightLight, shared a remarkable story of how they had helped a local person in our community. A 12-year-old boy had been found out on the streets. He had dropped out of school because he had never learned to read or write. That had created conflict for him at home. NightLight organised to have a tutor assist the boy, and the outcome was that eventually he got back into school to complete his education.

This is just one example of how the community as a whole can work together to find solutions to problems through empowering people to be able to end the cycle of poverty. This is a real example of how a local schoolkid was helped not through a cash handout from the government but through practical engagement with the community—working together. This is what we need more of. We need to stop the government's wasteful and profligate spending and provide additional funds to support these types of organisations, organisations which are actually at the coalface in our communities and are achieving wonderful outcomes on the ground.

On the topic of schoolkids, I believe this government has some serious work to do on the curriculum. They like to tout the benefits of the national curriculum, but we need to look at how to restore the quality of our education system, not just via an amount of money or a nice, big, shiny, new building but via outcomes for our students in reading, writing and arithmetic. In 10 years there has been a 40 per cent increase in school funding and yet we are falling behind. Funding, or spending money to solve problems, in most cases does not work if you do not deal with the underlying issues. Plans to improve basic literacy and numeracy under this government have failed despite $540 million being spent in this area over the past five years. An independent performance audit concluded that Labor's literacy and numeracy program is yet to make a statistically significant improvement in literacy and numeracy in any state.

Recently we conducted a survey of over 1,000 people in the electorate. Of those, 930 said that basic skills of reading, writing and arithmetic were of great importance. We seem to have ventured off course somewhere, instead of returning to these basic, fundamental building blocks of education to give us a structure that would improve the education of young people.

Earlier today I compared a grade 8 examination from the US from 1895 against a grade 9 NAPLAN test paper. Here are a few of the questions you would need to be able to answer in 1895 in grade 8. I confess at the outset that I would have struggled big time. Under grammar, the questions include:

2. Name the parts of speech and define those that have no modifications.
3. Define verse, stanza and paragraph
4. What are the principal parts of a verb?

... ... ...
6 What is punctuation? Give rules for principal marks of punctuation.
7 - 10. Write a composition of about 150 words and show therein that you understand the practical use of the rules of grammar.

Another section was orthography. I had to look that up, but it means the rules of spelling and punctuation. Here are a couple of the questions:

1. What is meant by the following: Alphabet, phonetic, orthography, etymology, syllabication.

10. Write 10 words frequently mispronounced and indicate pronunciation by use of diacritical marks and by syllabication.

In contrast, the majority of questions on NAPLAN's 'language conventions' paper gives students multiple-choice questions, providing the opportunity to take a stab at the answers. The paper asks students to correct some spelling errors, identify where some basic punctuation should appear and identify which sentences are wrong from a number of given examples, rather than them having to come up with the answers themselves. Over the years, despite how far we have come and how much money we have thrown at our schools, education results have declined. I would hazard to say that the exam questions from 1895 reinforce that point.

We want to have the best and most robust curriculum available to our students. All of us on both sides of politics agree that we need to improve the educational outcomes of our students. We know that having a robust, high-quality curriculum will create more opportunities for Australians as well as boost productivity. Not only will it boost productivity but it also gives student an opportunity through their education to become innovative and to use the technology that they will have at their hands when they enter the workforce. I believe a quality education is one of the areas that we need to focus our attention on.

As I said earlier, this government has a spending and forecasting problem, and I am very concerned that we still have no indication as to where all the money will come from to pay for things like Gonski, the dental scheme adjustments, the NDIS, the NBN and the like. This Labor government inherited in 2007 a net worth totalling $73 billion. Now we see that it is all gone and we have the biggest debt in Australian history and we are paying some $7 billion a year in interest on that net debt.

But what did we get for all that spending over the past five year? We got a $6.6 billion blowout on border protection policies and a $4.6 billion blowout in operating capital expenditure in relation to the National Broadband Network. There was nearly $70 million spent on advertising the carbon tax—which, before the last election, they said they would not introduce. There was $30 million spent on market research; $150 million a year spent on spin doctors to sell Labor's policies; $7 million spent on administration for the set-top box program—at $350 each when you could buy a set-top box from Harvey Norman and have it installed for 150 bucks; $1.4 million spent on origami style cardboard cut-out NBN Co. trucks to grace all of our offices; and another $10 million a year spent on checking what is said in the media about government agencies. The list goes on and on. They were just a few examples.

It is time for change and it is time to end this cycle of waste and misspending which will create a debt burden not just for the current generation but also for future generations. As we
have talked about education extensively, it is those students who, when they enter the workforce and start earning, will be paying for this government's debt. Fortunately for the Australian people they will have a choice later this year—and they will have a clear choice. They will have a choice between a government that does not know how to stop spending and wasting money and a coalition that has a demonstrated track record of effective economic management and will provide hope, reward and opportunity for all Australians.

Mr HAWKE (Mitchell) (16:13): I rise to speak on the appropriation bills and to follow the excellent contribution from the member for Forde in relation to the spending of the Australian government. I have spoken in relation to appropriations over the past five years that I have been in this place, and once again we see the government seeking funds to conduct the ordinary business of government—but in the context of a budgetary condition that you could only describe as absolute free fall.

Let us have a look at what is happening right now in the nation's budgetary situation—with perhaps the worst example of public policy in our era being the mining resource rent tax debacle. This has a profound impact on the economy's bottom line and the budget's bottom line and is another reason that the government will need to appropriate money at a rate that I think is completely unsustainable. I have spoken on many occasions on how already in the Australian budget every single dollar that is collected in individual income tax is sent out the door in the form of welfare—a completely unsustainable budget footing. What you have with a mining resource rent tax that does not bring in any revenue is, of course, a bad tax—something that discourages investment and hinders the ability of companies to plan securely for their future. But what is worse is to find a government of the calibre of this Labor government that spends up to $15 billion against money that is not going to ever come in. That is completely unsustainable expenditure. It is not the first time we have seen it from this government. Each day in question time we see a series of questions put to this government. What is it going to do to fix this situation? Why has it put $15 billion expenditure against no incoming revenue? How is this going to be funded? Of course, the Treasurer today was completely embarrassing when he really had no answer about how it was to be funded. Of course, he does not know how it is going to be funded—he has not thought about it. The only answer, of course, is borrowing, more borrowing—more debt and more deficit. Borrowing against the future of this country, borrowing against the future employment of this country, borrowing against the future generations who will have pay for the flagrant expenditure of this out-of-control Labor government.

We have seen the whiz-kids of the Labor Party come up with the slogans about the surplus. Not only did we see Penny Wong and the Treasurer on 650 occasions go out and say that we were going to get a surplus. We saw the wonder kids of the Labor Party put out on Twitter a little logo that said, 'Back to the surplus in 2012-13'—playing off the movie Back to the Future, thinking they were being clever. I know the member for Bruce is having a little chuckle. It is funny—'Back to the surplus 2012-13.' Those crazy Labor kids! What are they going to do next? The only problem is that the same people are running this country's government. I know I have found some sympathy in the member for Bruce about the state of the current government. 'Back to the surplus'—these crazy Labor kids running the government seem to think this is some kind of joke.
It is not funny. On 650 occasions you have the finance minister and the Treasurer announcing a surplus. You have the Assistant Treasurer David Bradbury announcing to his electors that he had already delivered a budget surplus—that is, all those families and businesses and honest hard-working people in Western Sydney have been told by their local member, who serves in this place as Assistant Treasurer, that he has delivered a budget surplus. He has delivered it! But he has refused to retract, to correct, to respond to his voters—to tell his electorate the truth, to update them that 'Back to the surplus' was just a movie concept. It was never going to get made; it was a low-budget film that was never going to get into production because the actors were too D-grade. On a serious note, he refuses to go out and front his electorate and tell them that his much vaunted budget surplus is never going to be delivered under this government.

Are we to believe that this is due to commodity prices? My answer is that I do not think so. We know for a fact that federal government revenue is now $70 billion higher than it was when the government took office. We know that just from MYEFO. Commodity price revenue is forecast to rise by $37 billion and the write-down was in the order of $3 billion to $4 billion. The write-down in commodity prices was just a small percentage of the total increase in government revenue, and yet this government says, 'Because we have lost a couple of billion on the commodity market, the entire budget is going to fall into chaos.' That is what we are supposed to believe from this government. What are the Australian public, investors, businesses, people from overseas to make of a government that seriously links its political fortunes and its ability to deliver a surplus to commodity prices? Commodity prices are volatile. Commodity prices will rise and fall. For the first time in this country's history we have the unedifying spectacle of a Treasurer who has gone to the media on a week-by-week basis essentially to say each week: 'Well, this week the surplus is not going to happen. I'm sorry, commodities are down.' Then the next week there is a bounce in the commodity prices and he starts to say, 'Well, look, maybe we'll get there.' This is an unsustainable approach to government. This is an unsustainable approach to managing the budget. No wonder we are in an economic climate where people are hanging onto their money. People are hanging onto their money because they know the kind of people who are running this Labor government. They know the kind of people who are running this country.

You cannot trust them. If you are a large mining company, you cannot trust the word of this government. We know what would happen if this government were re-elected in September. We know what they will do. Their word means nothing. Their signature means nothing. They will go to any length to cover up their own grave inadequacies and failings. The MRRT represents perhaps the single biggest public policy blunder in Australian history. It is a completely unedifying spectacle and it has serious consequences for ordinary people who lack confidence in the economic climate and the ability of the government to manage the economy.

In the context of this appropriations bill, I think it is important that we continue to talk about what Labor is doing to the budget and some of the expenditure, because expenditure is the problem. I mentioned that we have had $70 billion of increased revenue since Labor came to office; however, the problem is that we have had $90 billion worth of expenditure increases since Labor came to office. Expenditure has now reached proportions that mean that our deficit is becoming larger and larger. Of course, the government is right to say that
comparatively, in an international context, our deficit is low; that is because of the conditions they inherited from the previous Howard government.

What we see now is this completely out-of-the-ether set of concepts—whether it be Gonski, whether it be the dental scheme, whether it be the National Disability Insurance Scheme or whether it be the NBN—and projects of a size and scale which makes them completely unaffordable. These projects, which are completely unsustainable in a budgetary context, are simply being announced to try to salvage the government's political fortunes. It is a daily exercise in this parliament. It is a daily exercise in the public arena. How can we afford to fund $6 billion for Gonski, billions of dollars for dental work, $4 billion to $5 billion for the National Disability Insurance Scheme and $40 billion for a National Broadband Network? Who is going to earn that money? Where are those funds going to come from? And who is going to pay for all that debt you will have to go into to try to fund these schemes?

Some of these ideas are worthy. Some of these ideas have merit. But you cannot fix the world's problems without having the how. You have to know how you are going to fix it. You have to know how you are going to fund it. If you do not have a plan to do that then you really have no idea how you are going to solve the problems that challenge us for the future. It is crazy to think that even with one of the most socialist governments of our time, it cannot even redistribute wealth properly. This is a government that cannot even take from the rich and give to the poor. They have buggered up the mining tax. It is a pretty simple job. The member for Bruce would know this. Socialists throughout history have been able to take from the rich and give to the poor. This is a government that cannot even do that. It is completely failing in all regards.

I want to turn to my electorate and some of the real plans and solutions that the coalition has. What I have been very pleased to see is the Leader of the Opposition bringing forward our plans for the next election. I am happy to lend the member for Bruce a copy of this booklet here, which is Our plan—real solutions for all Australians. It contains 21 points. He will find it good reading.

**An honourable member:** I'm sure it is a very quick read.

**Mr HAWKE:** It is quick. It is not of the length of a speech by an Independent about forming government; it is really a concise summary of the plans that we intend to take to the election.

**Mr Schultz interjecting—**

**Mr HAWKE:** No, Member for Hume, this is not confidential stuff—I am happy to gift a copy to the member for Bruce right now for his benefit. I think the most important part of this document, *Our plan—real solutions for all Australians*, is helping small business create stronger jobs growth. The economic plan that the coalition has is based around the understanding that small business is the fundamental driver of economic wealth in this country. It is not that business is the enemy, not that every time you change the industrial relations law or other forms of law that you ignore the impact on small business—the real drivers of economic growth and employment in this country—like the government does. It is about understanding that at the heart of government decisions we must ensure that the changes we make are friendly to small business. The five pillars that the coalition is talking about are very important: ensuring that we have a good mining sector; ensuring that growth is
at the heart of the economy; stopping small businesses paying an extra 10 per cent for their electricity by removing the carbon tax; removing the wasteful and investment-discouraging tax of the minerals resource rent tax; and getting on with cutting red tape and reducing costs by $1 billion a year. It is an important plan, which focuses on manufacturing innovation, agricultural exports, advanced services, world-class education and research, and boosting our mining exports to make the most of our advantages in the international marketplace. It is a realistic plan and I think Australians can have some fundamental confidence in knowing what their government is going to be doing. That is the real criticism of this government and the people that run it: nobody in any sector of this economy knows what is going on with the federal government. Nobody can tell. It does not matter what sector you go to, everybody says the same thing: we cannot get an answer from the minister; we cannot get an understanding from that department about what is going on, about what is next, about what this legislation will do, what it means, where it will head. Nobody knows because the government do not know where they are heading with all of these programs.

But perhaps, as I have spoken about many times in this place, the most distressing thing about the budget and the appropriations and where this government is headed is of course defence expenditure. I have mentioned in this place before that the primary function of a federal government—in fact, one of the reasons for being of the federal government and the prime motivator—is having a Defence Force for Australia. The Labor Party's website says that the first priority of government must be the defence of the nation. The first priority! That is why it is shocking to this House to understand that the Defence portfolio has had its spending cut by 10.5 per cent in one year—the largest annual reduction since the end of the Korean War in 1953. When I saw the Minister for Defence, Stephen Smith, standing at the dispatch box today, I thought, 'How does he stand at that dispatch box every day as the cabinet minister who took the biggest annual expenditure cut in his portfolio—such a significant cabinet portfolio?'

There are people in this chamber who have been in cabinet who are no longer in cabinet. How can you front up to parliament each day as the cabinet minister that lost 10.5 per cent out of your portfolio in such a critical and vital area? It is distressing I think for most Australians to understand that we are now ranked 65th in the world in defence spending. Considering we regard ourselves as one of the most advanced nations, with a role to play in our region, with a role to play in the free world, how can we sustain that mission for our ADF and our defence personnel if we are ranked 65th in the world in defence spending and we are sustaining 10.5 per cent cuts in the annual defence budget each year? That is the real consequence of economic mismanagement. The fundamental priorities of government suffer. The defence of our nation, which is at the very core of what this place is supposed to be about, is taking a substantial financial penalty. Not only that, but all of the ordinary families, businesses and hardworking people out there are suffering as a consequence of the fundamental economic mismanagement of the government.

It is time for a new government in Australia. It is time for a government that understands the economy and what drives growth and prosperity in an economy. It is time for this government to pack it in.

Mr BRUCE SCOTT (Maranoa—Deputy Speaker) (16:27): I rise this afternoon on very important health issue for the nation and particularly for my own electorate of Maranoa. The
topic is rather sensitive but I am taking this issue very seriously. I would like the government to take note of what I am saying, particularly in relation to this appropriation bill, to make sure that money could be appropriated to increase community and nationwide awareness of the issue that is growing across Australia—sexually transmissible infections, STIs. The Queensland Health department state:

Sexual health is not just for people who have had sex or have a Sexually Transmissible Infection (STI). It means taking care of your body, your health, and your partner's health and making decisions about having sex. Trying to avoid STIs is part of sexual health.

That is a direct lift from the Queensland Health department pamphlet promoting sexual health.

Previously there have been successful campaigns, even now, against smoking. Some of the images are graphic and I believe that has had an effect and is having an effect. We all know the effect that smoking can have on human health. It is important that we send a message, graphic as that is, in relation to smoking, across the nation. There have been ones about diabetes and how to avoid the possibility of diabetes because of its consequences on your health. We have had them on obesity as well. I believe these campaigns in relation to the health and wellbeing of our nation are important. I well remember the Grim Reaper campaign when the AIDS epidemic took off. It was graphic in its portrayal of what could happen but it sent a very, very strong message across the nation.

Australia-wide, there is now an alarming increase in sexually transmitted diseases, including HIV-AIDS. In my electorate of Maranoa there is a new transient demographic that presents its own unique set of sexual health issues for my constituency. Education and awareness is the key, because the statistics are alarming. With HIV-AIDS, prevention is the only cure we have. The statistics for Queensland show increases for cases from 2007 in relation to gonorrhoea—some 1,328 cases were reported in 2007 and in the latest statistics available, for 2011, some 2,878 cases were reported, a doubling from 2007 to 2011. Chlamydia: 12,696 cases in 2007 and in 2011, 18,320 cases. Syphilis: some 200 cases in 2008 and in 2011, 340—almost a 60 per cent increase in reported cases. HIV: one diagnosis in 2008, five in 2009 and eight in 2010—so those reported cases are also rising, perhaps as small numbers but the trend is there.

In 2011, chlamydia was the most frequently reported notifiable condition in Australia with some 79,833 new notifications for persons aged 15 years and over, or 435 cases per 100,000 of our population. This is nearly seven times the rate of the most frequently reported notifiable STI, gonorrhoea. This rate has more than tripled over the past decade, increasing from 130 notifications per 100,000 in 2001.

The past decade has seen rates of sexually transmissible infections—STIs—increase across Australia. STIs are predominantly contracted through unsafe sexual practice and can show no symptoms. If untreated, STIs can have serious long-term consequences for a person's health. Do we need to bring back, perhaps as part of this program, the Grim Reaper-style health awareness programs that were put out during the AIDS epidemic, given the rapid progressive increase in reportable STIs? However, this year is 2013 and we are not in the 1980s. We know that HIV-AIDS and STI diseases are not limited to any particular demographic in our society.
My electorate has a new demographic emerging. A report tabled today by the member for New England on fly-in fly-out workers highlights some of the changes in demographics that are happening in my electorate and many of those rural and regional communities where resources are being developed and exploited. Being active is the 'common cold' of sexual health. People are taking more risks with their sexual health by dabbling in unprotected sex. The *Daily Mercury* reported:

Australian Medical Association (AMA) Queensland president Dr Richard Kidd said it was not just the young, single miners spreading diseases.

I am not suggesting it is the miners spreading it, but they are his words, not mine. The article continued:

'We're aware of anecdotal reports concerning pregnant women presenting with STIs, being treated, and getting a STI again before pregnancy concludes,' Dr Kidd said.

'So presumably their partners are infecting them again.'

Dr Kidd said the mix of a large disposable income and boredom meant fly-in, fly-out mine workers were responsible for the increase in cases of STIs in towns—like those in my electorate in particular.

I think the committee report on fly-in fly-out practices that was tabled today by the member for New England touches on the social change that is occurring in many of our communities where these resources are located. While FIFO is not much of a holiday—I can assure you of that because I talk to many of these people—it can induce a disconnection from normal restraint and behavioural patterns, and we are seeing the results: we have seen a doubling of gonorrhoea over four to five years; we have seen an increase in syphilis by two-thirds in that same time, a 66 per cent increase; and an increase in chlamydia by one-third since 2007.

The other issue that is exacerbating the situation is the lack of doctors and nurses in mining towns. I was speaking with the Mayor of the Western Downs Regional Council only last Friday in my electorate and I asked: 'How many fly-in fly-out workers have we got in camps in the Western Downs Regional Council area?' They are trying to get an idea of that because I talk to many of these people—it can induce a disconnection from normal restraint and behavioural patterns, and we are seeing the results: we have seen a doubling of gonorrhoea over four to five years; we have seen an increase in syphilis by two-thirds in that same time, a 66 per cent increase; and an increase in chlamydia by one-third since 2007.

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health issues, who want to see a doctor or a nurse for whatever reason, but it has almost been impossible for the staff to cope. I commend the staff there for the work they are doing, but it highlights not only the significant change in demographics but also the challenge that is out there for all of us. I know that a number of mining companies have contributed to new facilities for communities but I am not aware of any support for increased health services where they are really needed.

What goes on behind closed doors is the individual's business, but let me take you on a tour of the local newspapers in my electorate. It is open for everyone to see. *FIFO sex workers in Maranoa* is the title:

'Misty' is a FIFO prostitute, one of hundreds to descend on Queensland's roaring mining towns in Surat and Galilee basins in the Maranoa.

She has a lot in common with her clients: she lives on the east coast but she's flexible about where she'll work.

I am astounded because the story the local paper ran stated what she could earn in a week. This is something quite new, I can assure you, to some of the towns and the local papers in my electorate, a very conservative area. But they ran the story. She remained anonymous in the sense that there was no photograph of her, but she said she was earning 'as much as $10,000 a week'. That is 10 times the average weekly wage. It goes on:

A sex worker can put their mobile phone number in an ad on the internet or in the local paper and they're free to go where the work is.

The only problem is finding a hotel room—or a motel room—in a town with such a transient population.

It is an issue. Whilst I know prostitution is a regulated industry, the lure of lucrative mining communities means that illegal prostitution activities are increasing and people are taking chances with their sexual health. Education and awareness is the key, because these figures that I have put on the *Hansard* this afternoon are quite alarming.

People should not be ashamed of visiting their local doctor. They should be prepared to go and have a check-up. Health professionals respect your privacy. They do not discuss your private business with anyone in the community. Also, the earlier you find an STI, the easier it is to treat and the less damage is done to your body. So don't be ashamed to talk about your sexual health and ask for a test if you think you might have an STI. Put your mind at ease.

What I am saying is that, with the changing demographics in many of these fly-in fly-out transient populations and the illegal prostitution that I know is out there, given some of the advertisements in the local papers and the reports that are flowing back, the risk of STIs is rising. The numbers that are now starting to be reported in relation to STIs are alarming. I call on the government, particularly in response or part-response to the report tabled in the House today on FIFO workers, to run awareness ads that target this issue of STIs and your sexual health. It is in the nation's interest.

Mr SCHULTZ (Hume) (16:43): I heard on the radio recently some comments about the Australian wind power industry. Much like the man who voiced them, they were sharp, tough, honest and uncompromising but fair. Dr Alan Watts is an exceptional Australian, a gentleman I am proud to know as a friend. Dr Alan Watts HDA, BSc, MB, ChB, LRCP, MRCS, a
recipient of the prestigious Order of Australia for his services to medicine, has leapt to his feet in disgust to voice the silent experience of rural Australians who are shackled by the devastating impact of industrial wind development. Alan reminded those of us who had been sucked in by the clean, green, wind turbine daydream that we are paying through the nose for the high price of our ignorance and inner-city elitist ideology—and, worse, that we will continue to pay until such time as the dirty business which is the clean, green daydream of renewable energy ideals is replaced with sensible and achievable objectives. Said Alan:

Industrial wind is a fraud of enormous consequence whose foundation is based on greed, ignorance, subsidy and entrenched institutional deceit. People who value intellectual honesty should not allow themselves to be quietly fleeced by such industrial treachery or even by their government's callous ... indifference.

He also said:

Wind industry propaganda flatters the gullible, exploits the well-intentioned …

And he said:

They plunder our environment while enriching foreigners all under the guise of some mythical societal benefit. They take our health, our land, our peace of mind and our taxes.

Why? Why do we continue to goose-step to the whoosh, whoosh, thump whim of industrial turbine power stations and the blind eye of the Gillard government? What is at stake and who is paying for it? The news ain't good, ladies and gentlemen. We are through our bills, our super funds and the green bastardisation of our national and cultural identity. This is government-sponsored fraud. All Australians, metropolitan and rural, are being sucker-punched by an industry ideology. The wind industry has squirrel-gripped this nation. Industry, in revolt of reason, would otherwise be trembling in their snake oil stained carbon footprints.

In 2007 several purse-pioneering union fat cats all resigned within a few short weeks from their directorships at Australian Super, the Australian super fund of the year. Where are they now? Greg Combet, former union boss and Julia Gillard's minister for climate change, tells us these turbines are necessary to mitigate the disastrous effects of global warming. So perhaps it was not a great look buying a beachfront property while all those polar bears are drowning.

Dr Watts and everyday Australians still believe in the little thing called democracy. The democracy we live in is charged to repel corruption through the protection of our legislation, not the lax interpretation. Last night I talked about the government sponsored fraud wind turbines. Where did this rural nightmare begin? Wind turbines were marketed by Enron, an energy trading company that was based in Houston, Texas. Enron was one of the most fraudulent corporations in the history of the United States. Enron Wind Systems was formed after the acquisition in January 1997 of Zond Corporation of California, the largest US developer of wind-powered electricity at the time. Enron went bankrupt in 2002 along with the dissolution of Arthur Andersen, one of the oldest accounting firms in the US. On 10 May 2002, following the Enron scandal, General Electric acquired the assets of Enron Wind Systems, continuing as GE Wind Energy. GE—imagination at work. You will note that the phrase 'imagination at work' does not invite a lawsuit for false advertising. The Gillard government's Clean Energy Future advertising package, however, is open to a case of false advertising, fraudulent misrepresentation and gross negligence. If you study the involvement of fraudulent companies in the wind industry, you begin to realise that this corporate misbehaviour has full government support. As with the Enron scandal, the wind industry
would not be operating in Australia without its close financial relationship with our government agencies.

It does not stop at the federal level. There are also significant conflicts of interest within the New South Wales government. When politicians in government office embrace the idea that wind funds are intrinsically good in all situations as they are combating climate change, their decision-making becomes criminal through ignorance. They repeat the fraudulent misrepresentation that they have been lobbied with by the wind industry, such as wind turbines reduce GHG emissions; wind turbines generate renewable energy; this wind farm will generate enough electricity to power X number of homes with the actual figure being usually one-third of the quoted number. Fraudulent misrepresentation is when an individual fails to use reasonable care by giving advice negligently, as they are under a duty to use reasonable care to see that representation is correct and that the advice, information or opinion is reliable.

Eraring Energy is a state-owned corporation that manages a diverse set of electricity generating assets located throughout New South Wales. Eraring Energy has combined generating capacity of over 3,200 megawatts, including Eraring power station at 2,880 megawatts. Eraring Energy was established as a state-owned corporation on 2 August 2000 under the State Owned Corporations Act 1989, the Energy Services Corporation Act 1995 and this Energy Services Corporation (Eraring Energy) Regulations 2000. Eraring Energy owns the Blayney and Crookwell wind farms. The Crookwell Wind Farm is in my electorate in New South Wales. The Eraring Energy 'Gentrader' contract and renewables trading, together with corporate support, Treasury and information technology functions, are managed from the Sydney corporate office.

Renewable energy certificates are giving tremendous returns to the companies involved. The industry-union superannuation funds will soon have more money to invest in wind farms, with the Gillard government increasing the superannuation guarantee from nine per cent to 12 per cent by 2020. The REC is a political unit that an electrical retailer will purchase to comply with the law of the land. If the retailer does not have enough RECs—a percentage of electricity must be from a registered 'renewable' source—then it is fined by the federal government $65 per megawatt hour to make up the quota it has not purchased. That percentage is around five to eight at the moment and will be at 20 by 2020.

Australia currently has an oversupply of renewable energy certificates from the solar industry because of the government incentives. This has kept the REC price down, under $40, but look at what happens when these are worked through the system. To get to the $90 for a REC, it has been calculated that the $65 penalty is equivalent to $90, claimed as a business expense. Basically, one is a fine; one is a tax-deductible expense.

The renewable energy certificates scam runs out in 2030. The wind industry applies for a REC for each megawatt they produce and feed into the grid. The REC 'ticket' is then sold to a retailer of electricity if they need to meet the federal government's legislation. All of this scam is not transparent; in fact, I believe it is intentionally deceptive.

How is all of this relevant to my constituency? Let me walk you through what benefits my constituency would receive if there were a serious attempt to refocus on and change the direction of this get-rich-quick pot of gold for renewable energy opportunists. I will talk about the scale of subsidy in my electorate. In Hume alone, the subsidy for new wind turbines,
excluding existing turbines, is set to reach $500 million to $1,000 million per year, or up to $10 billion over 10 years. This subsidy is equal to around $450,000 to $900,000 for each new turbine. Meanwhile, communities are at war with each other, adjacent landholders face serious land value losses and health issues continue to emerge.

If the wind industry subsidy for Hume were given to the electorate to spend, we commit we could do the following. We could reduce emissions by 50 per cent more than is achieved through the wind turbines. We could solve every major infrastructure problem inside the Hume electorate. To name a few things we could do in infrastructure, we could: duplicate the Barton Highway, $600 million; rebuild the Goulburn hospital, $150 million; set up CCTV cameras in every major town to prevent crime, $2 million; fix mobile phone and TV reception black spots—for example, in Crookwell, $2 million; and pay off the Yass council debt of $18 million for heightening the dam wall. After three years of using the subsidy to fix infrastructure problems, we could hand back all of the subsidy to the government to reduce electricity prices—up to $7 billion over seven years. We are prepared to give these numbers to the Parliamentary Budget Office or Treasury for verification because we know they are right.

Who benefits from the subsidies? In the end, the costs of the subsidies are worn by electricity consumers. Meanwhile, the beneficiaries are the wind companies. They receive this subsidy in the form of renewable energy certificates issued by the federal government when the power is generated and redeemed at market price. Despite the massive subsidies involved, investors are losing faith in these companies. Their share prices have dropped where they do not have other large businesses outside of wind. Raising money for wind projects is now extremely hard, with the only realistic options being to search for Chinese or other state sponsored capital, to fund the developments from profit or to look for more union sponsored money.

Does wind make sense as a source of power generation? One of the questions we need to answer is whether wind turbines are the most economic way to reduce carbon emissions. We can clearly say two things on this: first, the excessive cost of wind turbines makes them uneconomic unless they receive large subsidies relative to other means of reducing emissions; second, we should allow the most economic means of reducing carbon emissions to succeed without favouring one option over another. I will spend more time on both of these points.

Massive subsidies are required to support wind. The raw economics of wind demonstrate what a poor option it is. The cost of producing coal fired power is about $40 per megawatt hour. The cost of producing gas fired power is closer to $60 per megawatt hour, with half the CO2 emissions of coal. The cost of producing electricity from wind is around $100 to $120 per megawatt hour. Low utilisation and high capital costs are the main reasons for this. On top of this, wind requires backup power for times of low generation and this further weakens its economic case. Some argue that the costs of wind generation are coming down. However, the costs of other renewables, particularly solar, are expected to come down much faster. Wind energy is bringing down its costs by increasing the size of the turbines, and this is creating more community unease. If it is true that costs are coming down, let us use wind when it makes sense to do so, not before.

Another way of thinking about the economics of wind is to compare wind with other options for reducing carbon emissions. Using wind to reduce one tonne of carbon dioxide
emissions costs around $60 to $80. Other means of reducing emissions cost less than $30—indeed, this government believes it can substantially reduce costs at the current level of carbon tax to around $25. The cost of reducing carbon dioxide emissions in Europe is below $10 per tonne. So, in order for wind investments to occur, large subsidies are required, and that is not just compared with other means of generating electricity but compared with other means of reducing emissions.

Who pays for these subsidies? These subsidies are built into electricity prices. We all pay more in our bills to subsidise wind and other renewables. The quantity subsidised increases each year and will continue to do so until 2020 at least. By 2020, we estimate that this subsidy could be as large as $3 billion. This will require tripling or more the number of turbines and, in all likelihood, the construction will not happen fast enough to meet the targets. The scale of the subsidies is an important reason for why wind turbines are going out of fashion in countries across the world.

In closing, all I have to say on this very complex subject is that all we need is a leader of strength to recognise that there is a very serious problem with the wind turbine industry in terms of offshore $2 companies ripping off, in a fraudulent way, taxpayers’ resources as a way of funding their projects and taking the money offshore with them. The $52 billion that is currently in the system for this renewable energy exercise should be looked at, reconfigured and put into the reconstruction and restructuring of infrastructure in this great country of ours.

Ms GAMBARO (Brisbane) (16:58): Under these two additional appropriations bills, the government is seeking to appropriate a further $1.27 billion from consolidated revenue. The reason the government has to make such a substantial raid on consolidated revenue is that, in true Labor fashion, it has once again run out of other people’s money to spend. This is hardly surprising from a government that had a $120 billion black hole of unfunded spending promises.

The government has been forced to admit that it has lost control of the country’s finances and has walked away from its so-called ‘not negotiable’ budget surplus promise for 2012-13. This is despite the fact that, on no fewer than 650 occasions, Prime Minister Julia Gillard, Treasurer Wayne Swan and finance minister Penny Wong have repeated their promise to deliver a surplus. But broken promises are what this government specialises in. Who could forget the Prime Minister saying, ‘There will be no carbon tax under a government I lead’? We all know how that turned out. When it comes to broken promises, the Gillard government should take instruction from President Obama’s State of the Union Address today. I want to repeat what the Leader of the Opposition also quoted today. President Obama said: ‘Our government shouldn’t make promises we cannot keep, but we must keep the promises that we’ve already made.’ I also wanted to quote President Obama, because I think that is a very important point. But, regrettably, when it comes to certainty, the Australian people can only depend on the Gillard government to deliver broken promises, budget deficits and more and more waste.

This government has delivered four of the biggest budget deficits in living history, with a cumulative value of $172 billion, which in effect means that the government has spent $172 billion more than it earned over the period. In 2011-12 net debt hit an unprecedented $147 billion. This means that we are paying almost $20 million a day in interest to service that enormous debt. That is an incredible reversal of the state of the health of the nation’s finances,
given that the government inherited a $20 billion surplus from the Howard government, no net debt and $70 billion in net assets.

In true Labor form, the government has sought to blame everyone else for its budgetary failings, and the excuses range from the GFC to lower world commodity prices and everything in between. But the reality is quite simple: the government does not have a revenue problem; it has a spending problem. The government is now spending more than $90 billion a year more compared to the last year of the Howard government. Federal government revenue is now more than $70 billion higher compared to when Labor took office.

We have seen unprecedented levels of waste from this government and there are some unfortunate examples of Labor's greatest hits when it comes to waste. Thanks to Labor's failed border protection policy, the immigration budget has blown out to $6.6 billion in the last four years. The total cost of the NBN has increased by $3.2 billion, from $40.9 billion to $44.1 billion. Labor has spent more than $69.5 million advertising the carbon tax that the Prime Minister said we were not going to have under a government she led. That is an extra $69.5 million of expense of Labor's own creation. Labor is spending approximately $150 million on spin doctors to sell these failed policies.

The member for Griffith's travel bill in the first 12 months as foreign minister was $1.2 million. The Prime Minister clearly was quite happy to have the Australian taxpayer foot the bill to keep the foreign minister out of the country. And who could ever forget the $2.5 billion pink batt disaster? Then, of course, there is one of my personal favourites: the $2.4 million spent by the Department of Parliamentary Services on staff related and training purposes for courses that included—wait for it—advice on how to get a good night's sleep.

There have been many cuts in services and taxes. Labor has announced 27 new or increased taxes since coming to power. The government has made cuts to crucial areas like research, trades and training. In MYEFO there were cuts of $2 billion. Defence has been severely hit, with a $1.66 billion cut in MYEFO in addition to the $5.5 billion in cuts outlined in the budget. Now the Labor government's surplus pledge is gone we can expect that the spending and the borrowing will continue unabated.

Then there is Labor's plan to borrow $10 billion to spend on high-risk clean energy projects simply to appease the Greens. Labor has made $120 billion worth of unfunded spending promises for things like the NDIS, Gonski and dental services. As I mentioned, Labor also borrowed tens of billions of dollars to fund the rollout of the NBN, which would end up being this nation's greatest white elephant ever. The Treasurer's fiscal incompetence and dishonesty is on display once again—not only has he dumped his own 'iron-clad', 'failure is not an option' 'guarantee' to return the budget to surplus this year but also he personally designed a mining tax. But it is a mining tax that is an absolute dud of a tax. The government has virtually no money to pay for the $15 billion of promises it has linked to the mining tax. When I talk to families and businesses, I hear that the carbon tax is a massive act of economic self-harm. It has made us less competitive, made businesses less profitable and is gouging money out of households as energy prices rise.

The impact on the federal electorate of Brisbane is evident—my electors are suffering from the pain of Labor's economic incompetence. The Gillard government recently agreed to an increase in private health insurance premiums, so families and pensioners will have to pay an extra 5.6 per cent. That will drive more and more people out of the private health insurance
sector and onto public hospital waiting lists. Every year under the Rudd-Gillard government Australian families have experienced private health insurance increases above the CPI.

The government is cutting $4 billion from private health over the next four years, with its new means test on the 30 per cent rebate. That will cost families up to an extra $1,200 a year—and this is on top of the latest premium increases, which will cost the average Australian family nearly $200 a year. Private health insurance is now unaffordable for many families in my electorate and for millions of people around the country who have it but earn less than $35,000 a year. This means that, as people quit or downgrade their health insurance, we will see more and more impost, longer and longer waiting lists and more and more demand on services in public hospitals.

There are 71,105 people in the Brisbane electorate, and 76.9 per cent rely on private health insurance. The policies of the Gillard government are putting more and more pressure on them. Many of them will have to review their health insurance, and many may decide to drop or lower their existing cover. The health system is already under pressure due to the Gillard government's $1.6 billion worth of cuts to public hospitals, which included a cut of $3.4 million to the Royal Children's Hospital in my electorate, in Herston. Hospital cutbacks, broken promises on private health insurance and continued private health insurance increases over and above CPI are taking their toll on families and putting more pressure on our hospital system.

Most parents in my electorate deserve affordable child care. Every child deserves a positive start to life. But this government's funding withdrawal for these services means that children with disabilities and special needs will now be placed in a much more difficult situation. Childcare affordability is one of the greatest cost pressures facing working families in my electorate. Waiting lists are getting longer, and there are many barriers for parents wanting to get back into the workforce. Fortunately, coalition policies are aimed at reducing the cost of child care and include a Productivity Commission inquiry reinstating funding cuts for occasional child care and a genuine paid parental leave scheme that will benefit working Australian families.

Three occasional day care centres in my electorate have had their funding cut or withdrawn by the federal government, and that is placing enormous pressure on families. This government is very long on rhetoric, particularly rhetoric about providing flexibility. That is exactly what the funding for these occasional day care centres provided. Families in the inner city area of Brisbane often tell me they want flexibility in their choice of child care, and I know that our paid parental scheme will provide that flexibility and provide child care when and where it is needed.

I am so disappointed that the Gillard government has withdrawn funding for the inclusive support subsidy for children with a disability or a special need. That is devastating for the parents—it means that parents of children with a disability cannot access a childcare place. They deserve a childcare place and the same access as every other child in child care. Despite the additional $1.27 billion of additional revenue this government is seeking from consolidated revenue, its budgetary incompetence has led to a disastrous cut in the health sector. This has hurt constituents in my area. There have been many other cuts, particularly the $390 million cut that removed rebates from lifetime health cover loading. There has been $1 billion robbed in dividends from Medibank that would have put downward pressure on
premiums. As I mentioned, there was the $1 billion in cuts from dental health by abandoning chronically-ill patients on the public list and a number of low-income earners in Brisbane. Pensioners have been left high and dry by this devastating decision. Hundreds of millions in multiple cuts to the Medicare safety net, including maternity and IVF areas, limiting new medicines onto the PBS by politicising the process and a $1.6 billion cut, as I mentioned earlier, which has placed severe revenue restrictions on the Royal Children's Hospital. The dental health scheme has been a devastating development, particularly for those families.

I also want to talk about the cuts to the Department of Defence. Since 2009 the government has cut $24.5 billion from the Department of Defence budget. Apart from the obvious and alarming impacts these monstrous cuts have on the capability of the ADF, they have also impacted on the ability of the Department of Defence to contribute $5.4 million for a new entrance to the barracks off Samford Road to Enoggera Barracks. On 26 June last year Premier Newman announced revised plans for the Samford Road-Wardell intersection, which would include a new entrance to the Enoggera Army Barracks. Under this commitment the Queensland government would spend $65 million to upgrade two intersections at Enoggera to ease traffic congestion on Samford Road.

Senator Feeney, the Parliamentary Secretary for Defence, indicated in correspondence to the Queensland government that Defence would possibly contribute $5.4 million for the new entrance, but as yet there is no definite commitment for this money and seemingly there will be no commitment as a result of these bills. Regrettably, Senator Feeney refused again today in Senate estimates to provide an unequivocal commitment from the Gillard government to contribute $5.4 million to the project. Once again we see how this government's fiscal mismanagement has let down the hard-working men and women of the ADF at Enoggera Barracks, my constituents who live in the surrounding suburbs and who have to suffer incredible traffic congestion and the people of Brisbane as a whole. That is what you would expect from a government that is broke. The never-ending smorgasbord of service cuts just keep coming and coming. There is hope.

When 14 September comes around, Australians will get a chance to return the coalition to power. We will restore public finances, get rid of the waste and get Australia back on a fiscally responsible path. The coalition has a record; we have great credentials to stand on; we have done it before. We left a $20 billion surplus, no net debt and an unemployment rate of around four per cent. We did it before, and we will do it again. (Time expired)

Mr SIMPKINS (Cowan) (17:13): I do appreciate the opportunity to speak on these appropriation bills. I always say to our state candidates or to the school children who I speak to across Cowan that what we do here in the federal parliament is no game. It may appear to be a bit of a competition, a bit of a football match at times, but the reality is that the decisions that are made here actually impact out there on the ground on the lives of ordinary people. As members of parliament we should always remember that our job is not to be lord of the manor in our local areas but in fact to be the chief servant of those people in those areas. We are here to make the lives of ordinary Australians better. The reality of this is that we need to put in place measures that are going to have positive impacts across the whole broad spectrum of government. We are meant to be here to make sure people's lives are somehow better than they were before. In reference to that, I have heard on many occasions speeches by members of the current government about the terrible things the Howard government was responsible
for—this is after the government last changed back to the coalition in 1996. I was in the Army at that stage, but when we look back on those times we must keep in mind that, if a mess is left, someone needs to clean it up. For those who leave the mess to then complain about the measures required to clean it up is pretty rich.

In this appropriations debate, we are talking about what is happening with the government's fiscal position right now, and it is a mess in every respect. A couple of us in the chamber have been here for the last five budgets, and on every occasion the figures in those budget speeches have proved to be wildly inaccurate. Excluding last year's budget, the other four budget speeches and positions that were outlined represent some $147 billion in collective deficits. As for the last one, at one point it was estimated to be a $22 billion deficit and then it turned out to be a $44 billion deficit. Now the government has clearly moved completely away from the promised, much-vaunted budget surplus and we can expect yet another budget in the red.

While some might say this is an economic problem, it is also obviously a political problem for the government. When the finance minister, the Prime Minister and the Treasurer say on 650 occasions that there is a cast-iron guarantee of a surplus—you make the big call and lift everything up to the highest levels, creating high expectations—and then that does not work out, you fall a lot further.

It is little wonder then that it was reported today, in the Financial Review, I believe, that the Edelman Trust Barometer for 2013—a survey of 31,000 people from around the world, across 26 countries, about trust and, in particular, trustworthiness in government—reveals that, of those 26 countries, in only one has the level of trust in the government fallen, and that is Australia. If we look at what has happened over the last three years, and even longer from a budget perspective, it is little wonder that confidence in this country is flailing.

As I have outlined, the budgets have been way off the mark, and I suspect that by the time we get to the final budget position—or the post-election budget position, anyway—we will find every budget and every MYEFO to be wildly inaccurate. So it is little wonder that the Australian people no longer have confidence in this government with regard to fiscal matters. The Prime Minister knows only too well that, when you promise things before an election, people do tend to remember them, particularly when it gets reported on the front pages of newspapers.

The government have a problem not only with fiscal issues and inaccurate budgets but also with their promises about things like 'no carbon tax'. I do not wish to labour this as it is certainly very clear in the minds of every person in this country, but what the Prime Minister promised and the Treasurer said before the election have been completely brushed aside. There has been plenty of spin, but the reality is that everybody remembers what was promised and what was delivered, and there is no correlation between the two.

Before I move on from the carbon tax being an issue of trust and a big problem for the government, it has also been reported that the falling carbon credit price across the world will account for another $4 billion of revenue that the government will not receive over the forward estimates. In fact the broken promise on the carbon tax is now having an impact upon the budget, so when the budget is being dragged down by the carbon tax as well that is another good reason that when Tony Abbott says there will be no carbon tax under a government he leads that is something the Australian people should well and truly welcome.
My next point is the mining tax. Again this was meant to be the great redistribution of wealth concept that the government likes to push. This was a big problem for the government before the 2010 election, but it did a few deals, worked a few things out and managed to quieten down the campaign against the mining tax. That deal was signed off by the Prime Minister and the Treasurer and, as we know, the officials, the people who really knew what was going on, were left outside and the Prime Minister and the Treasurer, who is also the Deputy Prime Minister of this country, accepted full responsibility for this tax which the Treasurer stands behind still. They stuffed it up. They were more than happy to commit $15 billion of spending to this mining tax across the forward estimates. They believed that they were going to get $2 billion during this financial year alone, but as we know just $126 million of revenue has been accrued from the first six months of the tax. The costs of administering the tax will take away a fair bit of that as well. We will get to what that means for the Australian people soon, but I make the point again that this is the Prime Minister's and the Treasurer's tax, it did not work out, it stuffed up and we will see how accountable they are for their errors.

I also want to raise the matter of border security. I have spoken on this on many occasions since 2008, when the government changed the policy and suddenly boats started arriving. Ever since the current Prime Minister took over and ditched the former Prime Minister with the support Paul Howse and the union people, there has been something like $6.6 billion in blowouts to the budget. Across the forward estimates the government has estimated that some $5 billion would be saved because things would be so much better, but at the start of 2013 if anything the acceleration of their arrival of illegal immigrants by boat has been at record levels. There have been some 900 in just the last five or six weeks. The genie has not come out of the bottle, no-one has found the lamp to rub to try and find the answer, but fortunately we do have the answer because the answer worked last time. This government unwound it, but before it was unwound it was working. We do not need three wishes, we just need one election. The reality is that we have a government that suffers from a problem with regards to trust and that trust, according to the Edelman Trust Barometer and the 1,000 people in Australia who were surveyed, relates to poor performance and accountability. I know that this government tends to look at our questioning of them, our constructive criticism of them as being negative. It is easy to push that away, because if you talk about negativity then you do not have to accept accountability. Again, that is the problem that this country has at the moment with this government.

When we look through these matters—the budget and the failures over the five years of the budgets with all the figures; the carbon tax that was not meant to be but is and which makes the climate and this country no better, and in fact the budget worse off; a mining tax that has been a complete failure; and border security, which has also been an abject failure—we see that we have a situation where this government is borrowing a lot of money and that the debt this government is accruing will have to be paid for by the generations to come. It will have to be paid for by showing some restraint in spending in the future.

As I said at the start, when someone creates a mess it is rough for them, having created the mess, to then complain about measures used by the next person who has to clean up that mess. In amongst this, what we have is a situation where the government has built very high expectations with regard to education. According to Gonsky, billions of dollars a year will be
required, and there is an expectation that that is all going to be paid for. But this government is bleeding cash at the moment and how they are going to plan to do this is not yet clear. At the same time, with regard to the interest payments that have been accrued through all these deficits—some $7 billion a year in interest payments alone—just counter that against how much the NDIS estimate cost. You can then see that the downside for all this reckless spending, this inaccuracy in the budget figures, this inability to control borders, spending etc., is starting to have an impact upon real people. Those people who are in need of an NDIS, who have been promised it by this government, are going to be the ones who are going to be let down by the spending regime of this government and the failures of this government's policies.

I will go back to where I started, which was about our position. Our job as members of parliament, as members of a government or an opposition, is to make the people's lives in this country better. That is our duty, and that is why we are here. If we put things in place and make mistakes that are not going to make the people's lives in this country better, then we should step out of the way and give someone a go who will do a better job?

Mr CHRISTENSEN (Dawson) (17:28): I rise—I would say with gladness but unfortunately I cannot—because of what is contained in the Appropriation Bill (No. 3) 2012-2013 and the Appropriation Bill (No. 4) 2012-2013. It is a case of saddling up again for another spending expedition by the Gillard Labor government. Together these bills load an additional $1.27 billion in expenses into the economy's saddlebags—that is, $600.8 million in Appropriation Bill (No. 3) for, amongst other things, offshore asylum seeker management and visa compliance, with a bill of $37 million; visa and migration services and refugee settlement, with a bill of $23 million; increased water protection capability, with a bill of $24 million; and $19 million to help the Australian Taxation Office funnel potentially lost superannuation member accounts into government revenue.

Appropriation Bill (No. 4) will add a further $660 million worth of weight to the economic saddlebags—that is right, $660 million, the mark of the beast. I am starting to wonder, with all this lead in the saddlebags when the pony is going to crumble under the weight. Already the economy is straining under the weight of the biggest government debt ever on record. Already the Gillard, and previously the Rudd, Labor government has delivered the four biggest budget deficits on record, back to back. So they are on a roll, and who is at the reins? Economically speaking, it is the Treasurer—he is the culprit. The same Treasurer that abysmally failed to balance the books under the former Prime Minister, the member for Griffith, and who is continuing to be an abysmal failure for the current Prime Minister.

The reason behind that consistent failure and the consistent failure of the Labor Party is the fact that they only know one thing: they know how to tax and spend. 'Wasteful' Wayne—or the Treasurer, I should say, is a one-trick pony, and if I could borrow a line from that great musician Paul Simon:

One trick is all that horse can do.

Paul Simon might have had a premonition when he released the song One Trick Pony back in 1980—because that was before the member for Longman was born—and, as we all know, we have not seen a Labor government deliver a surplus in his lifetime. Just before Labor delivered their last surplus, Paul Simon wrote these words:

He's a one trick pony

FEDERATION CHAMBER
One trick is all that horse can do
He does one trick only
It's the principal source of his revenue
That is exactly what we have in this Labor Treasurer: a pony whose only source of revenue is
to tax

In five years, the Rudd and Gillard governments have done nothing to increase revenue
other than tax. They have done nothing to grow the economy. They have done nothing to help
manufacturing be more productive, nothing to encourage tourism in this country—and I
acknowledge the shadow tourism minister here in the room—and nothing to boost agriculture.
Instead, to find the extra revenue they need to feed their out-of-control spending habits, they
simply jack up the taxes. Not content with taxing families alone, they borrow more money
and they are adding to the debt that will be serviced and repaid by taxing the next generation.
Today's debt, Labor's debt, is tomorrow's taxes; plain and simple.

The Gillard government is trying to convince us they are a low-taxing government, and
there are two problems with making that claim. Firstly, the spending this year will be 23.8 per
cent of GDP—that is $90 billion more than the last budget of the Howard government. It is all
funded by taxes, as I said, taxes on families today and taxes on the next generation. The debt
is tomorrow's taxes—that is how it is paid off. It is one trick and one trick only, and people
can see through that trick and they are getting pretty sick of it. They are getting sick of it,
because the things that they need are not being funded.

The infrastructure we need for a strong and prosperous Australia will never be funded by
this government, because they are too busy trying to cling to power, too busy giving out cash
to people in blatant vote-buying exercises and trying to hide the fact that it is the same money
that they have actually taken away from them, only some of it got wasted in the process.

The legacy that this Labor government has built so far is an annual interest bill of $7 billion
a year, $7 billion they have to tax Australians every year just to pay back the interest on the
debt that they created in five years. In simple terms, it is $800,000 an hour, 24 hours a day,
seven days a week—that is the interest bill. The biggest boom the country has ever seen, and
Labor has created a debt so big it costs us $800,000 an hour in interest. While the wealth
producing sectors and regions in the economy are crying out for infrastructure, we are wasting
$800,000 an hour every hour in interest.

If 'Wasteful' Wayne had never taken the reins of this one-trick pony, we would have had
$800,000 every hour available to spend on something important like the Bruce Highway in
Queensland. In three days the money that could have fixed, say, Sandy Gully, a section on the
Bruce Highway that floods every time there is a heavy shower, cutting off the port of Abbot
Point from workers based in Mackay or nearby Bowen. In just over 18 days, those interest
repayments on Labor's debt could have fully funded floodproofing the Goorganga Plains,
which separates the Whitsunday Coast Airport from the Whitsunday Coast—one of our prime
tourism destinations—or it could have been used to replace the Haughton River bridge in the
Burdekin and floodproofed the approaches. In just over three weeks, those interest
repayments on Labor's debt could have fully funded the Mackay ring road, a project that
would make the region, which is producing so much wealth, even more productive. The ring
road would connect an intensive industrial centre servicing the mines of the Bowen Basin
while keeping dangerous heavy vehicles off local roads. These are big projects. They are
important projects for the continued development of the wealth in this country, but, faced with the challenge of a shrinking income, the government plays to its strengths. It resorts to the only thing it knows: increase taxes and borrow more money, which taxes our children before they are even born.

At the same time as racking up debt and raising taxes, the Gillard Labor government still manage to cut funding for essential services. In the Mid-Year Economic and Fiscal Outlook, which the Treasurer delivered in October last year, we saw federal government cuts to state health funding. They cut the funding they were delivering to the states, not just from this year but from the last year as well. Current and retrospective cuts to the national health reform fund and the national healthcare special purpose payment leave the states coping the blame for federal Labor's savage cuts to health. In the 2012-13 budget released in May, the national healthcare special purpose payment for Queensland, for that year alone, was $2.545 billion. But, when that year's final budget outcome was released in September, the figure was reduced to $2.505 billion, a cut of $40 million. Again in the 2012-13 budget released in May, the national health reform funding for Queensland was supposed to be $2.724 billion, but when the Treasurer released MYEFO in October that figure was reduced to $2.661 billion, a cut of $63 million. So, combined, Queensland is forced to pass on federal Labor's health cuts of $103 million to regions that only have half a year in which to make up those savings.

In my electorate, the Gillard Labor government's health cuts translate to a $3.2 million cut to the Mackay Hospital and Health Service—a cut to their budget midway through the year. I have spoken to the independent chairman of the board of the hospital in Mackay and he has confirmed that the board is deliberating this month on how to find those savings. It is a real cut and his board has to find real savings, either by cutting staff, which is a prospect they do not want to face but may be forced to, or by cutting services at probably all the hospitals—the Mackay Base Hospital, the Sarina hospital, the Proserpine Hospital, the Bowen Hospital and the Warrambah hospital as well.

The Townsville Hospital and Health Service, in the northern part of my electorate, also face federal Labor health cuts of $7.8 million this year. They have already said that the cuts are going to be borne by numerous things, one of which is a cutback to the number of free bandages they hand out to patients. The federal government's cut means fewer bandages for patients. It is just disgraceful. How much can be saved by cutting back on those bandages I do not know—I do not think it will amount to much, actually. At some point, they will have to go further and find more savings. I have to say that it is truly disappointing to watch the Queensland Nurses Union just sitting on the sidelines on this issue, because everyone apart from them acknowledges that these are real cuts. It just shows that they are beholden to the Labor Party.

In the town of Home Hill in the Burdekin, which the Townsville health board services, they have this fantastic little local hospital, the Home Hill Hospital. It is a marginal hospital in terms of costs. It is quite possible that this hospital will have to be looked at and could suffer quite drastically when it comes to finding savings for the $7.8 million Gillard Labor government to the Townsville Health and Hospital Service. We are going to have to fight for the survival of that hospital because of this. These are the real things that are happening on the ground in my electorate because of the savage cuts imposed on health services right throughout Queensland. The Gillard Labor government are happy to roll out cuts to services
across wealth-producing regions in North Queensland, but then they try to blame it on the state governments. It will not work. There has been no attempt to increase revenue from the region by fostering growth and investing in infrastructure and industry. In fact, we had the bizarre situation in the parliament last week when the Assistant Treasurer said spending money on infrastructure in North Queensland was investing in white elephants—white elephants, that is what he said. My North Queensland colleague the member for Herbert rightly challenged the Assistant Treasurer to nominate exactly which infrastructure projects in North Queensland he considered would be white elephants. I suggest that if the Assistant Treasurer should ever head north to explain himself to North Queenslanders he would have to leave the boat in the marina and take a drive on the Bruce Highway. The Bruce is the lifeblood of the north and responsible for an enormous amount of wealth generation. When it fails it is an obstacle to wealth generation. Investing in infrastructure like the Bruce Highway, our national highway, is not investing in a white elephant, it is investing in the future. It is investing in revenue streams that do not involve increasing taxes and taxing the next generation, taxing our children. In 2½ years this Labor government has done nothing positive that I can see.

The Gillard Labor government is focused on taxing the wealth creators. Instead of playing to Australia’s strengths and supporting mining, supporting manufacturing, they have played to their strengths, taxing and waste. They have taxed the mining industry, creating uncertainty although delivering no money, but it has created a sovereign risk, deterring investment and costing jobs. There are 3,400 of them that the Queensland Resources Council said had been lost from across my state. They have taxed every business in the country with a carbon tax, every household in the country with a carbon tax on their electricity bills. You cannot tax a country into prosperity. If tax and waste is the only trick the Labor government can perform, it will never lead us to prosperity. It will lead to a slump, it will lead to lower GDP, decreased revenues, yet more tax and more cuts to services. What this country needs is a plan for a stronger, more prosperous economy through supporting and developing our strengths.

I spent the last two years travelling around my electorate of Dawson talking with families and engaging with industries and locals, and it is clear that North Queenslanders feel that the government has lost its way and continues to lose its way. Through conversations and surveys and other forms of engagement my constituents are telling me that the government lacks vision. They say this government lacks a plan for the future. North Queenslanders have also told me about their concerns, their hopes and their dreams. Through two years of information gathering, through community surveys, forums, my Fix the Bruce campaign where I had a comprehensive survey of the electorate on the Bruce Highway, through business forums, responses from newsletters. And I have got a whole of the electorate survey going out at the moment which has had a great response. We have had thousands of surveys flood back in. All that information I am going to use to create a roadmap for the region. That will be the plan I will be pushing for the next government to commit to for the benefit of my electorate and the nation as a whole, as we are a wealth generating region. The things that are going to be in that plan will be what the community wants and a lot of them I been talking about for the last two years in this place. But the Labor government has failed to listen to me and to the people and has failed to address those important issues. North Queensland, North Australia and Australia as a whole will not realise their full potential when saddled with a government that knows
only one thing. It is time to put the one-trick pony out to pasture and it is time to get on with the job.

Mr HAASE (Durack) (17:43): I rise this evening to speak to appropriation bills Nos 3 and 4 of 2012-13, bills that seek to appropriate $1.7 billion for government departments and agencies. These are additional expenditure requirements which have arisen since the May budget was brought down. This Labor government, the highest spending government in Australian history—in fact they will spend over $90 billion more this year than the last budget of the Howard government—is once again asking for more money. Appropriation Bill (No. 3) 2012-13 seeks to appropriate $600.8 million arising from changes in the estimates of program expenditure, variations in the timing of payments, increases in forecasted program takeup and policy decisions taken by the government since the last budget. Appropriation Bill (No. 4) seeks appropriations totalling $666.36 million and includes $32 million in capital funding to expand the immigration detention network. For the layman, this simply means they have wasted the money and want more.

We on this side of the House, we the members of the fiscally responsible party of Australia, the coalition, left Labor with a $20 billion surplus and no net debt. Perhaps if we were watching an American sitcom or a satire on the governing of some Third World country, I would be smiling. I am not smiling and this is not a sitcom, although the past Labor years have certainly had the characters and the plots for a blockbuster Australian sitcom, the title of which may go along the lines of 'Dummy's Guide to Destroying the Country'. This government has created so much chaos in the political sphere that it—the chaos—has become the norm. Perhaps late at night in the corridors of this House, the Labor Party members listen to the Sex Pistols and live by the quotes of Sid Vicious: Undermine their pompous authority, reject their moral standards, make anarchy and disorder your trademarks. Cause as much chaos and disruption as possible but don’t let them take you alive.

Before anyone asks, I am not a fan of the Sex Pistols, I just like interesting quotations.

Speaking of interesting quotations, on no fewer than 650 occasions did the Prime Minister, Wayne Swan the Treasurer and Penny Wong repeat their promise to deliver a surplus. Yes, 650 times the most senior of the Labor Party spooked their budget surplus. Then, in the hope that Christmas festivities would detract from the announcement, Mr Swan, our Treasurer—the same Mr Swan who collected the world’s best treasurer award—declared there would be no surplus after all. Rather than admit fault and take the blame for the use of wasteful spending and poor fiscal management, our Treasurer chose to blame ‘a huge revenue whack…out of the blue.’ Out of the blue? What blue is Mr Swan talking of? Is it the dark blue cloud of despair all Australians have been living under since Labor started wasting taxpayers’ money. That is the only blue I can think our Treasurer was referencing because no thinking person—especially the world’s best treasurer—would have imagined or believed, even in their wildest dreams, that this Labor government would deliver a promise, let alone a surplus. This government has delivered the four biggest budget deficits in history, with a cumulative value of $172 billion—meaning, in effect, that the government has spent $172 billion more than it has earned over this period. History tells us that this government did not have a revenue problem, it just has a revenue forecasting and spending problem. It has consistently assumed unrealistically high levels of future revenue, spent at those levels, and then cried, 'Woe is me,'
when the politically inspired forecasts are not realised. The Prime Minister, in an election advertisement in 2010, stated:

Most importantly, I'll ensure the budget is in surplus by 2013.

In 2011, the same Prime Minister said in a speech:

My commitment to a surplus in 2012-13 was a promise made and it will be honoured

And then, in a speech I am sure she would rather forget, the Prime Minister in an address to the McKell Institute in July 2012 said:

We saved jobs, stayed out of recession and got back to surplus.

That was wishful thinking, I would say. This Labor government's own economic benchmark for the past three years has been a surplus in 2012-13. Now we are looking at world's best treasurer delivering his fifth consecutive deficit and Labor's 11th out of its last 11 budgets—surely a track record one would not be proud of.

Every year in office this government has increased its borrowings. The face value of Commonwealth securities on issue has increased from around $60 billion under the last years of the coalition government to over a quarter of a trillion dollars today. Labor has sought to increase the limit on the government's debt ceiling on four separate occasions. In 2008, the limit was amended to $75 billion. This was increased in 2009 to $200 billion. In 2011, the government increased this limit yet again to $250 billion. Finally, in the last budget they increased this limit to a record of $300 million. I am not a mathematician or an economic guru but I, along with the majority of Australians, have common sense; and common sense tells me that if you consistently spend more than you have, you are going to go broke. That is what we on this side of the House have been telling everyone for years. Australia is going broke at a rate of knots under this Labor government.

Today's debt is tomorrow's taxes, and we know this government is not shy about introducing new taxes. This Labor government has announced 27 new or increased taxes since coming to power. I imagine you could find a lost tribe buried under the maze of paperwork shuffled around as they rob Peter to pay Paul. As George Bernard Shaw once said:

The government who robs Peter to pay Paul can always depend on the support of Paul.

I suggest that the people of Durack, the largest electorate in Australia, my electorate, are sick of this government robbing them to pay for not only their eastern seaboard mistakes but, in the case of live exports, their international mistakes. I say 'mistakes' kindly—perhaps it is more so a direct act of Greens-hugging treachery.

The profound financial impact on graziers and associated businesses from the government's decision to ban live cattle exports to Indonesia on 7 June 2011 cannot be underestimated. In excess of 9,000 direct jobs are created by the live export trade throughout rural and regional Australia, and for every one direct job created in live export another 1.6 jobs are created in the wider community. Now we hear during Senate estimates that the aid package paid by the Australian government to Indonesia is to increase productivity in the Indonesian cattle industry. It actually exceeded the amount put into the northern Australian cattle industry as compensation for the shocking knee-jerk reaction in 2011 with the live export ban. This city-centric government has allocated $20 million to the Indonesian beef industry to improve its productivity but to date has allocated a mere $12.7 million to the Australian industry. It would appear our taxpayers' money is being used to boost another country's industry to the detriment
of our own. It makes no sense to me or my constituents—in fact, little that this government does makes sense.

Where is the sense in unravelling strong and secure border protection policies—policies that worked so well during the Howard years? Already 2013 has seen more people arrive by illegal boats than was seen at the start of any other year on record, with more than 900 people having arrived since 1 January. This follows a record calendar year of boat arrivals in 2012, with 17,270 people landing on our shores. Since 2008, when Labor unravelled the secure border protection policy, and up until the end of 2012, Australia has seen the arrival of 546 illegal boats. Based on the 2011-12 figures, every boat is on average costing the taxpayer $12.8 million; $6.5 billion of taxpayers money has been wasted on trying to fix a problem that did not exist. There is no sense in reinventing the wheel. There never has been and never will be.

This government should admit it is wrong and that the Howard government was right and stop throwing good taxpayer money after bad. This government should be improving hospitals, increasing the educational opportunities for regional students and relieving Australian families of the cost of living burden rather than supporting economic opportunists who arrive on our shores and then knock on doors for more concessions.

Speaking of knocking on doors: people in this country and Durack in particular, in the days before the bungled minerals resource rent tax was introduced, used to have investors knocking on their doors, wanting to invest in the low sovereign risk minerals and resources industries of Australia. Now investors are comparing us with Africa and often deciding that that destination is more secure. Miners are already paying more tax than any other company structure in Australia. They are paying around 46c in the dollar when most companies are paying 30c in the dollar. Miners are paying billions and billions of dollars in royalties to states.

The mining tax, the bad tax, which resulted from a bad process, is complex, costly to administer, inefficient and does not raise any meaningful revenue. Yet the world's best Treasurer—and, Deputy Speaker, I am quite sure you know that I use that descriptive term with tongue firmly in cheek—yes, the Treasurer, Mr Swan, has spent all the money he stated the tax would raise, and more. The government wined and dined voters on money it did not have. Rather than the $2 billion the tax was expected to raise this half, it in fact gave a return of a paltry $126 million—less than five per cent of the projected income. Considering the company tax forgone, plus the cost of administration, this is an economic blunder of monumental proportions.

It appears to me that this Labor government, rather than encouraging and supporting entrepreneurial Australians and companies, disparages and taxes them. We on this side of the House take a different approach. We like to support those individuals and companies who do well, for who else will finance this government's passive welfare mentality, a mentality that has bred contempt rather than admiration for those who succeed? It seems that across the eastern seaboard the tall poppy syndrome is alive and well. How dare there be rich people in Australia? How dare there be companies who have had a go? It seems that an army of spin doctors—about 1,600 as at 13 August 2012, staff employed by federal departments and agencies in media, communications, marketing and public affairs roles—on which this government spends $150 million a year, are earning their keep.
The following is often attributed to Abraham Lincoln, but some say the words are actually those of William Boetcker, a German born Presbyterian clergyman. Deputy Speaker, I will let you be the judge of the origin. I quote:

You cannot bring about prosperity by discouraging thrift.
You cannot help small men by tearing down big men.
You cannot strengthen the weak by weakening the strong.
You cannot lift the wage-earner by pulling down the wage-payer.
You cannot help the poor man by destroying the rich.
You cannot keep out of trouble by spending more than your income.
You cannot further the brotherhood of man by inciting class hatred.
You cannot establish security on borrowed money.
You cannot build character and courage by taking away men's initiative and independence.
You cannot help men permanently by doing for them what they could and should do for themselves.

I add my own to these words of truth and wisdom: you cannot live in a debt-free Australia with Labor at the helm.

The Prime Minister herself said, 'You can't run this country if you can't manage the budget.' I imagine that the history books, when written, will not favour this dark period in Australian politics, this dark period of debt, untruths and wastefulness. This government is a Clayton's government, living under Clayton's rules, full of Clayton's promises and Clayton's surpluses. It truly is the government you have when you do not have a government.

Mr BALDWIN (Paterson) (17:57): I rise today to address Appropriation Bill (No. 3) 2012-2013 and Appropriation Bill (No. 4) 2012-2013, which together are termed the additional estimates appropriation bills. These bills seek to appropriate funds from the Consolidated Revenue Fund for additional expenditure requirements that have arisen since the last budget. In total these bills seek to appropriate $1.27 billion for government departments and agencies.

I think it is timely when considering these bills to discuss Labor's record on economic management—or should I more correctly say economic mismanagement, to be exactly precise? When the government walked away from its so-called non-negotiable budget surplus promise for the next financial year, it was an admission that it had lost control of the economy. It lost control through wasteful and excessive spending, long after the global financial crisis gave it cover to do so. We have seen unprecedented levels of waste from this government: pink bats, overpriced school halls, cheques to dead people, blow-outs on border protection and, in my electorate of Paterson, an absolute mismanagement of the digital television switchover. These are symbols of this government's incompetence.

This government has delivered the four biggest budget deficits in our nation's history, with a cumulative value of $172 billion. Labor is now the highest spending government in Australia's history. At first it could almost get away with it because the previous coalition government left it with a $20 billion surplus, zero net debt and an unemployment rate of around four per cent. But now the continued economic mismanagement of this government is hurting the country. It is hurting every Australian, reaching right down to every constituent in Paterson, with the rising costs of living. I cannot stand by while Labor spends millions on a
'Get digital ready' television advertising campaign, for example, but invests a pittance in upgrading or installing new regional television towers in areas like Paterson, ignoring my warnings to upgrade them and address the issue at a local level. In November last year the analog television signal switched off in Paterson. For well over a year beforehand I repeatedly warned the government that entire suburbs would be without television reception if the digital towers in the area were not fully upgraded and more installed. This came on top of extensive delays for those residents who were eligible for the Household Assistance Scheme. Many pensioners, older Australians, veterans, and people with a disability and their carers were forced to wait months for the promised high-definition set-top box, demonstration of the new equipment and instructions on how to use it—and the 12-month warranty service and technical support. Once these residents finally received the Household Assistance Scheme package there were still problems and my office has been inundated with calls from residents whose television reception has actually worsened.

So after waiting months for a service promised to them by this government, a large number of these people have found that the service they were provided was subpar either because their antenna was aligned incorrectly or because their area actually receives very little digital television reception. Many of my constituents in Anna Bay were visited multiple times by government contracted technicians under the HAS scheme who, at first, aligned antennas in the area to the Mt Sugarloaf transmitter, which is almost 70 kilometres away, and provided very, very poor reception. This was done just weeks before the new self-help transmitter was due to be installed in Anna Bay itself. After multiple representations from my office on the half my constituents the technicians returned to these households and realigned the antennas to the new local transmitter.

The mind boggles at the kind of waste and mismanagement. I would love to know what the cost to the Australian taxpayer is for every return visit made by a government contracted technicians carrying out the HAS package. The waste and mismanagement continues. Just last week my office was contacted by Brian Hansford of Corlette in the Port Stephens area. This is a notorious black spot for digital television reception in my electorate, the subject of many speeches in this House. Many residents in these black spots are simply unable to pick up a digital television signal because of the geographical features of the local area. For these residents, the government subsidised Viewer Access Satellite Television—VAST—scheme and it is their only option.

After trying a range of things to get digital television reception, including an antenna, mast and booster, Mr Hansford was approved for the VAST scheme last month, after first being concerned he would not be granted approval and contacting my office for some help. After contacting the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy, we confirmed that Mr Hansford was eligible to access VAST. But just last week Mr Hansford called my office to advise his application for VAST had been rejected.

The time line goes like this: Mr Hansford applies for VAST then calls my office because he is concerned his application will be rejected; my office confirms with Senator Conroy’s office that he is eligible for the VAST; someone from the government’s Digital Switchover Taskforce calls Mr Hansford and confirms his application will be approved. Then one week later Mr Hansford is told by VAST that his application has been rejected. This whole confused mess has come about because of the government’s mismanagement of every aspect
of the Digital Television Switchover, including their decision to waste millions of taxpayers' dollars on an advertising campaign to make themselves look good instead of investing in more television transmission towers.

What are Paterson residents who are not eligible for the Household Assistance Scheme meant to do now they have outlaid hundred or indeed thousands of dollars upgrading their televisions and antenna, like the government instructed them to do? They spent this money to get digital ready because the government told them to do so. The government, in fact, spent millions of on an advertising campaign to promote the switch-over and the steps Australians needed to take to continue to receive television services. What the government did not tell my constituents was that they were spending millions of dollars on positive PR campaigns and little or nothing on upgrading television towers servicing large parts of my electorate of Paterson. The areas of Bulahdelah, Tomaree Peninsula, Tilligerry Peninsula, Medowie, Tea Gardens/Hawks Nest, Booral, Brandy Hill, Dungog—all have a high number of residents who are unable to access sufficient digital television reception. My constituents have done everything right. They have upgraded their televisions, they have installed new antennas, and they have paid for boosters, set-top boxes and the increasing energy prices that now go along with operating their televisions, yet they have patchy or zero reception, where before they received a perfect signal from the analog system. I have contacted the minister many times with regard to regional upgrade requirements in these areas, but until such time as upgrades happen, if indeed they happen at all, my constituents are experiencing very poor and, in some cases, zero reception. This is a very serious matter. My constituents rely on their televisions for entertainment and as their news source, including news on events such as natural disasters. This is particularly so for older Australians, who make up a very high percentage of residents in the Paterson area. Depriving these people of television reception, after advising them to spend money they do not have to upgrade their existing television, is both irresponsible and heartless.

That is not to mention the community based nursing homes and lodges in my electorate, places like Bulahdelah Nursing Home, whose residents' only source of outside entertainment and communication is their television. There is no subsidy for these residences or the nursing homes. And what use is a VAST system when the local news is not broadcast until after 8 pm. Country people need local news and information at six o'clock, like the rest of the nation. To date I have made over 250 representations to Senator Conroy's office on behalf of my constituents, and that is only a small part of the number of people who have actually contacted my office. They have all experienced dramatically worse television reception since the switch-off of the analog signal. Make no mistake; this is one of the biggest problems in my electorate of Paterson at the moment. Local newspapers, the Port Stephens Examiner, the Maitland Mercury, the Dungog Chronicle, the Gloucester Advocate, the Great Lakes Advocate and the Myall Nota, have all covered this issue and are eagerly awaiting a solution to the problem, as indeed we all are.

The government's digital switch-over task force has attempted to explain away the reception problems in Paterson as a result of atmospheric ducting, meaning that on a hot and windy day signals from distant transmitter sites are carried further than normal, causing interference. I refuse to accept that it is my constituents who should accept poor television
reception every time it is hot and windy, which is often the case in coastal areas like Port Stephens.

On the day the analog signals were switched off in Paterson, Nerida O'Loughlin from the Digital Ready Executive Director, appeared on ABC Newcastle and said:

The Government put in place a strong framework for introducing digital. Firstly the broadcasters are required under law to provide signal for digital which are equivalent coverage to what they had for analog.

Fail, fail, fail.

Under law, broadcasters must provide the same level of coverage that was provided by the analog signals before the switch-over. This has simply not happened and the minister is doing nothing about it. Last month I wrote to Senator Conroy and asked what the government was doing to ensure it keeps its promises and forced broadcasters to provide equivalent coverage under the digital television system. I am yet to receive a response. But actions speak louder than words. I am out there every day fighting for my constituents on this issue while the government has been conspicuously silent. I have used the term 'economic mismanagement' throughout this speech but, now, when I use this term in connection with the government I am not only referring to their incompetent administration of the digital television switch-over; I am also referring to the way that they have placed backroom deals and pork-barrelling above the interests of the people. Three years ago, Labor needed the member for Lyne, Rob Oakeshott, to help them form a government. Since that time, they have ignored the needs of Australians living in areas adjacent to the Lyne electorate in favour of pouring money into Mr Oakeshott's region.

The Bucketts Way is a road around 150 kilometres long. It runs from Tinonee near Taree in the Lyne electorate to Twelve Mile Creek near Medowie in my own electorate. It passes through the town of Gloucester in the electorate of Lyne. When the previous coalition government delivered $20 for funding upgrades to the Bucketts Way road, four council areas—Taree, Gloucester in the north, and Great Lakes and Port Stephens in the south—worked together to get the job done. The works were along the entire length of the road.

The Labor government allocated a further $10 million in funding for the Bucketts Way, and guess where it all went. That is right. It went straight into Taree and Gloucester, which makes up about half the length of the road. Great Lakes and Port Stephens received nothing, despite Great Lakes preparing the report for the funding submission. The member for Lyne needs to understand that his constituents, particularly those in Gloucester, drive the entire length of the Bucketts Way; they do not stop at the border of my electorate. They travel to Newcastle in the south and to Taree in the north. Upgrading the whole road and making it safe for everybody who travels on that road should be the priority. What is needed is passing lanes along the whole length of the road, not just in the member for Lyne's electorate.

Indeed, trucks from Armidale are now travelling to Newcastle via Thunderbolts Way and then Bucketts Way, because it is quicker for them to do so. This has increased not only the general traffic load on Bucketts Way but the heavy traffic load. Upgrading the entire length of the road and installing passing lanes is more pressing than ever before in the light of the safety concerns this presents. Yet these safety concerns mean nothing to the government and the member for Lyne, who are only concerned with shoring up their respective positions.
This latest injection of funds into Bucketts Way was not based on need nor on the report. It was based on looking after the best interests of this government and the member for Lyne, at the expense of anyone else who uses that road outside the Taree and Gloucester areas.

The additional estimates appropriation bills before us today have brought about a timely discussion of this government's economic mismanagement. The abandonment of a surplus that Julia Gillard, Wayne Swan and Penny Wong promised, on 650 occasions, that they would deliver is tantamount to an admission that they have lost control of the nation's finances. Members even put out glossy brochures claiming that they had actually delivered a surplus—more mendacious statements from a Prime Minister and a Treasurer who, remember, promised: 'There will be no carbon tax under a government I lead.'

Federal government revenue is now more than $70 billion higher than it was when Labor took office. Yet, in 2011-12, net debt hit an unprecedented $147 billion. Regardless of the government's rhetoric it has a spending and a forecasting problem, not a revenue problem.

The mismanagement of the digital television switchover in the electorate of Paterson and the backroom deals that see funding directed to electorates based on anything other than need are both indicative of this government's economic approach. And, as we have seen, the approach is definitely not working. Given that it took over a decade to pay off the $96 billion debt that we inherited from the Keating government, I hate to think how many generations to come will have to suffer as we pay off this massive and mounting debt that this government cares very little about in accumulating on behalf of this nation.

Mrs PRENTICE (Ryan) (18:12): I rise to speak on the Appropriation Bill (No. 3) 2012-13 and Appropriation Bill (No. 4) 2012-13. These two bills afford me the opportunity to speak on the general economic direction of our country and the gross incompetence that this Labor government has shown in managing the economy.

Firstly, with their Green partners, the Labor Party and the world's best Treasurer have managed to legislate a tax that raises almost no revenue. Instead of stealing $1 billion from miners over the first six months of this financial year to cover their budget black holes, the minerals resource rent tax raised only $126 million. Worse, the tax has cost the Australian tax office more than $50 million in administration, not to mention the increased compliance costs of businesses trying to deal with this complex, distorting, inefficient and costly tax. Quite simply, it is an absolute fiasco.

For the past 2½ years the coalition has been demanding that the Treasurer release the figures from the MRRT to the public for proper scrutiny. The response we received from a deeply embarrassed Treasurer, who knew the true extent of the costly consequences of his MRRT for the budget and for our economy, was weasel assertions that releasing information about the MRRT would be illegal.

The Treasurer claimed that releasing the information would be in breach of taxpayer confidential provisions for companies affected by the tax. The coalition simply did not accept this as an accurate explanation and, last week, the Senate ordered the tax commissioner to provide detail on how much revenue has been raised since 1 July, 2012. So last Friday the Treasurer backed down on his refusal to be transparent and, finally, publically released the detail.

On that day the Treasurer claimed:
The Government has always supported increased transparency in our tax system and we believe any revenue from the MRRT should be published …

If what the Treasurer says is true, the obvious question is: why, after 2½ years, after blocking every request from the coalition for more information on the original negotiations between himself, the Prime Minister and the big miners did he wait for the Senate to order him to release the MRRT revenue raised so far at a press conference?

The answer is that the Treasurer knew the tax commissioner would have to release the information, so he had to pretend that he was releasing the information. And not for one moment should we forget that mining companies have had to spend millions on compliance costs just to calculate that they do not have to pay the mining tax.

Let us look back at the history of Labor's shrinking MRRT. When the Prime Minister and the Treasurer first signed the MRRT heads of agreement, the tax was expected to raise $4 billion this financial year. In the most recent budget, it became $3 billion this financial year, and in the most recent Mid-Year Economic and Fiscal Outlook, MYEFO, it became just $2 billion. The problem with the MRRT failing to raise revenue is that the expenses which were supposed to flow from the mining tax revenue are not volatile and are not linked to that revenue; they have become a permanent part of the expenses ledger in our budget.

Some of these unfunded measures include the cost to the government of increasing the superannuation guarantee rate; increases to welfare for Australians facing increasing cost-of-living pressures; and the schoolkids bonus for parents of students, without any evidence required that the money is actually being spent on education. All these measures are permanent parts of government expenditure, costing the government billions of taxpayers' money each year, while the mining tax raises next to nothing. By comparison, there is no new funding to the tune of $120 billion for proposed policies such as the National Disability Insurance Scheme, the Gonski education recommendations, an increase in the refugee intake and tens of billions of dollars of spending in Defence.

We also recently learnt from the Australian Bureau of Statistics that, in the September quarter alone, electricity prices increased by 15.3 per cent. While the carbon tax is not to blame for the entirety of that increase, it demonstrates that the carbon tax has increased the financial strain for all Australian households. Consequently, a coalition government will rescind the world's only economy-wide carbon tax. It will be a difficult job. Labor is not a party that respects the mandate of an incoming government with an electoral victory. Since the introduction of the carbon tax, the Labor government has amended the legislation eight times, which shows that the government has lost control of the tax and is making ad hoc changes on the run. On the first day of government, a coalition Prime Minister will have draft legislation prepared, and the first piece of legislation to be debated in parliament will be the repeal of the carbon tax.

We must repeal the carbon tax because of its deleterious effect on small business alone. In recent years, small businesses have not had a federal government that listens to their concerns. Small businesses are the backbone of the local and national economy. In recent years, small businesses have been doing it tough, and the Labor government has rarely concerned itself with addressing the very important issues that small businesses raise. This is a government without a single minister or parliamentary secretary with small business experience. Earlier this week, at Senate additional estimates, the Prime Minister's own department revealed that
the Prime Minister rarely concerns herself with small business issues. The first assistant secretary from the industry, infrastructure and environment division told the Senate Finance and Public Administration Legislation Committee:

Small business issues do not often come up in terms of issues that are before the Prime Minister or before the cabinet. I guess our focus of resource tends to focus on those issues which are before the Prime Minister or the cabinet.

Clearly this Labor-Greens government has absolutely no interest in addressing the real concerns of small business owners and managers, who employ nearly half the private sector in the country.

Since 2007, Australians have been slugged with Labor's carbon tax and mining tax and repeated broken promises on company tax and superannuation. Since 2007, successive Labor governments have increased an additional 20,900 regulations, while repealing only 104. They promised that they would follow a strict 'one in, one out' approach to the growth of regulation. Instead, for every one regulation removed, 200 regulations have been added. Through their actions, it is plain to see that the Labor government are absolutely committed to greater and greater regulation, more bureaucracy and increasing intrusion into business and into the marketplace. Not only have these decisions damaged Australia's investment attractiveness; they have also undermined confidence within our economy for consumers and small business.

That is why I am launching the Ryan small business survey, to hear the views of small businesses in Ryan about how I can work with the coalition to best improve business conditions. Small businesses in Ryan have told me how concerned they are about their businesses and how they have suffered, particularly because consumers are facing increasing cost-of-living pressures and are spending less across the board. While businesses have had to spend thousands of dollars on compliance and rising import costs, consumers are tightening their spending because of major price hikes in energy, childcare and private health insurance costs. One of my priorities as the member for Ryan is to help build a strong economy through lower taxes, more efficient government and more productive businesses that will deliver more jobs, higher wages and better services for families in Ryan.

During the Mid-Year Economic and Fiscal Outlook process last year, Labor and their treasurer further demonstrated that they do not understand, nor do they care about, small business. The Treasurer announced that the annual regulatory levy on self-managed super funds—regardless of the level of contributions or the account balance—would increase by 36 per cent, supposed to raise an additional $320 million over four years and affecting more than 480,000 self-managed superannuation funds across the country.

The government announced that it would spend $390 million to continue the crackdown by the Australian Taxation Office on small businesses—part of their desperate attempt to find more cash to fill their $120 billion black hole. This comes at a time when small businesses are doing it tough, which is reflected in many alarming statistics. Small business insolvencies instigated by the tax office are up 116 per cent. The Inspector-General of Taxation has warned that more than 5,800 small businesses targeted by the ATO paid their default tax assessments simply because they could not afford to fight or correct the ATO. The Australian Chamber of Commerce and Industry National Red Tape Survey found that 73 per cent of businesses are reporting an increase in regulation compliance costs over the past two years. According to Dun & Bradstreet's most recent Business Expectations Survey, businesses expect that both
sales and selling prices will drop sharply in the March 2013 quarter. The government also cut the support for the Adult Australian Apprentices initiative, which will hurt not just small businesses but also older Australians. These policies have had a huge impact on the Australian economy, with our global competitiveness suffering greatly according to the most recent World Economic Forum's Global Competitiveness Index. Australia's performance in terms of regulation has dropped 28 places since 2007-08 from 68th in the world to 96th. In pay and productivity, we have dropped from 40th in the world to 80th. In the extent and effect of taxation, our performance has dropped from 75th in 2007-08 to now 103rd in 2012-13.

In response to these alarming figures, the coalition has set out to repeal two of the biggest tax increases. There have been 27 new or increased taxes since the Labor Party came to power. We will rescind both the mining and carbon taxes. It will be an extremely tough job trying to return fiscal sanity to the budget and to the Australian economy. The government is now spending an extra $100 billion per year more than when the Howard government left office. The shadow treasurer, the member for North Sydney, and other coalition colleagues will need to find real savings and cut expenditure. It will be an extremely difficult job, but the coalition is up to the task. The coalition plans to achieve real reform in the area of business and small business.

In overarching terms, the federal coalition has important plans for the economy: (1) we will live within our means, (2) we will reduce taxation including abolishing the carbon and mining taxes, (3) we will grow the economic pie with a six-point productivity plan, and (4) we will engage more with our region. Under these four pillars, we will support small business. The coalition will relieve the red tape burden from Australia's small businesses by giving them the option to remit the compulsory superannuation payments made on behalf of workers directly to the ATO. We have committed to reducing the regulatory costs to all businesses by at least $1 billion a year, and to not changing current laws relating to the treatment of personal services income. We have committed to defending family enterprise and the self-employed from attacks by the ATO and the Fair Work Ombudsman, by not changing the existing personal services income tax laws. And we will conduct the first root-and-branch review of competition laws and deliver more competitive markets. Deregulation reform is part of the coalition's plan to free up Australia's businesses so that they can create more jobs and opportunities for all Australians. It is also part of our plan to help reduce the administrative burden on Australian community not-for-profit organisations, and allow them to focus more on their important work of strengthening local communities. The Productivity Commission has estimated that reducing unnecessary red tape could generate as much as $12 billion in extra GDP per year. Therefore the coalition is absolutely committed to reducing annual red tape by at least $1 billion for individuals, small businesses and society as a whole. Ultimately cutting red tape and improving conditions for small businesses are not just about improving the economy and providing the opportunity for growth. For a small business person red tape means less time with customers, less time earning money and, more importantly, less time with their families. Therefore it must be a priority of government to get out of the way, to ease conditions and regulations on small business so that businesses can grow, so they can get on with their job and encourage employment. The coalition will get small business growing again and creating more jobs by reducing business costs, by cutting taxes and by cutting red tape by $1 billion a year. We will restore hope, reward and opportunity for small businesses across Ryan and across the country. The coalition plan is for real action for all Australians.
Dr JENSEN (Tangney) (18:25): 'The truth is incontrovertible. Malice may attack it, ignorance may deride it, but in the end there it is.' So said Winston Churchill. The Department of Defence has a problem with accepting the truth. Questioned in 2004 regarding the joint strike fighter, Air Marshal Houston stated, 'The expectation is they will begin arriving in Australia by 2012.' He went on to say, 'It is a conservative estimate. That is when we would expect.' In 2005 he said, 'We are still planning on 2012.' In 2007, he again stated delivery would be in 2012 and the initial operational capability, or IOC, would be in 2014-15. In 2009 Dr Gumley, head of the Defence Materiel Organisation, said, 'The JSF is on schedule. I think the test program is running four or five months late.' To reiterate—'running on schedule'. We have been talking about 2012 and initial aircraft in 2014 with IOC—well, initially 2013 IOC—and he said, 'It is not something I lose much sleep about.' I do. And if I were Dr Gumley, he should have. Because ultimately these aircraft are not experiments in marketeering; rather they are tools young men and women in uniform will use to defend this great nation from enemies with superior technologies. It is a question about lives, not maintaining the extravagant livelihoods of Lockheed Martin executives.

In 2011, Air Vice Marshal Osley told parliament that the US JSF program manager, Vice Admiral Venlet, said, 'The program is now founded on a great deal of realism.' Air Vice Marshal Osley said, 'I think our estimate is now becoming a realistic estimate instead of a conservative estimate.' Then the IOC was taken to be 2018, and he reiterated his confidence on this numerous times in testimony. But a few months ago we were told that this has now slipped to 2020, and Bill Sweetman of Aviation Week and Space Technology, the trade bible, states that IOC in the US is only likely to be in 2020. Even if this does not slip, how would you like to order a 1991 VN Commodore and finally take delivery when the competition is producing the FG, or current model, Falcons? How competitive would that VN Commodore be? Should you stick with your VN Commodore? The Department of Defence seems to think so. On Defence's risk management matrix, a slip of merely 12 months is considered an extreme level of risk, yet the program is now over half a decade late and there are no flags being thrown up.

In 2005, Air Marshal Houston said, 'Currently the indicators are that the flyaway costs for the F-35 will be about $45 million.' In 2006, Air Commodore Harvey is talking about 'approximately $US47 million on 2002 base year'. We are getting them early, so Harvey said 'approximately $55 million average for our fleet'. Then in 2008, Dr Gumley stated that he would be surprised if we paid more than about $75 million a copy for the aircraft measured in 2008 dollars, 'assuming we buy at least 75, or three squadrons'. I was told by Defence in then Minister Nelson's office that the average unit procurement cost that was being worked on by Defence was $131 million per unit. So why did Dr Gumley say he would be surprised if we paid more than $75 million each? Defence deliberately talk costs that make up the price instead of the price, so that they can obfuscate.

In 2010, then Air Vice Marshal Harvey, in talking about fleet, said it was $75 million in 2008 dollars at a 0.92 exchange rate. The Government Accountability Office in the United States, talking about average procurement cost of the JSF, said it has gone up from $69 million in October 2001. In April 2010 it was up to $114 million each. In June 2010, after a Nunn-McCurdy breach, it was revised to $133 million per copy. Using the risk management matrix at 10 per cent, increase in cost is severe and a combination of severe and almost
certainly means that you will have a category of extreme level of risk. Once again, why no red flags?

Air Power Australia are routinely denigrated by Defence which will obviously have a negative impact on the work they get as well as organisations such as REPSIM. The reason they are denigrated is that they have the audacity to criticise the JSF program. Problematically for Defence they tend to be accurate, whereas Defence woefully fails. Take cost, for example. In 2006-07, Air Power Australia had an estimate of between $136 million and $176 million, far more accurate than Defence talking about significantly less than $100 million. Were they just deliberately misleading parliament, given they had admitted the $131 million average unit procurement cost to me in 2007? They tend to hide behind many definitions of cost, deliberately obfuscating failed projects by throwing various prices and costs out there.

Air Vice Marshal Osley also boasted of no foreign customers having pulled out and he even boasted of it ‘not being beyond my level of expertise to comment on politics in Canada' before assuring us that it was just politics in Canada and Canada would stay in. In fact Canada has pulled out of the program. The Danes have ordered advanced F-16s as a stopgap which I am told will likely become the final capability—in other words, they will dump the JSF as well. The Dutch are prevaricating and the probability is that they will pull out.

As I have said, there has been unfair criticism of APA by Defence. As an example, Air Vice Marshal Osley stated of APA's criticisms of the F-35's aerodynamic performance that it was:
... inconsistent with years of detailed analysis undertaken by Defence, the JSF Program Office, Lockheed Martin and the eight other partner nations.

He further stated that their analysis was:
... basically flawed through incorrect assumptions and the lack of knowledge of the classified F-35 performance information.

The Joint Operational Requirements Document, or JORD, had specifications on various measures of performance. For acceleration at 30,000 feet the objective was 40 seconds or less and the threshold or bare minimum was 55 seconds. We were told by Defence that it would meet spec and Tom Burbage, head of the JSF program with Lockheed Martin, misled parliament in March last year by stating: 'The airplane will continue to be well in excess of its basic requirement. The aircraft is meeting all other requirements to date.' He stated 'other' because it failed to meet the range requirement of 590 nautical miles and they have conveniently changed the definition of the requirement for the A-model which Defence recommends we get so that it could reach spec.

In terms of that acceleration spec, the JSF program office in the US has asked the Joint Requirements Oversight Committee, or JROC, to relax the requirement to 63 seconds which is similar to the performance of a 50-year-old F-4 Phantom—so much for meetings spec. In 2006, APA calculated the A-model would take over 60 seconds for acceleration which has now proven correct. This is on record at the same time that Defence and LockMart were telling us it was meeting or exceeding spec. Whose analysis is flawed now?

Similarly, for turn performance, the aircraft had an objective to sustain six g at 15,000 feet with a bare minimum threshold of 5.3 g. In 2006, APA calculated it could only sustain 4.7 g, at the same time that Defence and LockMart were assuring us that it would meet spec. Once
again, JPO has requested JROC to relax the spec to 4.6 g. This is less than said 50-year-old F-4 Phantom, which was known as a truck for its turn performance at the time. Whose analysis is flawed now? So much for the years of detailed analysis undertaken by Defence, the JSF program office, Lockheed Martin and eight other partner nations.

This aircraft has had very austere specifications placed on it in the JORD, and LockMart has designed the aircraft not to meet the objectives—which were not much of a stretch anyway—but with the bare minimum threshold specs, and have failed to even meet them. They have a weight problem with the aircraft, and military aircraft always put on weight. This aircraft is only 270 pounds under the maximum allowable empty weight according to the Director of Operational Test and Evaluation. They have even gone so far as to remove fuel stop valves and extinguishers in the dry bays, which, according to the DOT&E, increases the aircraft's vulnerability to ground fire by 25 per cent compared with legacy aircraft.

But this program is based on magic! Because, in terms of the fundamentals of air combat, this aircraft is a comprehensive and hugely expensive failure. It is a $1 trillion program over its life, so no wonder we are getting so much spin and so little substance. By every measure, the aircraft is an outlier. We are told that this aircraft will let the missiles do the work—no need for high aerodynamic performance; it will all occur at beyond visual range. So why do they crow about the 50 degree angle of attack capability which is only important in close combat? The reason is that, according to Defence and LockMart, the JSF is the answer, and therefore anything it can do is important and great but what it cannot do is irrelevant. They are quite willing to mislead, lie and obfuscate—anything to ensure the continuation of this white elephant.

Remember, even if it achieves the 2020 IOC, this turkey will be in service until 2060 or so. Do you really think it will be remotely competitive then? Why are the Russians, the Chinese, the Europeans and indeed LockMart with its other fighter, the F-22, spending so much money for these aircraft to have supermaneuverability and supercruise—or the ability to cruise supersonically without using afterburner—if it is not important? Indeed, the JSF will have to light up the sky to get into a position to fight using a lot of fuel-hungry and very hot afterburners which can be seen from a long distance away, just to get to the speed required to do that. Does the JSF program really have the ultimate and only correct view of air combat, a view that bets against the basics of air combat that have been shown to be fundamental to air combat time and again over the last century, despite people having bet against said fundamentals on numerous occasions? Are those who designed the J-20, J-31, F-22, Eurofighter, Gripen and Rafale all wrong? Are the fundamentals of air combat and the wisdom of the likes of John Boyd and von Clausewitz all wrong, and only the mighty Lockheed Martin Fort Worth division is correct?

I want Tom Burbage, the head of the JSF program with Lockheed Martin, to come to parliament and explain why he did not give false and misleading information to this parliament. If we do not insist on full transparency, our fighting men and women will be the ones to pay the price, not those in Russell offices or the boardrooms of Lockheed Martin. Finally, no doubt Defence and LockMart will state that the magic is classified and hidden, and we will have to take them on trust that it truly is revolutionary, it will change the nature of air combat, and that is why it is a world-beater. The problem is, on all unclassified measures where we have had the opportunity to compare the facts with what they have assured us is

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correct, they have been shown to be wrong. Furthermore, when independent experts have been demonstrated to be correct on these measures where Defence and Lockheed Martin have failed so dismally, when they warn us that the JSF is uncompetitive, I believe we should take what they have to say extremely seriously and demand evidence from Defence and LockMart. We should demand that they show us, not simply assure us. In the final analysis, facts are stubborn things and I am more stubborn still.

Mr EWEN JONES (Herbert) (18:40): There has been much discussion about the leaked draft paper on the development of Northern Australia. I have touched on a couple of these issues in other speeches in this House. Today, I would like to expand on what we have to do to make this natural evolution of Australia a reality. My leader, Tony Abbott, has often said there is nothing new in politics and that it has all been experienced before. It is very much like the lines in the Beatles song All you need is love: 'There's nothing we can do that can't be done'. What we have here is an opportunity. People will always tell you that opportunity knocks but once. My belief is that opportunity knocks all the time and that we just have to answer the door.

There are three areas of interest to me in the development of the North: getting the base right, water security and energy security. If we get these right in the first place, we can do anything. For the purpose of this debate, I will restrict my comments to North Queensland, but this applies across the top of Australia. As my good friend and mentor Senator Ian Macdonald always tells me, you have seen nothing until you have seen the top of Australia. By 'getting the base right', I refer mainly to the science.

For example, we have nearly 25 river systems in the north and west of my state. They run into the Pacific Ocean, the Murray-Darling and Lake Eyre. We know very little about most of these. If we are to be the food bowl of Asia, we must ensure that we do not end up with another Murray-Darling basin, with the problems that we have there with water, salinity and crop selection. We must complete good baseline research to set us up to ensure that we get the best result with the least consequences. Damien Burrows from TropWATER at James Cook University is already active, and should be, in conjunction with the university. He has the brief to tell us what could be done and what impact it might have. From there, good decisions can be made. Damien is very good to me. He speaks to me using little words, as well as pictures. He tells me what every Australian should already know: anything we do has as an impact. What we have to do is risk-manage that impact. We have to see if we can live with those consequences.

You will see that throughout my contribution I am referring to people and organisations that already exist. We do not need to reinvent the wheel here. James Cook University—JCU—is the only Australian university to include in its charter the need to be relevant to the tropical world. That is why I was proud to be able to go to the 2010 election with a commitment for the Australian Institute of Tropical Health and Medicine—AITHM. It will be based at James Cook University's Townsville and Cairns campuses. Nearly half the world's population lives between the Tropic of Cancer and the Tropic of Capricorn. The establishment of the AITHM is essential not only for handling the risks that confront us, but also to provide the base for the scientific research which will provide real income streams into our country as our neighbours develop. Issues such as infant mortality, malaria, cholera, TB and the like have to be addressed as they are already impacting on hospitals and health services in the
Cape, Cairns and Townsville. We can be a major part of the solution here for basic health matters in all tropical countries. Or we can miss this opportunity. Again, the people central to this are already in place. We have, at James Cook University, a school of medicine, a school of allied health and even a school of veterinary science, which are all headed up by people with a passion and an intimate knowledge of what is needed here. Ian Wronski has been pushing for this for an age. If we get this established, we can lead the world in tropical medicine and health.

This will play into our direct world in that our Aboriginal and Islander peoples were the ones most susceptible to H1N1 virus, or bird flu. With places like Papua New Guinea having real issues with drug-resistant tuberculosis, malaria, cholera and other diseases, we must be vigilant and proactive on this front. Certainly we are not, and we regularly see cases presenting at the hospitals in Cairns and Townsville which require enormously expensive treatments. The real pressure is on the Thursday Island Hospital. The member for Leichhardt is no stranger to making the points relating to the lack of attention paid by this government to the health concerns of our people and of our closest neighbours, Torres Strait Islanders. Former Mayor of Townsville Tony Mooney would always say the closest capital city to Townsville is not Brisbane; it is in fact Port Moresby. That is how close it is.

With the Australian Institute of Marine Science, or AIMS, we have an organisation which can look after the front of Australia. We have major port developments along the Queensland coast. There is to be major dredging at Abbot Point to facilitate the export of coal. I am in favour of development, and it must be stated that the industry has the correct permits and all the approvals in place. But we are talking about a lot of dirt here. Surely we can get AIMS and the Great Barrier Reef Marine Park Authority to have a quick look at what we are proposing and act as honest brokers in this process. Is it possible that we could build a jetty instead of dredging and achieve the same result? It is certainly worth having that discussion.

We have the Gulf of Carpentaria, an important prawn and fish breeding ground. We have dugongs and turtles. We need to be sure that these industries and natural inhabitants get the best consideration before we go too far. We already have projects up and running. We have cassava plantations in the Burdekin supplying an Asian market. We have Wagyu beef production in the tick-free areas around Hughenden and Corfield. We are doing these things now. Those are just two of the things that we are doing.

We should not be afraid to have this discussion, because we have, already in place, the people who can make it happen. We need appropriate infrastructure to get this to happen right. I would draw this chamber's attention to a report commissioned by the Mount Isa Townsville Economic Development Zone in conjunction with Infrastructure Australia, the MITEZ 50-year infrastructure plan: interim report of February 2012. To a large extent it establishes the blueprint for what we have to do here. It addresses the ports, rails and roads. It looks at the current fragmentation of the supply chain west of Townsville. It addresses the unsustainable reliance on taxpayer funds for infrastructure. It makes suggestions on investment models and tries to outline a plan whereby private and public sector investment can achieve a real return.

Again, this is not groundbreaking stuff; this is a discussion we should be having. People are out there having these discussions right now. As a parliament, and certainly as an alternative government, we should be engaging with these people much more than we currently do.
Again, the wheel has been invented. We can cherry-pick ideas, for goodness sake, for great national results. Add the Productivity Commission to these discussions and we will have everyone we could possibly want to get great plans made.

I will say this until I am no longer in this place: we live on a dry continent but we have, in the north of Australia, access to so much quality water it is beyond a joke. The Fitzroy, Burdekin and Ord schemes, to name but three river schemes in the north of this country, provide a freshwater resource for everything we could want to do. With water, we can grow anything and live anywhere. If we want our business plan to be right for the future of Australia, we should look at what our markets want internally and externally. We have to hit our markets with certainty, and our price and quality must be right. There is no point being the best car manufacturer in the world if no-one wants to buy the cars we produce. Similarly, there is no point producing a crop which no-one will eat or use.

Energy security and certainty is another measure we need to address. Energy security should be broken up into four parts, as far as I am concerned: production, industrial usage, transportation, and residential and commercial usage. Currently the north of my state gets power from Gladstone. It costs the state government something like $600 million a year to get North Queensland its electricity. I would like serious consideration to be given to establishing a baseload power station to the west of Townsville and a establishing a link to the national grid from that. Consumers currently using diesel generation to the west of Townsville could then weigh up the cost of accessing the baseload power using the life of their enterprise and current cost of generation. That to me just makes sense.

My line of thinking extends to what we can export to the rest of the world—most notably, our neighbours who are growing. If we were to establish a coal-fired power station at Pentland, at the top of the Galilee Basin—which is rich in thermal coal—and integrate the MBD algae project from James Cook University into its design, we could provide cheap, coal-fired power with zero carbon emissions. Indonesia, as its middle class emerges, is looking to establish thermal coal power stations on its islands as people strive for more services. If we could export this technology to Indonesia and to countries like Indonesia that are experiencing such growth, we could have a massive export earner here.

We cannot talk about energy security without talking about Labor's carbon tax. We cannot be internationally competitive with the world's biggest and only economy-wide carbon tax holding our manufacturing industry back. We have to get rid of it. Yes, we have to do our bit for the environment, and industry has been working more cleanly and efficiently for over a generation. We must support innovation and expertise and not send industry overseas. Energy security for the transport sector means much more than diesel. We have to look at the tracks on which we run our trains and think of ways we can better use our rail lines and ports and improve road conditions and the mileage we get from the trucks we use. The transport sector is also about to come under the wrath of the carbon tax. We must be more efficient but not more expensive.

Households can be more efficient, and we need to look at how communities provide heating and cooling. For example, we could look at how the water-based cooling used at James Cook University could be integrated into town plans and properly designed settlements and towns. By using the water for cooling and heating outside of peak times, they have significantly reduced the university's reliance on baseload electricity. We should be
developing this as a base for a modern settlement and getting everybody's cost down. This goes for shopping centres and office buildings as well. We can export these models around the world. In fact, Adelaide would be absolutely perfect for it.

The trick here is how we pay for it. We all know that this government has blown a huge hole in the national savings. There are lots of things you can do when you are delivering $20 billion surpluses and you have $70 billion in net savings and zero net debt. Conversely, there is very little you can afford when your outgoings are so much higher than your income—sooner or later you have to make the payments. But, just like business, we simply cannot stand still and not do anything; standing still is actually going backwards. We have to be looking at where we can get a return on our investment from. We have to be creative with the partnerships on funding of infrastructure and projects. We have to be looking for dividends in the short, medium and long term.

Developing the north of the country and the north of my state fits all these models. You will note that I have not addressed mining. That is because they already think about these things. They already look to the long term. They already do their sums. Instead of belting them with new taxes, we could do worse than sitting down with them and getting some advice.

From rice at Giru to iron ore at Kimberley, we can do the lot. We have the people in place up there. What they need is the people down here to look at this seriously and have some vision, take some advice and get on board. Sure, I am proud of the place I call my home. Sure, I will easily admit to having a vested interest in the development of the north. But so would, or so should, every person who has a child or a friend who may want a job or a home in the future.

All these things can happen, and that is just to the west of Townsville; we have not even thought about what we could bring to such countries as Papua New Guinea and the Solomon Islands to the north of us and how important this region is to the future of the world. We have not discussed what could happen in the Northern Territory, north of Western Australia, and into the Torres Strait and the Arafura Sea. Let us be very clear about this. This is not a boom. This should be slow, positive, sustainable growth. Let us be innovative and creative. Let us develop the north. You know it makes sense.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (18:53): I rise this evening to talk about some serious health issues that have arisen in my electorate and the failure of this government to provide sufficient funding for programs to address them. As anyone who has experienced a serious illness knows, poor health can impact on many areas of your life—some would even say that without your health you have nothing. Yet health in this area has suffered greatly under this government.

Typically, though, the government does not want to take responsibility and instead is trying to shift the blame to the state government. In Queensland in particular, the federal Treasurer, Wayne Swan, only last month claimed the Queensland government was responsible for cuts to public hospital funding despite the cuts appearing in his own budget papers. The most recent figures in the Final Budget Outcome for 2011-12 and in the Mid-Year Economic and Fiscal Outlook 2012-13 clearly showed that the total federal funding for health will fall by $988 million this year. Yet the Queensland government knows that health is a priority and will increase the Queensland health budget by $816 million in this financial year. I would like
to highlight a statement made to the Queensland parliament on 28 November 2012, in which Health Minister Springborg said:

The key difference in Health under this government, compared to its predecessor, is that Health dollars matter …

Health dollars buy operations. They buy beds. They pay staff. They are what enables us to improve the health of Queenslanders. The good management of Health dollars enables improved facilities and services. With good management, we extend our reach into remote area health. It enables better access to advanced medicine. It facilitates research and we reap the benefits.

This clearly shows that the LNP is committed to ensuring that Queensland Health is able to provide vital front-line services in the face of challenges left to the department, including a bungled payroll system that has cost taxpayers billions of dollars and a waiting list of patients that has left nearly 200,000 Queenslanders stranded.

Labor's budgetary mismanagement is so bad that, at the time of the change of government, the combined 2011-12 budgets for health districts and corporate head offices were $130 million in the red. While these challenges are immense, Queensland's ability to address these issues has been significantly eroded by the actions of the federal Labor government. Here again, I am quoting Minister Springborg:

The Labor government is gone, but the legacy of Labor’s financial mismanagement remains and the burden it imposes gets worse. Why? Because while the LNP strives to fix these serious problems we are sabotaged by a growing problem with Labor financial mismanagement in Canberra.

He goes on to describe the unheralded midyear budget cuts imposed by the federal Treasurer, who has cut $382 million from the Queensland Health budget over four years. Because economic forecasts are so badly mismanaged by the Treasurer, two years of unforeseen and punitive cuts to Queensland Health will be felt in just seven months. In my electorate, that is $6.5 million from the Cairns and Hinterland Hospital and Health Service and $900,000 from each of the Cape York and Torres Strait-Northern Peninsula services. A total of $103 million will be deducted from Queensland Health by the Commonwealth between December 2012 and June 2013. This equates to some 1,000 jobs state wide, stripping the department of the capacity for 84,000 births, 15,000 hip replacements or 112,000 tonsillectomies.

Why is it not a priority for the federal Treasurer? In my electorate of Leichhardt, these cuts have been felt in the key area of mental health, especially in the provision of mental health services for young people. The Time Out House in Cairns has been a major resource for young people aged between 15 and 25 with mental illnesses, providing critical residential and outreach support services. Over the past three years, it has provided short-term accommodation for 38 people, supported more than 100 young people in an outreach program and made a huge difference to the lives of young people and their families. Yet, with the federal Treasurer's cuts, Queensland Health could no longer afford to fund this service, and the house was due to be shut on 28 February. Staff members were in the process of moving clients to hospitals and homes, selling furniture and looking for new jobs.

I became actively involved with this only last week. I was seriously concerned about the outcomes for two young people who are accommodated in that area. It had taken a couple of years for those families to find them an appropriate level of accommodation. At last, they were somewhere that was age-specific, and it was making a significant difference to the lives of those young people. I am pleased to announce today that, after some very significant
lobbying by Ivan Frkovic, State Manager of Queensland Aftercare, the state government has agreed to continue to fund the centre for an extra six months. I congratulate Health Minister Springborg and his office for their efforts and their foresight, compassion and understanding of the seriousness of the situation. This funding extension will allow for the residential care to continue; but, unfortunately, not for the outreach support service. I was able to ring the family of one of the young people who was staying there. They had already removed their young person, and I asked them to take them back last Monday to give them a chance to stay there, which they readily did. It is certainly my intention to fight for a funding commitment for this centre in the upcoming federal election. Mental health has long been a priority for the coalition—and this program's success, I can assure you, cannot be ignored.

Another area of concern that I have been raising consistently in this place is in relation to the spread of drug resistant tuberculosis. It is a major issue that Queensland Health has been forced to deal with on behalf of the federal government. Papua New Guinean nationals, particularly those from the Western Province area, who have tuberculosis have been coming across the border seeking support and treatment in Queensland. Many times, as I said, I have spoken in this House about this issue, so I think most people would be familiar with the fact that the islands of Saibai and Boigu, which are to the very north of my electorate in the Torres Strait, are located within only a few kilometres from the Papua New Guinean coastline.

For a number of years, health clinics on Saibai and Boigu were treating people who had come across that narrow strait seeking better health services than what were available to them or, in some cases were almost non-existent, in their region. Other more seriously ill people made the journey to Cairns, such as 20-year-old Catherina Abraham. She will spend the next 2½ years in an isolation ward at the Cairns Base Hospital, where she is being treated for Extensively Drug Resistant Tuberculosis. The cost of that treatment to Queensland Health will be in excess of $1 million, provided that young lady survives the treatment.

For the 2009-10 and 2010-11 financial years, Queensland Health estimates that the provision of health services to PNG nationals who travel through the Torres Strait Treaty Zone and present to Queensland Health facilities exceeded $32.7 million. After chasing reimbursement from the federal government numerous times, in June last year Queensland Health was forced to sign off on a project agreement to receive $8.1 million or forfeit the entire amount. To this day, Queensland Health has yet to receive the remaining $24.6 million. I ask the question: how can the state government be expected to properly fund programs when it is obviously being hamstrung by the federal government?

When I hear that a 15-year-old girl in my electorate has had to live in an adult psychiatric unit in the Cairns Base Hospital because there is no mental health ward for adolescents and young people in North Queensland and that the closest facilities are in Townsville, Brisbane, it certainly disgusts me. The girl's mother has written to me several times, desperate for assistance and outcomes, saying that her daughter 'will continue indefinitely in this extremely inappropriate living environment while medication experiments and other treatment fumbles continue'. At the same time, she tells me that the Medicare rebate for occupational therapy has been slashed. Instead of 16 visits a year, in 2013 she will be able to access only six sessions, with an additional four if it is an acute situation. She wrote:

I request that you apply your attention to this immediate issue as it will place my family, my child and many other critical and needy families and their young people in a very precarious situation.
I certainly wish that Treasurer Swan would come up to my electorate and spend a few hours in the shoes of this family.

These cuts are in addition to the nearly $4 billion that has been slashed from private health insurance and the $1 billion a year from dental health through the closure of the Medicare Chronic Disease Dental Scheme. The Chronic Disease Dental Scheme shut down on 30 November. That was a grave mistake, because in our regional area and in our Indigenous and remote communities there is an absolutely vital need for this service. The statistics are quite sobering—51 per cent of our Indigenous children under the age of five have been hospitalised for dental treatment compared to 34 per cent of non-Indigenous children; Indigenous people between the age of 17 and 20 are 8.2 times more likely to have decayed teeth; and 49 per cent of Indigenous adults between the age of 35 and 54 avoid certain foods because of their oral health problems compared to 17 per cent of other Australians—so much for closing the gap. It does not matter what your background is as delays in getting better treatment given these conditions mean the particular condition worsens and at the end of the day this means major surgery. Figures for 2009 showed that in the Cairns and Hinterland health district dental conditions were second only to diabetes complications as the most common cause of potentially avoidable hospitalisations. With a rate of 353 hospitalisations per 100,000 people, the Cairns and Hinterland rate is significantly higher than the wider Queensland rate of 267 incidents per 100,000 people. Unfortunately, given that the new child dental scheme does not commence until 1 January 2014, this means that there would be a gap of some 13 months in seeing young people, and I fear for these children who may remain untreated as to what impact that will have on their overall health. In addition, Labor's proposal for adults does not commence until July 2014, which is 19 months after the Medicare scheme closes. Until then more than one million patients who would have been eligible for the chronic disease dental scheme will lose access to timely dental treatment.

Despite these dire needs, this government chooses to cut the funding to this scheme. No doubt these cuts will be used to fund schoolkids bonuses and process asylum seekers or plug some other parts of this government's enormous budget black hole, which is growing every day. I can certainly tell you that where it will not be going, and that is towards the provision of health services to deal with the extremely serious alcohol and drug dependency issues in the remote Indigenous communities in Cape York. I watched the Prime Minister's Closing the Gap statement in parliament last week and was very disappointed with her comments. She talked about how winding back the alcohol management plans would result in rivers of grog and added that the interests of Indigenous children would come before the interests of the alcohol industry. In my electorate there are nine shires with alcohol management plans that are in place plus two communities where alcohol is restricted under the Cape York Welfare Reform trial. Surrounding townships have been negatively impacted by the influx of people with alcohol problems who have been forced to move to new areas because the Gillard government has refused to fund the appropriate medical and social infrastructure and services they need.

If the Prime Minister really cared and if she were really serious about dealing with alcohol problems in remote communities, it would be reflected in her actions. That would start with an investment in medical detox centres in the regional health facilities along with the establishment of healing centres in adjoining community outstations. There is also a need for
a significant increase in the placement of alcohol and drug counselling and mental health experts in these remote areas and these regional areas. This is the kind of action that would demonstrate a genuine commitment to this very complex problem. This would certainly contribute to the closing of the gap, not the political rhetoric that we are seeing at the moment.

To close, I can only shake my head in sadness as I look at these four key areas of health that I have mentioned tonight and at the impact that the loss of services is having on the people in my electorate. The legacy of this government will be one of absolute waste of money through pink batts, school halls and immigration blow-outs. Its financial mismanagement is demonstrated by four consecutive record budget deficits and a $120 billion black hole of unfunded promises. We can do much, much better and I look forward to the opportunity of doing so after 14 September.

Mr FRYDENBERG (Kooyong) (19:08): It is my privilege to stand before this chamber today and speak on Appropriation Bill (No. 3) and Appropriation Bill (No. 4), which seek to appropriate $1.27 billion from consolidated revenue for government departments and agencies. What the bills before the chamber today confirm is that you cannot take the government at its word. Back in 2007, when the member for Griffith was seeking to become Prime Minister, he said to the Australian people that he would be an 'economic conservative with a capital c'. He tried to put to rest the Australian public's concerns that they have with Labor governments: easy come, easy go, with no understanding of what it means to get deeper and deeper into debt, no understanding of what it means to have interest payments that cripple future generations, no understanding of what it means to see waste and mismanagement on a grand scale that has probably never been seen before in Australia. But that is what we have seen since Kevin Rudd became Prime Minister in 2007 and handed the baton reluctantly to the member for Lalor, who put the knife into his back to become Prime Minister of Australia. But that is what we have seen since Kevin Rudd became Prime Minister in 2007 and handed the baton reluctantly to the member for Lalor, who put the knife into his back to become Prime Minister of Australia. Do not look at what this government says; look at what this government does.

Since 2010 they have promised the Australian people that they will bring this budget into surplus—that has come from the Prime Minister's mouth alone on more than 165 occasions. 'Failure is not an option,' is what the Prime Minister said. The Treasurer said a surplus would be coming Australia's way on more than 360 occasions. He said it would come 'hell or high water'. The Minister for Finance and Deregulation said on more than 140 occasions that a surplus was 'non-negotiable'. This so-called rolled gold guarantee became a commitment, which then became an objective, then became a guiding principle, then was an expectation and now, we know, will never, ever be delivered.

This is just not good enough. The Howard-Costello government bequeathed a golden legacy to the Labor Party and to all Australians in 2007: a $20 billion surplus, more than $70 billion in the bank, zero government debt—let me say that again: zero government debt—a more than 20 per cent increase in real wages, more than two million new jobs and the lowest unemployment and inflation in three decades. Not a bad record for a government of nearly 12 years. That is what we left you, but what we have seen in its place is the four largest budget deficits in the history of the Commonwealth, spending which is nearly $100 billion a year higher now than it was under the last year of the Howard government and, as I said, record
and graphic waste and mismanagement. In fact, the interest bill alone is more than $20 million a day. The debt ceiling has been increased to $300 billion and Australians know that, if we did not have any debt repayments, we could build a major teaching hospital in every state capital of this country every year. Think about that—a new teaching hospital in every capital city every year, from the interest payments alone. Forget about paying back your $145 billion of net debt; I am talking about the interest payments. That is what is crippling the next generation.

So I have no confidence that the Labor Party will be able to get government spending down from where it is today at 23.8 per cent of GDP. In the last year of the Howard-Costello government it was 23.1 per cent. You will not get that spending down.

This Labor government has no plan to create jobs. When John Howard and Peter Costello came to office in March 1996, the unemployment rate was 8.4 per cent. When they left office in November 2007, the rate of unemployment was 4.5 per cent. Under this Gillard government, the unemployment rate has increased by one per cent to 5.4 per cent. Worse still, youth unemployment is reaching very, very disturbingly high levels: almost 14 per cent compared to the 9.8 per cent it was in November 2007. In fact, the unemployment rate for Indigenous Australians is even higher, rising to 18.1 per cent in 2010, from 13.8 per cent in 2007. Interestingly, the Labor Party does not believe in the Work for the Dole scheme. This was one of the great initiatives of the Howard government that Tony Abbott pushed so hard. In fact, the number of people on Work for the Dole has gone down from 22,362 in April 2005 to 12,789 as of 31 August 2012. When Wayne Swan, the Treasurer of this country, says to the Australian people, 'I will create 500,000 new jobs,' he has to explain why he has only created 186,000. Wayne, where are the 320,000 extra new jobs you promised? In fact, we the coalition, based on our record of economic success, will create one million new jobs over the next five years and two million jobs over the next decade. One of the great punishments for Australian businesses is the rising tax burden under this government—27 new taxes. We know about the daddy of them all, the carbon tax, and we know about the great mining tax, which not only produced a risk to investment in this country but was so well-designed by the Prime Minister and the Treasurer that it produced $126 million of revenue—one tenth of what was promised—and they spent $50 million on its implementation. And they have promised $15 billion in expenditure for revenue that has not actually transpired.

I can tell you about some other taxes that this government has overseen: the alcopops tax, a new tax on Australians working overseas, cuts to superannuation and increased taxes there, restrictions on business losses, changes to the employee share scheme, which is extremely regrettable because it acts a handbrake on innovation. The LPG excise increase, a cigarette tax increase, a luxury car tax increase, and, of course, do not forget the private health insurance rebate, which is now means tested. Let's not forget Nicola Roxon, the member for Gellibrand, and the Prime Minister promised on consecutive occasions that they would not touch private health insurance. They said to nearly half the country with private health insurance, 'We will not touch it.' But in the same way as the carbon tax was implemented without promising that at the last election—in fact, promising that we would never have one—so too with private health insurance. You promised you wouldn't touch it and you put a means test on the rebate. I could go on—duty free tobacco, mature age worker offset, heavy vehicle user charge increases. It goes on and on. That is what this government has overseen.
What it means is that you are taxing the Australian public—the businesses and families and individuals more. You would think you would have this ballooning revenue, but because you are stamping out innovation and industry and entrepreneurship, it means there is now a smaller economy than there should be. It means that you do not have the money to spend on important things like defence. Defence spending under this government has fallen to its lowest level since 1938—1.56 per cent of GDP. This is despite the fact that under the Howard government we kept defence spending at around two per cent of GDP, even when we had to pay back your $96 billion of debt in 1996. If you look around our region, it is not so quiet, is it? Today there is the fallout from the nuclear test in North Korea. We see an increase in tension between Japan and China and we know there are other obvious tensions in the area related to the Islamic terrorist threat.

What has this government done in light of this growing need for a national security policy with conviction and with funding? It has cut defence spending. The Singaporeans are spending more than 3½ per cent of GDP on defence; the Indians more than two per cent; the South Koreans more than 2½ per cent; the Americans a whopping 4.7 per cent; and we are down to 1.56 per cent. Madam Deputy Speaker, how do you explain that poor performance by this government? Our local defence industry has lost more than 5,000 jobs under the Labor government's term in office. It is just not good enough.

When we focus on aspirational Australians, we are trying to encourage them to save. We are thinking about how can we get them to save for their retirement through superannuation, but you have reduced the concessional contribution tax, you have cut the government’s super co-contribution—which under the Howard government was $1,500—and you have cut it down to $500. You have basically put another $8 billion of taxes on the superannuation industry. Small business is doing it really tough under the tens and tens of thousands of new regulations that you have imposed. Red tape, green tape, whatever colour tape you want a name it, you have introduced more of that.

There was the $1.4 billion blow out in the computers in schools program. There is a hidden hit list that the minister for education has got in his bottom drawer ready to pull out at a politically opportune time. The so-called Gonski proposal, which is completely unfunded, is part of your $120-billion black hole that this Labor government has when it comes to its finances.

Industrial regulation is a particular interest of mine because I feel that under this Labor government we have a minister for the unions in the member for Maribyrnong. In fact he was called by Kathy Jackson of the HSU ‘Dracula in charge of the blood bank’. That is what she called a fellow unionist in the member for Maribyrnong: Dracula in charge of the blood bank. You got rid of the ABCC, the Australian Building and Construction Commission, for an industry which employs 10 per cent of all Victorians, which has done so much to put a cop on the beat, to stamp out lawlessness in this important sector, and you allowed the Greens to come onto the floor of the chamber and propose even more radical amendments.

Jac Nasser, the chairman of BHP, one of Australia's most notable largest companies, used BHP's Queensland coal business as an example of the increase in strikes and industrial disputation. He said there were 3,200 incidents of industrial action last year alone. And that there was an additional 500 notices withdrawing that action given on less than 24 hours notice. In fact the Fair Work Act has seen union power increase in more than 120 areas. This
lack of flexibility, this lack of productivity, this increase in militancy is all a result of the increased regulation that the government has overseen in industrial relations.

One of the other big problems of this government is scandals: the Craig Thomson scandal, the AWU scandal, the Peter Slipper scandal. They have reduced the public's confidence in our system. It has been unfortunately a plague on both houses but responsibility has not been on our side of the chamber; it has been on the other side of the chamber. I look at scandals related to the Australian network tender, the pink batts, the set-top boxes, the carbon tax advertising scheme, the border protection failures—more than 30,000 unauthorised arrivals and more than 500 boats. I tell you what is more rehearsed than a kabuki actor: it is not James Ashby, as was referred to by the Ministers for Foreign Affairs; it is this government and its very per poor performance because we all saw it coming.

Mrs GRIGGS (Solomon) (19:23): The great Baroness Thatcher once said, 'The problem with socialism is that eventually you run out of other people's money.' With four consecutive record deficits totalling a cumulative value of $172 billion net government debt hitting unprecedented levels in excess of $147 billion and a $120-billion budget black hole, the economic mismanagement of the Gillard Labor government is beyond anything ever seen before. Frivolously, they are spending the hard earned money of Australian taxpayers—the mums and dads of Darwin and Palmerston—squandering the future and racking up debt that will have to be payed back by our kids' kids.

Only the coalition can build a powerhouse economy through lower taxes, more efficient government and more productive businesses. On this side of the House we are ready to restore hope, reward and opportunity and we have a plan that will deliver real solutions for all Australians. This is in contrast to the Gillard Labor government, which is plagued with instability, uncertainty and policy on the run. This government's pathetic inability to govern would almost be pitiful if they were not gambling with the future of our kids.

On 20 December last year as people were preparing for annual leave, children were finishing school for the year and families were being reunited, Treasurer Swan announced on the quiet that he could not deliver his promised surplus. This is the same surplus that was promised over 500 times by the Prime Minister and the Treasurer. As if this was not bad enough, the members on the government benches went out and put out taxpayer funded newsletters across Australia saying, 'We delivered a surplus.' Can you believe it? 'We have already delivered a surplus.' What a joke. How naive does this Labor government think the Australian people really are?

On 28 April 2011 Treasurer Swan said on the 7.30 program with Chris Uhlmann: 'We see the surplus in 2012-13 as being absolutely fundamental.' On 11 May 2011 on the ABC AM program Prime Minister Gillard said, 'It is vital to get the budget back into surplus. That is the best thing that we can do to help families with cost of living pressures.' What an absolute joke. How misleading, how despicable and how deceitful. To use a term that is used quite frequently by those on the other side, how mendacious. The Treasurer and Prime Minister have deserted their ironclad guarantee to return the budget to surplus. Constituents in my electorate tell me they are not surprised that the Gillard Labor government is reneging on its promise to deliver a surplus. They say that this is the same government that would not cut the private health insurance rebate and would not introduce a carbon tax. My constituents say that
with the Labor government having these broken promises under their belt, why wouldn't they break their budget surplus promise too? I have to agree.

We know that Labor and the Prime Minister just cannot be trusted. How can my electorate trust the Prime Minister when one of my constituents who is a member of the Gillard Labor government and a staunch Labor supporter, Senator Trish Crossin, cannot even trust the Prime Minister? The question remains, is the Prime Minister so afraid of another leadership challenge that she chose to ignore Territorians, chose to ignore her own rank-and-file members and shafted a senator who was dedicated to the Labor cause but she was also dedicated to the member for Griffith. Poor Senator Crossin. There has been a lot of comment across the territory about the Prime Minister's captain's pick saying that it would not have happened in any other jurisdiction in Australia. So why does the Prime Minister thinks that she knows better than Territorians? Ted Dunstan of Karama said about the Gillard Labor government in a letter to the editor in the Northern Territory News today: 'We have been badly mistreated by the Federals in Canberra, neglected, dictated to and overwritten. We can and should do something about this. This time we can send four representatives to Canberra, all CLP, no Labor, to express our disgust and outrage over the treatment handed out at the hands of Prime Minister Julia Gillard and her dysfunctional anti-Territory government.' Ted's sentiment is being replicated across my community. My electorate is fed up with the Gillard Labor government, which is neglecting Territorians, and a Gillard Labor government that thinks it knows better than all of us.

Further proof that the Gillard Labor government is out of touch with Territorians was their response last week to the leaked discussion paper on developing Northern Australia. Straightaway the government attacked the plan. They labelled it wacky and ridiculed the coalition for a lack of detail. However, if they had paid any attention to local media commentary on the discussion paper, they would have seen that there was a positive and constructive response to the paper. On 7 February the NT News labelled the plan a 'Boom with a view', and on 8 February its editorial said that 'Coalition leader Tony Abbott’s vision for northern Australia is exciting'. But instead of responding in a practical way and taking on the broad ideas of the discussion paper to develop Northern Australia, the Gillard Labor government played politics, slammed the coalition and, once again, neglected Territorians. It is no wonder that the Territory is struggling, with government treating them with such contempt. According to recent figures, confidence is down and only further proof of this comes from the latest retail figures from the ABS: in the lead-up to Christmas we saw clothing sales down by 0.7 per cent in the Territory, in November retail spending fell by 0.9 per cent, and in the September quarter retail fell by 0.3 per cent.

Nothing is exempt from this bad Labor government. Small business is being strangled. Since 2000, over 20,000 new regulations have been placed on business and only 104 have been removed by the Rudd and Gillard Labor governments. This is particularly interesting because it was supposed to be one-in one-out and obviously they are quite behind—I think there are about 19,900 that need to be taken out.

An honourable member: That many!

Mrs GRIGGS: Yes—if it was the one-for-one rule. Businesses across the Top End are also feeling the widespread effects of the Labor Gillard government's appalling knee-jerk reaction to the live export ban in 2011. We on this side fully support the $1 billion live export
industry and we welcome today the first shipment of live buffalo to leave Darwin since the introduction of the new animal welfare regulations.

Now let us look at Labor's record on border security and defence spending. Since Labor came into power in 2007 over 30,000 people have arrived illegally by boat. Over $6.6 billion has been spent by the Rudd and Gillard Labor governments on the asylum-seeker debacle, all of their own making—and yet in MYEFO they announced $1.66 billion worth of defence cuts. This is on top of the $5.5 billion already outlined in the budget. In the past four years, $25 billion has been cut from the defence budget—even though the Gillard Labor government has cumulatively spent $172 billion more than they have earned during the same period. The total cuts amount to about 10.5 per cent of the total defence budget. We have not seen this level of cuts since the Korean War. Australia's spending on defence as a percentage of GDP ranks about 65th in the world. The United States currently spends around 4.7 per cent of GDP, and the United Kingdom spends around 2.6 per cent of GDP in defence. However, the Gillard government this year will spend a mere 1.49 per cent of GDP on defence, the lowest ever level since 1937.

Defence personnel make up a high proportion of my electorate, with just under 10 per cent of the electorate being defence people. Many of these are young, single ADF members aged in their early 20s. I am so proud to have been part of the campaign that the coalition successfully mounted last year with widespread community support, which forced the Gillard Labor government to backflip on its disgraceful cuts that would have otherwise seen around 22,000 single ADF members aged 21 and over denied the entitlement to travel home to see their families at Christmas time.

An honourable member: Hear, hear! Well done, Natasha.

Mrs GRIGGS: Only a coalition government will stand up for our most valuable defence assets, and they are our defence personnel. That is why the coalition has committed—if we are fortunate enough to form government later this year—to restoring defence funding at three per cent real growth out to 2017-18 as soon as we can afford it. The cuts cannot go on any longer. Our national security is being put at risk. In a rare public warning, the Chief of Army, Lieutenant General David Morrison, cautioned the Gillard Labor government, saying that ‘the current straitened fiscal climate poses a risk to the Army’s approved plan for development out to 2030’. It is not only Defence that is suffering the MYEFO cuts. The Gillard Labor government announced $3.9 billion in education cuts, which Treasurer Wayne Swan claimed as being responsible. This is not responsible; this is reckless. In the past five years literacy and numeracy results around Australia have been going backwards. Sadly, in every single category of reading, persuasive writing, grammar, punctuation, spelling and numeracy, the Territory is the worst-performing jurisdiction in Australia, with around 30 per cent fewer Territory students than students elsewhere in the country achieving the national minimum standard.

In 2012 only 62.3 per cent of year 3 students in the Territory reached the minimum standard for grammar and punctuation. Nationally, that figure was 92.9 per cent of students. In 2012 only 55 per cent of year 9 students in the Territory reached the minimum standard for persuasive writing. Nationally, the figure was 81.7 per cent. This is just not good enough. It is not acceptable that Territory students are allowed to be so far behind students in the rest of Australia. The Gillard Labor government’s actions to cut $3.9 billion from education in
MYEFO is not responsible, as the Treasurer claims; it is completely and utterly irresponsible, and I am sure every single Territorian will agree with me.

The NAPLAN results for Territory students are going backwards. Of the students who were in year 3 in 2009, 68.5 per cent met the minimum standard for reading. When they completed NAPLAN again in 2011 this number had dropped to 61.8 per cent. In 2008, 75.9 per cent of year 7 Territory students reached the national minimum in numeracy. In 2010 when this group was tested again, the figure had fallen to 70.5 per cent.

In January, Kormilda College, a fantastic private school in my electorate, the largest boarding school for Indigenous students in the Territory, announced they were considering closing their boarding house because funding cuts by the Gillard Labor government were making it unsustainable for the school to continue providing boarding facilities for Indigenous students. If this occurs, 220 students from outback communities across the Territory will be forced to leave Kormilda, and where will they go?

Just last week the Prime Minister spoke about educational opportunities for everyone in her Closing the Gap speech, yet it is her cuts that are stripping a chance to be educated from Territory kids from remote communities. Kormilda is currently running at a shortfall of $500,000 thanks to Labor’s cuts. In a bid to reduce the impact of this and maintain the Indigenous program, since 2009 the school has reduced enrolment numbers and cut around a quarter of their staff. I have raised this before in this place, yet the cuts have still occurred. Kormilda's principal, David Shinkfield, has said, 'We are in financial difficulties based on the change in funding that is taking place.'

I am fed up and my electorate is fed up with the way in which the Gillard Labor government trivialises the lives of Territorians. Only the coalition has a plan for Australia. Only the coalition can restore hope, reward and opportunity for the people of Solomon, for the people of Australia.

Mr TEHAN (Wannon) (19:38): I congratulate the member for Solomon for her excellent speech. It is right: Australia needs a vision, the Territory needs a vision and Victoria needs a vision. The Gillard government are asleep at the wheel when it comes to providing a vision for this country’s future. There is no plan; there is no direction. They have no idea. This week we have seen it loud and clear. We have seen it writ large with the mining tax debacle.

I must admit that, when I had time on Sunday morning to watch Insiders, I found it quite amusing. I was listing to the discussion and debate, and there was George Megalogenis. George is usually reasonable. He is not someone to go out on a limb, to be a little bit outlandish. On the subject of the mining tax, he had this to say: 'If you spend the money before you actually have an understanding of how much revenue you are going to get from it, you are bordering on the idiot territory.' I must admit, I chuckled to myself, because I thought: George has got it in one. Sadly, we have a Treasurer who is bordering on the idiot territory, because there is $15 billion worth of expenditure linked to the mining tax. How much, in the first six months, has the mining tax collected? $126 million. That is an enormous discrepancy. That is fiscally irresponsible. That needs addressing.

But the Treasurer has a track record when it comes to this type of discrepancy. If you look at the last four budgets that have been delivered, they have delivered the four largest budget deficits in Australia's history. And where has all the money gone? What have we got to show
for it? Defence expenditure, mentioned by the member for Solomon, is at the lowest level we have seen since before the Second World War. Yet we have had the four largest budget deficits in Australia's history. Look at road funding; take my electorate: we have actually had money removed from the duplication of the Western Highway to go to a project in Sydney that the private sector would have been happy to fund. These are the types of policies we are seeing. We are seeing the money actually disappearing, yet we are seeing it spent at record levels. And it is time that that stopped, because if we are not careful this country could face having the credit agencies looking at us and seriously asking: 'Where is this government heading? Is Australia now heading into serious sovereign risk territory?' And will they look to downgrade us?

It is going to be very interesting to see what happens now that we have it on the record. With the Charter of Budget Honesty, we potentially can now get an idea of structural deficits and whether this country has a structural deficit problem. If we do, that could have lasting implications. The Treasurer has to bring his spending under control. It has real consequences given what has happened. Our dollar is stuck at a reasonably high level, in the $1.03 to $1.05 range.

A government member: It is a strong economy.

Mr TEHAN: The member opposite says it is a strong economy. But if we had not had the four largest budget deficits on record, the Reserve Bank could have reduced interest rates even lower. When you compare our interest rates with those of the rest of the world—the US, Japan, the EU—they are significantly higher, which means we continue to get money coming into this country to take advantage of our comparatively higher interest rates, and that keeps pressure on our dollar. Do your economics 101 and you will see that is what occurs. Look at the interest rates in Japan, the US and the EU, and look at our interest rates. Our interest rates are higher. I think our Reserve Bank has not been able to lower them as they have liked because they have an eye on this government's wilful and wasteful spending. That has consequences for our manufacturing sector and it has consequences for our agricultural sector.

And you have to combine these policies—this fiscal ineptitude—with other policies that this government has brought in. Our agricultural sector is having to deal with a high Australian dollar. And what is the helping hand that they get from the Gillard government? They get a carbon tax. What does that mean for the bottom line? Let us take the dairy industry: Murray Goulburn's carbon tax bill, $14 million. Can they pass that on internationally? No; it is a tradeable commodity on the international market. So what do they have to do? They have to pass it back on to the dairy farmer. And what is the dairy farmer dealing with? Increased electricity costs because of the carbon tax. For an average dairy farmer, the estimate is that increased electricity costs are $7½ thousand. So the dairy processors, the dairy manufacturers, are having to pass on their costs from the carbon tax plus you are getting a real electricity hit to our dairy farmers.

Take the beef industry. We heard the Minister for Climate Change and Energy Efficiency in the parliament today talking about the fabulous work being done to reduce costs for our abattoirs. There is no doubt that investment in technology can bring down the cost of electricity for our abattoirs, but it does not mean that you have to hit them with a carbon tax at the moment. The minister's talk of farmers marching in the streets because of these wonderful
developments and saying, 'Please keep the carbon tax,' shows that he has created his own personal biodigester. He is actually the one that is producing a lot of methane and a lot of liquid fertiliser by saying that he thinks that the farmers are going to be marching in favour of the carbon tax. He needs to get out of this parliament and go and actually speak to a few farmers. They are doing it tough at the moment. They are seeing the cost of doing business going up and they are seeing all these pressures being put on them. And the last thing they need is a gratuitous minister for climate change telling them that a biodigester is going to be the solution to all their problems. It just does not cut it, and if he got out of his office he would see that.

So we are seeing government policies that are impacting on the cost of doing business. And it is not just the carbon tax; there is also the issue of regulation, both red tape and green tape, which keeps being added to the cost of doing business. So our retailers are suffering, our manufacturers are suffering, our agricultural producers are suffering all because this government has a penchant to increase not only the tax burden but also the amount of red tape and green tape that has to be dealt with. We have seen the consequences of that. It makes it harder for our businesses, especially when they have to trade, to be able to compete internationally if they keep getting bound up in all this regulation.

One of the clear things that an Abbott-led coalition government would do if elected is cut down this red tape. In our vision for Australia, in our vision for Victoria, we want to eliminate this red tape. We want to free businesses to be able to invest, to be able to employ and to be able to get on and do what they do best, which is generate wealth, so that that wealth can then be passed on down into the community and the whole community benefits from it.

What are some of the other aspects that we are seeing that are hurting businesses? The member for Kooyong mentioned the downsizing of the workplace cop who was making sure that we were not seeing intimidation and thuggery in our workplaces. Look at what we have in Victoria at the moment. We have a so-called community picket line which is stopping a construction projection in Werribee—ultimately, hurting Victorian business and our ability to finish infrastructure projects on time and on cost. What has been Bill Shorten's response to this? Bill Shorten's response to this so-called picket line—which has, in evidence given to the Fair Work Commission, been linked to the AMWU—has not been to come out and say that, if the AMWU are involved in this community picket line they should desist. No; he has not only given support to the community picket line but also said that he understood the concerns that this community picket line has towards those people who are legally and lawfully employed on this project. The issue has been raised about four Filipino workers on 457 visas. My understanding is that those 457 visas were issued by the Gillard government six months ago. You cannot issue the visas and allow these people to lawfully work on this infrastructure project and then turn around when there is a community picket line against their employment and have sympathy for no-one else but those on the community picket, especially when it is your own government which has approved those 457 visas.

This is the type of attitude that is just making it harder and harder to do business both in Victoria and across the country, which means that our economy is suffering. We need some clear guidance. We need a real plan. We have to make sure we get back to stability in government. We have to make sure that we get back to stability with the way policies are delivered and implemented.
Take superannuation as another example. There is uncertainty in that sector because they know that the government are looking for money. They know that they want to go after superannuation because there is money there that the government can go after. So we are seeing real uncertainty in that sector. What would be wrong with the government just coming out and saying: 'We're going to leave super alone. We've made enough changes. We've fiddled around with it enough. We've tried to rip enough money out of it.' Why not just give that sector certainty by saying, 'No, you can have some stability; we're going to leave you alone'?

But it seems, given that this Treasurer has produced the four largest budget deficits in Australia's history, that he is desperately looking to find money anywhere and he does not care what that does to the confidence in particular industries. He is just going to go looking for his cash. It is almost time that those opposite realised that the Treasurer, in the way that he has performed, has become an absolute weak link in their government. I think there is probably a need—and it might be almost too late—for them to try and address that, because, as we have seen with the mining tax, as we have seen with his promise to create half a million jobs, as we have seen with his promises to make sure that we had a budget surplus, which he has now had to embarrassingly back down on, he basically is not up to the job. It is getting to the stage where the way he has to stand up in question time and defend his record is almost Monty Pythonesque because, in the end, he is now defending the indefensible. It is funny to see the faces on those opposite when he does get up, trying to defend the indefensible, because they know that that is what is occurring as well. As we debate this appropriations bill, I hope that this will be the last time we have to do so with this Treasurer in place.

Debate adjourned.

Federation Chamber adjourned at 19:54