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### SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders

Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Hon. Peter Neil Slipper MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Ms Anna Elizabeth Burke MP, Hon. Dick Godfrey Harry Adams MP, Ms Sharon Leah Bird MP, Mrs Yvette Maree D’Ath MP, Mr Steven Georganas MP, Ms Kirsten Fiona Livermore MP, Mr John Paul Murphy MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Ms Maria Vamvakinou MP

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

Party Leaders and Whips

Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Hon. Joel Andrew Fitzgibbon MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Ed Husic MP

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

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

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<td>Bonner, QLD</td>
<td>LP</td>
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<tr>
<td>Washer, Malcom James</td>
<td>Moore, WA</td>
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<tr>
<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
<td>Ind</td>
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<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<tr>
<td>Wyatt, Kenneth George</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</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—A Thompson
GILLARD MINISTRY

Prime Minister
Deputy Prime Minister, Treasurer
Minister for Regional Australia, Regional Development and Local Government
Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate
Minister for School Education, Early Childhood and Youth
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Minister for Foreign Affairs
Minister for Trade
Minister for Defence and Deputy Leader of the House
Minister for Immigration and Citizenship
Minister for Infrastructure and Transport and Leader of the House
Minister for Health and Ageing
Minister for Families, Housing, Community Services and Indigenous Affairs
Minister for Sustainability, Environment, Water, Population and Communities
Minister for Finance and Deregulation
Minister for Innovation, Industry, Science and Research
Attorney-General and Vice President of the Executive Council
Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate
Minister for Resources and Energy and Minister for Tourism
Minister for Climate Change and Energy Efficiency

Hon. Julia Gillard MP
Hon. Wayne Swan MP
Hon. Simon Crean MP
Senator Hon. Chris Evans
Hon. Peter Garrett AM, MP
Senator Hon. Stephen Conroy
Hon. Kevin Rudd MP
Hon. Dr Craig Emerson MP
Hon. Stephen Smith MP
Hon. Chris Bowen MP
Hon. Anthony Albanese MP
Hon. Nicola Roxon MP
Hon. Jenny Macklin MP
Hon. Tony Burke MP
Senator Hon. Penny Wong
Senator Hon. Kim Carr
Hon. Robert McClelland MP
Senator Hon. Joe Ludwig
Hon. Martin Ferguson AM, MP
Hon. Greg Combet AM, MP

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<td>Minister for Privacy and Freedom of Information</td>
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<td>Minister for Sport</td>
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<tr>
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<td>Hon. Gary Gray AO, MP</td>
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<td>Superannuation</td>
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<tr>
<td>Minister for Employment Participation and Childcare</td>
<td>Hon. Kate Ellis MP</td>
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<tr>
<td>Minister for Indigenous Employment and Economic Development</td>
<td>Senator Hon. Mark Arbib</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs and Minister for Defence Science and</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Personnel</td>
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<tr>
<td>Minister for Defence Materiel</td>
<td>Hon. Jason Clare MP</td>
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<td>Minister for Indigenous Health</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Mental Health and Ageing and Minister Assisting the Prime</td>
<td>Hon. Mark Butler MP</td>
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<td>Minister for Small Business</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Hon. Tanya Plibersek MP</td>
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SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade
Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Shadow Minister for Energy and Resources
Shadow Minister for Defence
Shadow Minister for Communications and Broadband
Shadow Minister for Health and Ageing
Shadow Minister for Families, Housing and Human Services
Shadow Minister for Climate Action, Environment and Heritage
Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Shadow Minister for Innovation, Industry and Science
Shadow Minister for Agriculture and Food Security
Shadow Minister for Small Business, Competition Policy and Consumer Affairs

Hon. Tony Abbott MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Eric Abetz
Senator Hon. George Brandis SC
Hon. Joe Hockey MP
Hon. Christopher Pyne MP
Senator Hon. Nigel Scullion
Senator Barnaby Joyce
Hon. Andrew Robb AO, MP
Hon. Ian Macfarlane MP
Senator Hon. David Johnston
Hon. Malcolm Turnbull MP
Hon. Peter Dutton MP
Hon. Kevin Andrews MP
Hon. Greg Hunt MP
Mr Scott Morrison MP
Mrs Sophie Mirabella MP
Hon. John Cobb MP
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
Shadow Minister for Employment Participation
Hon. Sussan Ley MP

Shadow Minister for Justice, Customs and Border Protection Services and Superannuation
Mr Michael Keenan MP

Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation
Senator Mathias Cormann

Shadow Minister for Childcare and Early Childhood Learning
Hon. Sussan Ley MP

Shadow Minister for Universities and Research
Senator Hon. Brett Mason

Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Indigenous Development and Employment
Senator Marise Payne

Shadow Minister for Regional Development
Hon. Bob Baldwin MP

Shadow Special Minister of State
Hon. Bronwyn Bishop MP

Shadow Minister for COAG
Senator Marise Payne

Shadow Minister for Tourism
Hon. Bob Baldwin MP

Shadow Minister for Defence Science, Technology and Personnel
Mr Stuart Robert MP

Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC
Senator Hon. Michael Ronaldson

Shadow Minister for Regional Communications
Mr Luke Hartsuyker MP

Shadow Minister for Ageing and Shadow Minister for Mental Health
Senator Concetta Fierravanti-Wells

Shadow Minister for Seniors
Hon. Bronwyn Bishop MP

Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate
Senator Mitch Fifield

Shadow Minister for Housing
Senator Marise Payne

Chairman, Scrutiny of Government Waste Committee
Mr Jamie Briggs MP

Shadow Cabinet Secretary
Hon. Philip Ruddock MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition
Senator Cory Bernardi

Shadow Parliamentary Secretary for International Development Assistance
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Roads and Regional Transport
Mr Darren Chester MP

Shadow Parliamentary Secretary to the Shadow Attorney-General
Senator Gary Humphries

Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee
Hon. Tony Smith MP

Shadow Parliamentary Secretary for Regional Education
Senator Fiona Nash

Shadow Parliamentary Secretary for Northern and Remote Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Local Government
Mr Don Randall MP

Shadow Parliamentary Secretary for the Murray-Darling Basin
Senator Simon Birmingham

Shadow Parliamentary Secretary for Defence Materiel
Senator Gary Humphries

Shadow Parliamentary Secretary for the Defence Force and Defence Support
Senator Hon. Ian Macdonald
| Shadow Parliamentary Secretary for Primary Healthcare | Dr Andrew Southcott MP |
| Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health | Mr Andrew Laming MP |
| Shadow Parliamentary Secretary for Supporting Families | Senator Cory Bernardi |
| Shadow Parliamentary Secretary for the Status of Women | Senator Michaelia Cash |
| Shadow Parliamentary Secretary for Environment | Senator Simon Birmingham |
| Shadow Parliamentary Secretary for Citizenship and Settlement | Hon. Teresa Gambaro MP |
| Shadow Parliamentary Secretary for Immigration | Senator Michaelia Cash |
| Shadow Parliamentary Secretary for Innovation, Industry, and Science | Senator Hon. Richard Colbeck |
| Shadow Parliamentary Secretary for Fisheries and Forestry | Senator Hon. Richard Colbeck |
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Monday, 21 November 2011

The SPEAKER (Mr Harry Jenkins) took the chair at 10:00, made an acknowledgement of country and read prayers.

PRIVATE MEMBERS' BUSINESS

Reference to Main Committee

The SPEAKER: In accordance with standing order 41(g), and the recommendations of the Selection Committee, I present copies of the terms of motions for which notice has been given by the members for Leichhardt, Fowler, Murray, Hindmarsh and Shortland. These items will be considered in the Main Committee later today.

PETITIONS

Mr MURPHY: On behalf of the Standing Committee on Petitions, and in accordance with standing order 207, I present the following petitions:

Marriage

PETITION TO RETAIN THE DEFINITION OF MARRIAGE BETWEEN A MAN AND A WOMAN

To the Honourable Speaker and Members of the House of Representatives

We the undersigned citizens draw to the attention of the House of Representatives assembled that the definition of marriage as "a union between one man and one woman to the exclusion of all others, voluntarily entered into for life" is the foundation upon which our families are built and on which our society stands. To alter the definition of marriage to include same-sex "marriage" would be to change the very structure of society to the detriment of all, especially children:

We, the undersigned citizens therefore request that you protect the unique institution of marriage as traditionally understood and actually lived as the complementary love between a man and a woman. And, as in duty bound, will ever pray.

from 433 citizens

Falun Gong

Global Effort to Stop the Genocide of Falun Gong

To the Honourable Speaker and Members of the House of Representatives

This petition of certain citizens and residents of Australia draws to the attention of the House that Falun Gong is a peaceful meditation practice based on the principles of Truthfulness, Compassion and Tolerance. Falun Gong practitioners in China have been subjected to the most brutal and relentless persecution by the Chinese Communist regime since July 1999, causing thousands to lose their lives from illegal detention and systematic torture. Such conduct stands in blatant violation to all international human rights charters that the Chinese government has itself ratified. According to investigative reports published by human rights lawyer David Matas and former Canadian Secretary of State for the Asia Pacific; David Kilgour, tens of thousands of imprisoned Falun Gong practitioners have been subjected to forced organ harvesting for China's transplant market and lost their lives (www.organharvestinvestigation.net).

We therefore ask the House to request the Prime Minister and the Foreign Minister to openly and forthrightly call for an immediate end to the persecution of Falun Gong in China.

from 3,600 citizens

Easter Sunday

To the Honourable Speaker and Members of the House of Representatives

This petition of certain citizens of Australia draws to the attention of the House that:

- The Fair Work Act does not recognise Easter Sunday as a public holiday in the National Employment Standards. It does recognise Good Friday and Easter Monday.
- Easter Sunday is a day of great significance for the 64% of Australians who identify as Christian and the 30% of Australians estimated to attend Easter Sunday Church services.
• Easter Sunday is part of a recognised holiday break for all Australian people, Christian or not.
• With the exception of Victoria, all mainland Australian States, as well as New Zealand, recognise the significance of Easter Sunday and require shops to close.
• Indeed, the significance of Easter Sunday is widely recognised throughout the Western world by the fact that shops must close on this day in London, Paris, Rome, Milan and Montreal.
• The Parliament of NSW unanimously legislated for Easter Sunday to be a public holiday.

We therefore ask the House to:
Amend the Fair Work Act 2009 so as to include, in the National Employment Standards, Easter Sunday in the list of recognised public holidays.

from 182 citizens

Palestine
To the Honourable Speaker and Members of the House of Representatives
This petition of concerned citizens of Australia:
Draws to the attention of the House the increasing international recognition of Palestine as a state, including the resolution to be put to the United Nations Security Council to recommend Palestine's admission to the General Assembly as a state, currently set to take place in September 2011.
We therefore ask the House to recognise a Palestinian State in accordance with all relevant UN resolutions, and international and humanitarian law which Australia has consistently upheld.
Current Australian policy supports a two-state solution to the Israeli—Palestinian conflict in which a viable, independent and sovereign Palestinian state would exist side-by-side with Israel, each within internationally recognised and secure borders. Failure to capitalise on this historic opportunity may jeopardise existing international frameworks for a just and peaceful resolution to the conflict.

from 70 citizens

Child Care
To the Honourable Speaker and Members of the House of Representatives
This petition of citizens of Australia draws to the attention of the House the withdrawal of funding for occasional childcare services by the Gillard Government in the 2010/11 Federal Budget.
Of particular concern to the undersigned are the potential impacts on remote communities where 'Take a Break' childcare services available through Neighbourhood Houses and community centres may cease as a result of this decision.
In many rural and regional communities childcare services operated through Neighbourhood Houses are the only childcare option available and play a vital role in supporting volunteering, workforce and social participation.
We therefore ask the House to support a reinstatement of occasional childcare funding by the Federal Government to enable rural and regional communities to access quality childcare services.

from 269 citizens

Asylum Seekers
To the Honourable Speaker and Members of the House of Representatives
This petition of members of Holy Saviour Parish in Glen Waverley North in Victoria draws to the attention of the House our concern about the proposed changes to the Migration Act.
We therefore ask the House to recognize the humanity of those arriving seeking asylum by boat and to reject legislation that would send asylum seekers to other countries and instead to commit to processing in Australia their claims for refugee status.
When creating migration legislation, we ask that you remember that:

1. seeking asylum is legal, even if arriving by boat.
2. the numbers of asylum seekers arriving in Australia are small compared to other countries, and
3. the vast majority who arrive by boat are genuine refugees fleeing violence and terror.

from 269 citizens
4. we should seek to address our United Nations obligations in the spirit of the U.N. declaration.

from 129 citizens

Child Care
To the Honourable Speaker and Members of the House of Representatives
This petition of the citizens of Australia draws to the attention of the House:
Our concerns, as parents, over the Government's plans (and of COAG) to impose National Quality Reform Agenda (NQA) reforms on long-day childcare that it expects families to effectively pay for. These reforms are due to begin on January 01, 2012.
We believe the costs will be more than we, the parents, can afford.
As parents with children in long-day childcare, we're happy with the high quality of early learning our children currently receive. Whilst we welcome further improvements in childcare quality, we don't believe this should be a cost borne by - the families - nor by our childcare centre.
We feel the cost of living is high enough and we may either be forced to quit our jobs, reduce our childcare hours or withdraw our child(ren) altogether if these reforms force the cost of long-day childcare up any further.
We therefore ask the House to do all in its power to please ensure that you delay the implementation of the proposed National Regulations to support the NQA (that independent economic analysis shows will drive up the cost of long-day childcare by at least $13-$22 a day) until the government can pay for them and not us, the families.
Please listen to the concerns of parents and delay any considerations of regulations until the government is able to fully fund these changes.

from 2,615 citizens

Child Care
To the Honourable Speaker and Members of the House of Representatives
This petition of the citizens of Queensld draws to the attention of the House:

Our concerns, as parents, over the Government's plans (and of COAG) to impose National Quality Reform Agenda (NQA) reforms on long-day childcare that it expects families to effectively pay for. These reforms are due to begin on January 01, 2012.
We believe the costs will be more than we, the parents, can afford.
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Please listen to the concerns of parents and delay any considerations of regulations until the government is able to fully fund these changes.

from 5,213 citizens

Child Care
To the Honourable Speaker and Members of the House of Representatives
This petition of the citizens of WA draws to the attention of the House:
Our concerns, as parents, over the Government's plans (and of COAG) to impose National Quality Reform Agenda (NQA) reforms on long-day childcare that it expects families to effectively pay for. These reforms are due to begin on January 01, 2012.
We believe the costs will be more than we, the parents, can afford.

from 2,615 citizens
As parents with children in long-day childcare, we're happy with the high quality of early learning our children currently receive. Whilst we welcome further improvements in childcare quality, we don't believe this should be a cost borne by - the families - nor by our childcare centre.

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Please listen to the concerns of parents and delay any considerations of regulations until the government is able to fully fund these changes.

from 1,998 citizens

Child Care

To the Honourable Speaker and Members of the House of Representatives
This petition of the citizens of New South Wales draws to the attention of the House:
Our concerns, as parents, over the Government's plans (and of COAG) to impose National Quality Reform Agenda (NQA) reforms on long-day childcare that it expects families to effectively pay for. These reforms are due to begin on January 01, 2012.

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from 340 citizens

Child Care

To the Honourable Speaker and Members of the House of Representatives
This petition of the citizens of South Australia draws to the attention of the House:
Our concerns, as parents, over the Government's plans (and of COAG) to impose National Quality Reform Agenda (NQA) reforms on long-day childcare that it expects families to effectively pay for. These reforms are due to begin on January 01, 2012.

We believe the costs will be more than we, the parents, can afford.

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Child Care

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Please listen to the concerns of parents and delay any considerations of regulations until the government is able to fully fund these changes.

from 544 citizens

Petitions received.

Responses

Mr MURPHY: Ministerial responses to petitions previously presented to the House have been received as follows:

Marriage

Dear Mr Murphy

Thank you for your letter of 25 August 2011 regarding the petition submitted to the Standing Committee on Petitions, opposing changes to the Marriage Act 1961.

The Australian Government believes that the current definition of marriage in the Marriage Act 1961 ‘that marriage is between a man and a woman to the exclusion of all others, voluntarily entered into for life’—is appropriate.

The Government believes that couples who have a mutual commitment to a shared life should be able to have their relationships recognised. The Government supports a nationally consistent framework for relationship recognition to be implemented by the States and Territories. New South Wales, Victoria, Tasmania and the Australian Capital Territory have established relationship recognition schemes, where the relationship is legally recognised by the act of registration. Relationships registered under these schemes are also now recognised in a wide range of Commonwealth laws. The Government will continue to encourage other jurisdictions to develop such schemes.

I hope this information is of assistance to the Committee when considering this petition.

from the Attorney-General, Mr McClelland

Special Disability Trusts

Dear Mr Murphy

Thank you for your letter of 12 May 2011 enclosing a copy of a petition about Special Disability Trusts that was submitted to the Standing Committee on Petitions by Carers and Friends of citizens with a disability for consideration. I apologise for the lengthy delay in responding.

The petition requested that the guidelines for Special Disability Trusts be amended to make it more accessible, practical and financially viable for a person with disability and to consider making financial assistance available for the establishment and recurrent costs of a Special Disability Trust.

Special Disability Trusts were established in September 2006 to assist immediate family members and carers who have the financial means to do so to make private financial provision for the current and future care and accommodation needs of a family member with severe disability.

Special Disability Trusts attract generous social security means test concessions for the beneficiary and eligible contributors. The principal beneficiary's immediate family members who are of Age Pension age can gift up to $500,000 into the Trust without having the social security gifting rules applied. In addition, a Special Disability Trust can have assets worth up to $578,500 (current as at 1 July 2011, indexed annually) without these funds impacting on the beneficiary's social security pension, such as the Disability Support Pension.

The Senate Standing Committee on Community Affairs inquired into why more families of dependants with disabilities are not making use of the current provisions to establish Special Disability Trusts and tabled its report, Building trust: Supporting families through Disability Trusts, on 16 October 2008. The Australian Government tabled its response on 14 May 2009.

The Government responded to the recommendations of the Senate Standing Committee on Special Disability Trusts and announced changes to both the social security and taxation legislation, in the 2009-10, 2010-11 and 2011-12 Budgets respectively, to help further reduce the barrier in setting up a Special Disability Trust and make it a more attractive vehicle for families to provide financial provision for a family member with severe disability.

Changes effective from 1 January 2011 include:
• a beneficiary of a Special Disability Trust is now able to work up to seven hours a week at or above the relevant minimum wage;
• a Special Disability Trust is now able to pay for the beneficiary's medical expenses, including private health fund membership and maintenance expenses of the Trust's property; and
• a Trust is now able to spend up to $10,250 in a financial year indexed annually on 1 July on discretionary items not related to the care and accommodation needs of the beneficiary.

In addition, the Government intends to introduce legislative changes into Parliament in the Spring sittings, with a retrospective start date of 1 July 2006, that will:
• provide a capital gains tax exemption for any asset donated into a Special Disability Trust;
• provide a capital gains tax main residence exemption for Special Disability Trusts;
• provide a capital gains tax exemption for the recipient of the beneficiary's main residence, if disposed of within two years of the beneficiary's death; and
• ensure equivalent taxation treatment among Special Disability Trusts established under different Acts.

Currently, the unexpended income of a Special Disability Trust is taxed at the beneficiary's personal income tax rate, rather than the highest marginal tax rate.

In addition, once a Special Disability Trust is established, the Trust is able to pay reasonable costs associated with running the Trust. A Model Trust Deed has also been set up to assist families establish and maintain a Special Disability Trust. The Model Trust Deed contains the clauses which are essential for a Trust to comply with the requirements of the Special Disability Trust legislation. The Model Trust Deed can be found at www.fahesia.gov.au/sa/carers/pubs/ModelTrustDeed.

Centrelink offers a free financial information service that provides information about all social security entitlements.

Thank you again for writing.

from the **Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin**

**Asylum Seekers**

Dear Mr Murphy

Thank you for your letter of 4 July 2011 relating to a petition submitted to the Standing Committee on Petitions regarding the Australian Government's Arrangement with Malaysia to counter people smuggling. I apologise for the delay in responding.

In the intervening period, I (on behalf of the Australian Government) signed the formal Arrangement on Transfer and Resettlement (the Arrangement) with my Malaysian counterpart, Minister Hishammuddin bin Tun Hussein, in Kuala Lumpur.

As you would be aware, the decision by the High Court on 31 August 2011 has had significant implications for the policy of offshore processing, including the Arrangement with Malaysia. On 21 September 2011, the Government introduced legislation to the Parliament to enable the transfer of people to third countries for the processing of their claims. This would restore the provisions to the situation that had existed for many years.

The Australian Government is committed to working with countries in the region under the Regional Co-operation Framework to improve protection outcomes for refugees and reducing people smuggling activity.

The Arrangement was developed in close consultation with the Office of the United Nations High Commissioner for Refugees (UNHCR) and contains several protections and commitments from the Malaysian Government. The Arrangement document has been made public, together with the annexed Operational Guidelines, and is available on my website (www.minister.immi.gov.au/media/cb/2011/cb168739.htm).

The protections include respecting the principle of non-refoulement and providing transferees with access to assessment procedures, which are key tenets of the Refugees Convention, as well as a commitment to treat transferees with dignity.
and respect and in accordance with human rights standards.

Contrary to early media reports and speculation, transferees will clearly not be subject to caning and will not be placed in existing Malaysian detention centres. Rather, after a period of up to 45 days in a purpose-leased transit centre, they would be permitted to live—lawfully—in the community, with access to employment and education. Transferees would also have guaranteed access to essential health care, with the assistance of both UNHCR and the International Organization for Migration.

The Australian Government has worked hard to ensure that the Arrangement is in line with our international obligations and, as UNHCR has noted, falls within the Regional Co-operation Framework, which was agreed at the Ministerial Conference of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime in March this year.

In consultation with UNHCR, the Government has developed pre-transfer arrangements to guide the case-by-case assessment of individuals who are particularly vulnerable or have extraordinary circumstances that may militate against transfer. Arrangements are also being made to ensure appropriate levels of assistance are available in Malaysia to vulnerable transferees, such as unaccompanied minors.

There are several key benefits to the Arrangement.

The Arrangement has the potential to put pernicious people smugglers out of business by removing the incentive for people to pay for the hazardous—and sometimes deadly—boat voyage to Australia.

The Arrangement demonstrates that asylum priorities will be decided in an orderly way and that Australia is determined to give priority under our Humanitarian Program to people in greatest need—and more of them—rather than to those who avail themselves of the services of people smugglers. This would encourage asylum seekers to use regular migration avenues in countries of first asylum instead of risking their lives and money using people smugglers.

The Arrangement involves Australia resettling an additional 4,000 people in need, referred to us by UNHCR. This significant increase would bring our Humanitarian Program to a total of 14,750 people each year.

In line with the Regional Co-operation Framework, this Arrangement provides a practical approach for action in the region on asylum seeker issues.

The importance of engagement with Malaysia and other countries in our region that are not signatories to the Refugees Convention should not be underestimated. These are the very countries in which a majority of refugees in our immediate neighbourhood reside.

While these countries are not signatories to the Convention, we cannot afford to refuse to deal with them on principle—to the detriment of the hundreds of thousands of refugees and asylum seekers who live in them. Instead, it is important that we start taking practical actions that are likely to slowly but surely improve conditions in those countries.

The Malaysian Government has taken very significant steps in regard to its approach to its refugee and asylum seeker population since we commenced discussions with them over the Arrangement. This is perhaps one of the most remarkable—but under-reported—outcomes of this engagement.

Specifically, key protections in the Arrangement include:

- a commitment to provide transferees with the opportunity to have their asylum claims considered by UNHCR and to respect the principle of non-refoulement;
- Malaysia facilitating transferees’ lawful presence while their claims to protection are being considered and if they are found to be in need of protection, during any period while they wait to be resettled;
- Australia being given the opportunity to undertake complementary protection assessments to ensure refoulement of transferees does not occur under broader human rights obligations; and
Australia and Malaysia’s commitment to not provide personal information on asylum seekers or persons found to be in need of international protection to the country against which protection is claimed unless authorised by the transferee.

In addition, appropriate oversight mechanisms will be established. Australia, Malaysia and—with their agreement—the International Organization for Migration (IOM), UNHCR and possibly non-government organisations, would oversee the management of the Arrangement and the ongoing welfare of transferees.

There is no quick fix to people smuggling and the complex, global challenge of irregular migration. The Government strongly believes that these issues cannot be solved by acting alone but must be tackled by countries working together under the auspices of regional and international frameworks.

I trust this information is of assistance.

from the Minister Immigration and Citizenship, Mr Bowen

Aircraft Noise: Sutherland Shire

Dear Mr Murphy

Thank you for your letter dated 26 August 2011 about a petition recently submitted for the consideration of the Chair of the Standing Committee on Petitions, regarding Aircraft noise regulations in the area of Kareela, NSW.

I have noted the issues raised and the petitioners’ desire for review of aircraft noise over the Sutherland Shire. Overflight of the Sutherland Shire is a matter that has been considered at length by both the Sydney Airport Community Forum and the Implementation and Monitoring Committee. Residents of Sutherland Shire have representation on both these bodies.

I am advised that this issue continues to be under review and trust that the ongoing discussions will lead to a successful resolution of the concerns that have been raised.

I will not approve the introduction of new air traffic management technologies such as Required Navigation Performance (RNP) in Sydney unless it can improve the Long Term Operating Plan (LTOP) and advance noise sharing.

Thank you for raising this matter.

from the Minister for Infrastructure and Transport, Mr Albanese

Live Animal Exports

Dear Mr Murphy

Thank you for your letter of 26 August 2011 referring a petition submitted for consideration of the Standing Committee on Petitions regarding suspension of livestock being delivered to Indonesian abattoirs that do not conform to Australian standards.

I understand the expectation that under Standing Order 209(b) I will lodge a written response with the Petitions Committee as Minister responsible for the matters raised in the petition. Please accept the following as my response for consideration by the committee, presentation to the House, recording in Hansard and posting on the committee’s website.

Anyone who watched the footage aired on the ABC’s Four Corners program on 30 May 2011 would have been shocked by the treatment of the animals it showed.

It was clear from this footage that the live export industry cannot safeguard the animals it sells without government regulation.

The Australian Government had to act. To fix the problem, the government introduced strict new rules and suspended the trade to Indonesia for a month to put them in place.

These new rules mean animals will only be exported if it can be independently shown that they will be treated in a way that meets or exceeds international welfare standards.

Exporters will also have to publish the outcomes of independent audit reports that show they are continuing to meet these standards.

These changes fundamentally reform the way the live export trade works. Before these changes there were no rules to cover what happened after an animal arrived in an export market. Now, how
they are treated in those markets must meet international standards. These rules are now in place for Indonesia, and I have asked Mr Bill Farmer AO to look at what changes need to be made for other places Australia sends animals.

I am carefully considering Mr Farmer's report and will be responding soon. Thank you for your interest in this important issue. More information about government action on live exports, including details of assistance available for people affected by the suspension of trade to Indonesia, is available at www.liveexports.gov.au.

from the Minister for Agriculture, Fisheries and Forestry, Senator Ludwig

Palestine

Dear Mr Murphy
Thank you for your letter of 22 August 2011 regarding the petition for the recognition of a Palestinian State.

Australia strongly supports a negotiated two-state solution in the Middle East that will allow a secure Israel to live side-by-side with a secure and independent future Palestinian state. During my visits to the region in December 2010 and March and April 2011, I urged a return to direct negotiations as a matter of urgency.

As a tangible demonstration of Australia's support to the peace process, we have provided almost $170 million of humanitarian and institution-building assistance to the Palestinian Authority and the United Nations Relief and Works Agency (UNRWA) since 2007. On 18 September, I signed a five-year development partnership with Palestinian Prime Minister Fayyad which includes regular budget support and 50 scholarships for Palestinian students in those disciplines critical to institution-building.

The Australian Government is closely following developments related to Palestinian statehood. If the matter is referred to the United Nations General Assembly, the Government will closely consider Australia's position, including on any draft resolution.

from the Minister for Foreign Affairs, Mr Rudd

Page Electorate: Gas Pipeline

Dear Mr Murphy

The Minister for Resources and Energy, the Hon Martin Ferguson AM MP has asked me to thank you for your letter of 15 September 2011 concerning a recently submitted petition for the consideration of the Standing Committee on Petitions, regarding opposition to the Casino to Ipswich Gas Pipeline.

As this matter falls within the portfolio responsibilities of the Minister for Sustainability, Environment, Water, Population and Communities, I have forwarded your correspondence to the Hon Tony Burke MP for his consideration.

from the Minister for Resources, Energy and Tourism, Mr Martin Ferguson

Disability Services

Dear Mr Murphy

Thank you for your letter of 25 August 2011 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, containing a petition on the implementation of the National Disability Insurance Scheme. Your letter was referred to me as the National Disability Insurance Scheme falls within my portfolio responsibilities.

On 10 August 2011 the Prime Minister, the Hon Julia Gillard MP, released the Productivity Commission's final report into care and support for people with disability.

The Australian Government asked the Productivity Commission to examine reform of disability support services because we believe that the system we have today is not delivering the kind of care and support Australians expect for people with disability.

The Productivity Commission agreed, finding that the current disability support system is underfunded, unfair, fragmented and inefficient, and gives people with disability little choice. It provides no certainty that people will be able to access appropriate supports when needed.

A National Disability Insurance Scheme would entitle all Australians to support in the event of
significant disability. And we are starting work right away by laying the foundations which are essential for the launch of a National Disability Insurance Scheme. This includes working with the states and territories to:

- develop common assessment tools, so people's eligibility for support can be assessed fairly and consistently, based on their level of need;
- put in place service and quality standards, so that people with disability can expect high quality support irrespective of what disability they have or how they acquired it; and
- build workforce capacity so we have more trained staff to support people with disabilities.

This work will also involve developing rigorous timelines, milestones and benchmarks to support the delivery of these and other essential foundation reforms, and hold governments accountable for progress.

The Government has started work—with states and territories who are principally responsible for funding and delivering disability support services—to fundamentally reform disability care and support.

Through the Council of Australian Governments, on 19 August 2011, the leaders of all state and territory governments agreed with the Australian Government that major reform of disability care and support is needed through a National Disability Insurance Scheme.

On 7 October 2011, I was pleased to announce the appointment of an Advisory Group of disability experts and advocates to work closely with all governments to lay the foundations for a National Disability Insurance Scheme.

The Government is committed to delivering a National Disability Insurance Scheme. If you want to get updates as we progress on the path to reform, you can register at http://www.fahcsia.gov.au/sa/disability/progserv/govtint/Pages/ndis.aspx

Thank you again for writing.

from the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin

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**Defence Force Retirement and Death Benefit Amendment (Fair Indexation) Legislation**

Dear Mr Murphy

Thank you for your letters of 4 July and 22 August 2011 to the Minister for Defence, the Hon Stephen Smith MP, concerning a response to a petition which called on the House to consider and pass the Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010 (the Bill). As this matter falls within my portfolio responsibilities, your correspondence has been passed to me for response. I apologise for the delay in responding.

At the outset, I think it is important for the Committee to appreciate the rationale for superannuation in Australia. There are many superannuation schemes that provide different benefits in different forms and values, which generally reflect the underlying scheme membership. In the main, it is only public sector schemes that provide indexed superannuation pension benefits with a reversion of part of the pension to a surviving spouse and most of these are now closed. Schemes in the private sector and schemes for new public servants and Members of Parliament are accumulation schemes that provide lump sum benefits only.

Superannuation is a means by which Australians can manage their living standards in retirement. It is not designed to provide a replacement for income earned over a working life, but more so to assist and encourage people to achieve a higher standard of living in retirement than would be possible from the age pension alone.

To this end, Australia's retirement income system is based on what is described as the three pillars:

- compulsory superannuation savings for all employees under the superannuation guarantee regime (and the Australian Government, as an employer, is obliged to comply with the superannuation guarantee laws);
- voluntary superannuation contributions and other private savings; and
- a publicly funded, means tested age or service pension and associated social security arrangements (which the Australian
Government, as the body which sets policies, provides services and creates laws and regulations, provides to all Australians who satisfy the requirements to be able to access these entitlements.

The three pillars ensures all Australians have security and dignity in retirement by providing them with, at least, a minimum retirement income with the age or service pension as a safety net. Military superannuation pensions are a retirement income related to prior employment and are provided by the Government as an employer to honour its obligations under the superannuation laws that apply to all employers; they are not based on need, just as the salaries on which they are based are not linked to need.

Retired Australian Defence Force (ADF) members may qualify for the age or service pension, subject to age, income and assets tests, if the superannuation pension provided by the Government, as an employer, is below minimum income levels. As the age or service pension is a safety net benefit, the Government has decided that it is appropriate to index this pension in a different way to other superannuation pensions it might provide as an employer.

The Bill has not been introduced into the House because it did not get the support of the Senate when it was considered on 16 June 2011. It was tabled in the Senate on 18 November 2010 and on 24 March 2011; the Senate referred the Bill to the Finance and Public Administration Legislation Committee for inquiry and report.

The Committee report, tabled in the Senate on 10 May 2011, did not support the proposed change to the indexation to Defence Forces Retirement Benefits (DFRB)/Defence Force Retirement and Death Benefits (DFRDB) pensions. Coalition Senators on the Committee submitted a dissenting report recommending that the Bill be supported.

The explanatory memorandum for the Bill indicated the Coalition was committed to introducing a fair, equitable and fiscally responsible military superannuation system. The Bill and proposed amendments did not provide that fairness and equity because it did not apply to:

- DFRB scheme and DFRDB scheme pension recipients less than 55 years of age;
- Military Superannuation and Benefits (MSB) scheme benefit recipients of any age who are in receipt of a MSB pension; and
- MSB scheme current contributors.

It is estimated that of the more than 204,000 superannuants, preserved benefit or contributing members at 30 June 2011, some 158,000 or 77 per cent of these, were not covered by the proposed legislation. Further, and despite the title of the Bill, some 14,000 DFRDB recipients under age 55 were excluded.

The Australian Government views military superannuation as a key element of the competitive remuneration and conditions of service package for ADF members. Each of the military superannuation schemes set up by the Government for its employees reflect the unique nature of military service and provide members with life time indexed pensions and also death, invalidity and reversionary benefits.

The DFRDB benefit is a pension based on 35 per cent of final salary on completion of 20 years of service, increasing to a pension based on 76.5 per cent of salary for 40 or more years of service. The rate of accumulation of the employer component of a MSB scheme benefit is 18 per cent of final average salary for the first seven years of service, 23 per cent of final average salary for the next 13 years and 28 per cent of final average salary for each year in excess of 20 years of service.

Although the MSB benefit is a lump sum benefit, a member can convert 50 per cent or more of the employer benefit to pension at rates that are far more generous than those that might apply in the private sector.

The 2008 “Review of Pension Indexation Arrangements in Australian Government Civilian and Military Superannuation Schemes”, undertaken by Mr Trevor Matthews, honoured a Rudd Government election commitment to conduct a review of pension indexation arrangements for seven Australian Government civilian and military superannuation schemes.

Mr Matthews did not find any conclusive evidence that the Consumer Price Index (CPI) understates inflation, as it affects Australian...
households in general. This finding was supported by the views expressed in a paper prepared by Australian Bureau of Statistics on the Australian CPI for the Matthews Review. Those views made it clear that the CPI is a robust measure of general price inflation for the household sector, and the best available broad measure of changes in the cost of living faced by Australian households.

I trust that this information is of assistance to you.

from the Minister for Veterans’ Affairs, Mr Snowdon

Balwyn Post Office

Dear Mr Murphy

Petition—closure of Balwyn Post Office

Subsequent to my reply to the Petitions Committee on 24 August 2011, I have received updated advice from Australia Post concerning a petition submitted for the Committee's consideration regarding re-establishing post office services in Balwyn.

Under the Australian Postal Corporation Act 1989 Australia Post is responsible for the day-to-day running of the organisation, including all decisions relating to its operational network. As a Government Business Enterprise, Australia Post does not receive any funding from taxpayers and, as far as practicable, it is required to perform its functions in a manner consistent with sound commercial practice.

Australia Post previously advised that it was unable to support the request for an additional postal outlet at this stage and believed that the reasonable needs of the community were being met by the current mix of postal outlets.

Australia Post has now advised that it advertised a tender to operate a Licensed Post Office in Balwyn on 29 August 2011. Seven tenders were received and one was accepted. The tender process is now being finalised, with unsuccessful applicants being notified of the outcome.

Australia Post has also advised that it will release details of the new outlet on the completion of the process. I understand the new licensee will commence training in mid-October and is expected to start operating the outlet in December 2011.

I trust this information will be of assistance.

from the Minister for Broadband, Communications and the Digital Economy, Senator Conroy

Australian Development Scholarships

Dear Mr Murphy

I refer to your letter of 16 March 2011 to the Hon Chris Evans MP, Minister for Tertiary Education, Skills, Jobs and Workplace Relations, concerning petition number 408-693, submitted for consideration to the Standing Committee on Petitions, relating to Australian Development Scholarships.

The matters raised fall within the Foreign Affairs portfolio. I am providing the attached response prepared by the Australian Agency for International Development (AusAID).

I trust that this information will be of assistance to the Committee. I regret the delay in responding to the Committee.

The Australian Agency for International Development's Response to Petition 408-693 Relating to Australian Development Scholarships

Overview

Australian Development Scholarships seek to build the human resource capacity necessary to drive development, and to build links with Australia. Development scholarships are awarded to high-achieving people who have the potential to contribute to development in their country.

The Australian Agency for International Development's response to the issues raised in the petition is set out below.

(i) Re-examine the ADS payments to international students in conjunction with Centrelink Austudy payments

An independent Higher Education Review commissioned by the Department of Education, Employment and Workplace Relations (DEEWR) in 2008 recommended that the Australian Government increase the stipend of Australian Postgraduate Awards to $25,000 per year. The current contribution to living expenses entitlement for development scholarships is consistent with this recommendation.
International students, including students on development scholarships, are not able to access benefits, services and discounts available to domestic students.

(ii) Introduce a new visa condition whereby prohibiting work opportunities for those on the ADS

The Department of Immigration and Citizenship (DIAC) determines visa conditions for all international students including those on a development scholarship. According to DIAC's policy, international students can work up to 20 hours per week while on a student visa. Postgraduate scholars are exempt from this condition. The majority of students currently on development scholarships (87 per cent as of 4 August 2011) are undertaking postgraduate studies.

(iii) Reconsider the introduction of tight taxation laws for those ADS students remitting money overseas

The Income Tax Assessment Act 1997 exempts from taxation the income received from Australian government-funded scholarships. Scholarships provided to domestic students under conditions similar to development scholarships are also tax-exempt. International students who earn wages, including those on development scholarships, are subject to Australia's domestic income tax rates. All international students pay Goods and Services Tax.

(iv) Establish strict criteria for awarding the ADS to international students

Selection processes for development scholarships are open and transparent and subject to strict, merit-based criteria. Applicants must supply documents verifying their identity, certified copies of their original academic transcripts, and English language test results. Australian academic institutions also assess the scholarship recipients' applications for admission to the institution against specific criteria and verify the authenticity of documents.

Scholarship recipients must also meet DIAC's visa requirements, including character checks.

Anyone who has proof that development scholarship recipients have provided false documentation should provide it to the academic institution at which the scholarship recipient is studying, or directly to the Scholarships Section at AusAID. These matters are treated very seriously and will be thoroughly investigated.

from the Minister for Foreign Affairs, Mr Rudd

Statements

Mr MURPHY (Reid) (10:05): As we near the end of 2011 I thought it might be useful today to reflect a little and to present a snapshot of the petitioning activity that has occurred in the House of Representatives during the last year.

Since the beginning of the 43rd parliament I have made, on behalf of the Standing Committee on Petitions, 13 announcements at this time on sitting Mondays. This year we have had 11 announcements covering a total of 143 petitions. In addition to these announcements on sitting Mondays, various individual members have presented petitions to the House totalling 49 petitions in 2011 to date. A total of 192 petitions have been tabled so far during 2011, compared with 136 in 2010. This represents a significant increase—41 per cent—on the figures for 2010.

The increase in the total number of petitions presented between 2010 and 2011 is a considerable one, even allowing for the election period, which would be expected to slow down activity. But, if we compare the numbers with the last non-election year, 2009, when 150 petitions were presented, there has still been a significant increase—of 28 per cent. The increase in petitions presented in 2011 emphasises a continuing upwards trend since the House Petitions Committee was established in 2008.

I also note that a number of petitions received this year have enjoyed considerable public support, demonstrated by the very large volume of signatures collected. There were five petitions which each collected over
30,000 signatures. The largest of these was the petition on child sex trafficking, with 225,328 signatures. This petition alone accounted for half of the year's total signature count on all petitions tabled. The figures I have just quoted are not just another set of bland statistics. They show trends of a strengthening in petitioning activity in Australia. They remind us how fortunate we are to live in a parliamentary democracy where people have the opportunity to air their views to those who represent them and where those same people are willing to make the effort to take up this opportunity.

As Australians engage with their federal parliament in this very active way, they are also engaging with other Australians. This is pertinent, especially given that the House currently does not accept electronic petitions. So collecting a large volume of signatures for paper petitions, as in the case of the five large petitions I mentioned previously, but also in other cases, would have taken physical effort and required petitioners to personally interact with others in their communities on the issues that matter to them. Given the effort required to engage in this way, in a society where we increasingly interact at arm's length, Australians must still see value in participating in a traditional petitioning process. The fact that petitioners are now receiving ministerial responses to their petitions must also be a contributing factor, in my view.

There were 136 responses by ministers to the 192 petitions presented in the same period in 2011. This constitutes a response rate above 70 per cent. This is a remarkable rate given that from 1997 to 2007, the number of ministerial responses to petitions each year was either none or one. I am reminded of President Obama's words when he addressed the House last week:

… democracy can be messy and rough.
Ms PARKE (Fremantle) (10:10): On behalf of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, I am pleased to present the committee's report on the inquiry into integrity testing, entitled *Inquiry into integrity testing*. Since July this year, the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity has been conducting an inquiry to consider the possible introduction of a law enforcement integrity testing framework at the Commonwealth level. In that context, the inquiry addressed issues including types of integrity testing, its effectiveness both in corruption investigations and as a deterrent, the question of safeguards, the necessity of legislation and, of course, the likely role of the Australian Commission for Law Enforcement Integrity, ACLEI, under such a framework.

Integrity testing is a term that is used to describe a range of activities that are designed to assess compliance with the governing integrity requirements of an office or agency. In essence, integrity testing involves putting an individual in a simulated situation where corrupt behaviour can occur and then observing the individual's behaviour. Such a test can be arranged on a targeted basis, as a result of specific intelligence about an individual or group, or on a random basis in order to provide a general deterrent.

Simple examples of such a test in the context of police integrity might involve the leaving of valuable items at a crime scene in order to watch that the correct procedures for dealing with such property are followed or putting false information in a database to test whether a person suspected of unlawful disclosure of information would see that information and disclose it.

Integrity testing of police officers already occurs in a number of jurisdictions, including New York City, Hong Kong, London and most Australian states, although not currently at the Commonwealth level. Experience from those places has shown integrity testing to be a very effective tool. The introduction of integrity testing would complement Australia's existing integrity arrangements and would assist the government in its actions against serious and organised crime.

In its report the committee has recommended that a targeted integrity testing program initially apply to Commonwealth law enforcement agencies within ACLEI's jurisdiction. ACLEI was established in December 2006 to provide anticorruption oversight of law enforcement at the Commonwealth level and currently oversees the Australian Federal Police, the Australian Crime Commission and the Australian Customs and Border Protection Service.

In making its recommendations the committee does not allege the existence of widespread or serious corruption in Australian law enforcement agencies. Law enforcement agencies take their governance and accountability requirements very seriously. However, the potential for corruption suggests the need for effective measures to combat corruption, and integrity testing is a useful tool to incorporate into the range of integrity measures that already exist. What is more, integrity testing is in keeping with the basic principle that corruption is best fought through prevention and vigilance. As the committee heard from witnesses to the inquiry, integrity testing can speed up investigations and enhance the
ability of agencies to mitigate corruption risks.

The committee considered the dangers represented by entrapment, or inducement as it is known in the Australian context, and noted that the key test for avoiding inducement in integrity testing is to ensure that there is a clear and equal opportunity for any person who is the subject of a test to pass or fail the test. It is important to ensure that law enforcement officers or staff are not placed in situations that would not be expected to occur as part of their ordinary duties. The committee acknowledges that integrity testing may use significant law enforcement powers in some circumstances, which is why the committee has recommended appropriate legislation be put in place with safeguards including: the requirement for the Integrity Commissioner to be notified; the discretion for the Integrity Commissioner to be involved in or take control of integrity tests; and oversight by the Commonwealth Ombudsman and reporting to the parliament.

The committee wishes to express its appreciation to all parties who contributed to the conduct of this inquiry, whether by making a written submission, by attending a public hearing or, as in many cases, by making both written and oral submissions. I particularly wish to thank the New York Police Department Internal Affairs Bureau and the New York City Commission to Combat Police Corruption for their valuable informal briefings on integrity testing during a personal visit to New York this year.

Finally, as the Chair of the PJC on ACLEI I would like to express my appreciation to my fellow committee members for their contribution to and enthusiasm regarding this inquiry, as well as the dedicated work and professionalism, as always, of the committee secretariat, including secretary Dr Jon Bell, senior research officer Bill Bannear, research officer Victoria Robinson-Conlon and administrative officers Rosalind McMahon, Hana Jones and Hannah Dibley.

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

Mr MATHESON (Macarthur) (10:15): In supporting the member for Fremantle, firstly I would like to thank the hard work of the committee secretariat as well as other members on the committee and those organisations that took the time and effort to put in submissions. There have been a number of important recommendations that have arisen from this report, including that an integrity testing program be introduced for certain Commonwealth law enforcement agencies. In the report, the committee recommended that an integrity testing program should initially apply to law enforcement agencies within the Australian Commission for Law Enforcement Integrity's jurisdiction. This recommendation would bring Commonwealth agencies into alignment with the majority of state law enforcement agencies with regard to integrity testing.

Another important recommendation is No. 3, chapter 4, paragraph 20, where the committee has recommended that the Integrity Commissioner and heads of relevant law enforcement agencies be given the ability to authorise integrity tests in the course of investigations into corruption issues. This important recommendation will enable targeted integrity testing to be carried out and will give the Integrity Commissioner and heads of agencies the ability to use more covert and strategic methods to investigate corruption issues within their organisations. The committee has also recommended allowing covert policing powers to be used for the purpose of targeted integrity testing of an officer or employee of a law
enforcement agency, or group thereof, where there are allegations or suspicions of corrupt behaviour.

In chapter 4.63 the committee recommends that the Commonwealth Ombudsman be given the ability to inspect the use of integrity testing and associated covert policing powers and report to the parliament on agencies' compliance with legislative requirements as necessary. In chapter 4.65 the committee recommends that the Integrity Commissioner be notified of any integrity test that is conducted by an agency within its jurisdiction as well as the outcome of such tests. In chapter 4.68 the committee recommends that ACLEI provide a private briefing to the PJC-ACLEI on an annual basis on the number and outcome of integrity tests conducted.

Integrity testing is a term used to describe a range of activities designed to assess compliance with the integrity requirements of an office. It involves putting an individual in a simulated situation where corrupt conduct can occur and observing the individual's behaviour. Such a test can be arranged on a targeted basis as a result of specific intelligence about an individual or group or on a random basis in order to provide a general deterrent. Targeted integrity testing of police officers occurs in a number of jurisdictions including New York City, Hong Kong, London and in most Australian states, although not currently at the Commonwealth level. The defining factor in integrity testing is the simulated nature of the scenario in which an individual is placed. This differentiates it from traditional anticorruption investigation tools which seek to substantiate corrupt behaviour that has already occurred.

Integrity testing can be used to target behaviour ranging from minor misconduct to serious corruption. Results of individual tests can be used for training purposes, for disciplinary purposes, or to found criminal charges depending on the results and testing scenarios. It is possible to produce integrity testing policies to create a deterrence effect based on the prospect that wrongdoing is more likely to be detected than not. Certain scenarios may be used to specifically test behaviours that may constitute corruption or to test for lower level wrongdoing. These behaviours, if left unchecked, could contribute to a poor ethical culture and lead to corrupt conduct becoming widespread.

Testing can be conducted on a targeted or random basis. A targeted integrity testing regime is intelligence based and targets individuals or groups suspected of engaging in corrupt conduct. For a targeted test to occur, some kind of trigger is required such as a complaint, an allegation, an identified pattern of behaviour or some other basis that gives rise to suspicion. Integrity testing can also be conducted on a random basis where individuals or groups are tested in the absence of any suspicion of corruption. Under this system all individuals within the organisation have an equal chance of being subject to a test.

When examining integrity testing the committee sought to consider the various integrity testing models and include the advantages and disadvantages of random and targeted integrity testing, effectiveness as a corruption deterrent and possible entrapment issues. The committee also examined in depth the legislative and administrative framework required to underpin an integrity testing regime as well as investigate the Commonwealth agencies to whom an integrity testing regime could apply. The committee also explored the potential role of the Australian Commission for Law Enforcement Integrity in integrity testing.
I move now to chapter 3, 'Previous findings in relation to integrity testing'. Integrity testing is a resource-intensive exercise. It requires the creation of detailed, highly realistic scenarios that are tailored to the circumstances of each particular case. Preparing a test can be a costly proposition. In addition, specialist teams may be required to assist with the execution of a test, including undercover operatives often seconded from other agencies, and surveillance or telecommunication intercept capabilities. I note in chapter 3, point 18, that the Australian Federal Police informed the committee that the costs for an agency conducting an integrity testing regime would vary depending, for example, on whether the regime was fully internal or fully outsourced.

Another serious issue raised in this report is the negative effects on morale and capacity to act within agencies where random testing programs in particular are implemented. It is very important that any integrity testing program carefully balances the positive anticorruption benefits against possible unintended negative effects such as undermining trust relationships between employee and employer.

I highly commend the adoption of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity report entitled Inquiry into integrity testing and the recommendations contained therein.

The resumption of the debate will be made an order of the day for the next sitting.

Report and Reference to Main Committee
Ms PARKE: I move:

That the order of the day be referred to the Main Committee for debate.

Question agreed to.

Intelligence and Security Committee
Report

Mr BYRNE (Holt) (10:21): On behalf of the Parliamentary Joint Committee on Intelligence and Security, I present the committee's report entitled Annual report of committee activities 2010-2011. Due to the federal election held in 2010 the committee was not constituted until late 2010. The committee first met on 25 November and since that meeting has formally met for a further six times on the following occasions: 10 February 2011, 3 March 2011, 24 March 2011, 25 March 2011, 16 June 2011 and 23 June 2011. During this period of time the committee's size was changed. Schedule 8 of the Telecommunications Interception and Intelligence Services Legislation Amendment Act 2011 amended subsection 28(2) of the Intelligence Services Act 2001 to read:

The Committee is to consist of 11 members, 5 of whom must be Senators and 6 of whom must be members of the House of Representatives.

In addition the quorum for the committee was changed from five to six members. It is important to note that members of this committee are appointed by resolution of the House or the Senate on the nomination of the Prime Minister or the Leader of the Government in the Senate. Prior to nomination, consultation must take place with the leaders of the recognised parties of each of the houses.

Since the last annual report of the committee's activities tabled in June 2011 the
committee has not tabled any further reports. The following reports are expected to be tabled in late 2011 or early 2012, the first of which is the Review of administration and expenditure No. 9 2009-2010. On 25 March 2011 the committee held a private hearing at which ASIO, ASIS, DSD, DIGO, ONA and DIO appeared before the committee; and on 16 June 2011 the committee held a public hearing, its first since July 2006, and heard from representatives of the Refugee Council of Australia, RISE—which is the Refugees, Survivors and Ex-detainees—the Asylum Seeker Resource Centre and ASIO in relation to visa security assessments. The committee's review of the Review of the listing of AQAP and the re-listing of six terrorist organisations was tabled on 22 August 2011 and will be reported on in the committee's annual report of committee activities for 2011-12.

In the case of briefings, on 17 June the committee visited ASIO, ASIS and ONA. The committee received highly classified briefings on aspects of these agencies' performance. On 24 March the Inspector-General of Intelligence and Security, Dr Vivienne Thom, briefed the committee on the role of IGIS and on the IGIS submission to the committee's administration and expenditure review No. 9. On 23 June members of the committee met with Mr Robert Cornall in relation to the 2011 independent review of the intelligence community. This review will prepare findings and recommendations on the above issues and seek to provide a classified report to the government around midyear for its consideration in due course as well as the accompanying, unclassified version of that particular report.

Our committee is a statutory committee. Section 29 of the Intelligence Services Act outlines the oversight capacity of this committee. However, unlike other statutory or standing committees of parliament, there are specific limitations in this section with regard to the committee's capacity to inquire into operational matters and the intelligence gathering and assessment priorities of the relevant intelligence agencies. Again, the committee reiterates that due to this limitation balancing national security and parliamentary scrutiny remains a challenge for this committee. Despite these constraints, the committee is ever mindful of its critical role in ensuring that Australia's intelligence agencies remain accountable through continuous public scrutiny. Public confidence in this committee is critical and I would emphasise its critical role in providing parliamentary oversight of our intelligence services and, in important cases, anti-terrorist legislation. Reflecting on this on 22 May 1985 in response to Justice Hope's recommendations on the utility of parliamentary oversight, the then Prime Minister, Bob Hawke, stated:

Nevertheless, it believes a further improvement can be obtained by directly involving the Parliament—on both sides and in both Houses—in imposing the discipline of an external scrutiny of the intelligence and security agencies quite independent of the Executive. While the Government has been conscious also of the need to carefully protect intelligence and security information, it believes that appropriate arrangements can be made to ensure that a small but informed parliamentary committee would operate effectively in the public interest. It is worth keeping that in mind.

In closing I would like to acknowledge and thank the staff of the committee—acting secretary, John Carter, secretary, Jerome Brown, inquiry secretary, Robert Little, senior research officer, Dr Cathryn Ollif, and administration officer, Dr Gillian Drew.

In accordance with standing order 39(f), the report was made a parliamentary paper.
Mr RUDDOCK (Berowra) (10:26): I thank the chair for his remarks and endorse his remarks about the way in which the committee has been served. This report is really a report of the activities of the committee after an election. Mention has been made of the way in which our inquiries have been constrained as a result of amendments to the committee structure and membership, as well as the fact that some inquiries were not able to be initiated within the time frame that the legislation provides.

I want to make my observations in relation to the functions of the committee, and mention has been made that this committee has an oversight of intelligence organisations. They include ASIO, ASIS, DSD, DIGO, DIO and ONA. It was mentioned in the Joint Committee on Intelligence and Security Report on the Review of Administration and Expenditure No. 8 in relation to intelligence agencies, which was tabled on 21 June, that this committee ought to have additional oversight of another organisation that participates jointly with intelligence agencies in the implementation of security operations—that is, the Australian Federal Police and its counter-terrorism elements in particular.

The committee recommended previously that the Intelligence Services Act 2001 be amended to include the AFP counter-terrorism elements in the list of organisations that the committee reviews. I am strongly of the view that this is the only committee of the parliament that could appropriately undertake those inquiries. I note we follow on the reporting by another group of our colleagues who deal with the supervision of law enforcement. I do not think that the intelligence functions fall within the normal law enforcement functions. I do not think the committee has the breadth of knowledge of intelligence matters to be able to make the appropriate inquiries if it was to look at those matters—nor do I think it is appropriate that there should be a duplication of committee inquiries in relation to the security function. I think there is only one committee—that is, the Parliamentary Joint Committee on Intelligence and Security—that is able to deal with these issues. It is regrettable that the government has rejected that recommendation. It says in its response that this is to avoid duplication with existing and extensive oversight mechanisms and to avoid placing additional burden on the AFP requiring extra resources to meet the PJCIS oversight requirements.

I would say that this is an organisation that does not want adequate review of these functions. These are not matters without contest. There was an inquiry undertaken by His Honour Justice Street, former Chief Justice of New South Wales, to look at this very issue of the way in which the AFP should function with the intelligence organisations. It seems to me that the government has been willing to accept observations from those who wish to avoid full and complete scrutiny of its activities by accepting their view that this would require extensive additional oversight that they would have to deal with. In my judgment, many agencies have to respond to a multiplicity of parliamentary committees. This would only be in relation to intelligence and security related matters in counterterrorism inquiries. I think the government should reconsider the view it has taken on this matter. I put that very strongly and I will continue to put it at every opportunity.

Infrastructure and Communications Committee Report

Ms BIRD (Cunningham) (10:31): On behalf of the Standing Committee on Infrastructure and Communications, I present
the committee's report entitled *Finding the right balance: cabin crew ratios on Australian aircraft*, incorporating a dissenting report together with the minutes of proceedings.

**Ms BIRD:** I acknowledge my deputy chair in the chamber as we present the report. On 2 March 2011, the committee resolved to inquire into the ratio of cabin crew members on aircraft following a request from the Minister for Infrastructure and Transport. In particular, we were asked to inquire into and report on: the current aviation safety regulatory system for aircraft operators in relation to the application of the cabin crew to passenger ratio, including current exemption provisions; the role of cabin crew in managing both passenger safety and security; the factors that determine the cabin crew to passenger ratio; domestic and international practice in respect of the cabin crew to passenger ratio; and finally measures to enhance aviation safety that may be considered in future requirements on aircraft operators for a safety risk management plan covering the cabin crew to passenger ratio.

Currently, the CASA regulations stipulate that Australian domestic aircraft carrying between 16 and 216 passengers must carry at least one cabin crew member for every 36 passengers or part thereof—that is known as the one-to-36 passenger ratio. Since 2006, CASA has issued directions to many Australian airlines that effectively exempt them from abiding by the one-to-36 passenger regulation, allowing them to operate certain aircraft at a one-to-50 passenger seat ratio subject to conditions. The first of these directions came into play shortly after the passage of the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005. Four years later, in February 2010, CASA began a consultation process to formalise what was becoming accepted practice at one cabin crew member for every 50 passenger seats, including some other changes that were proposed. The committee heard the current proposal is not the first time CASA has considered changing Australia's cabin crew ratio to one to 50. There have been at least three prior reviews of the proposal stretching back to at least 1997. On each occasion it was decided to retain the existing one-to-36 ratio.

This particular inquiry of the committee invited submissions from both individuals and organisations. The inquiry was included in the fortnightly House of Representatives advertisement in the *Australian* on 9 March 2011. Details of the inquiry were made available on the committee's website. The committee received 17 written submissions, including four supplementary submissions, mainly from airlines and employee associations, although a small number of individual submissions were also received. The committee conducted three public hearings—one in Sydney and two in Canberra.

The conclusions in the report indicate several witnesses made the point that due to a lack of comparative studies there is no definitive proof that a one-to-36 passenger ratio is any more, or indeed less, safe than a one-to-50 seat ratio. It was therefore not clear whether introducing a one-to-50 seat ratio would have any significant effect on aircraft safety. This basic conclusion led to the range of recommendations the committee is putting forward in the report.

The committee recommends that CASA cease providing new exemptions to the one-to-36 passenger ratio, and that those exemptions currently in place not be renewed upon their expiry so that the rule-making process can be completed. The committee recommends that CASA more widely advertise proposed rule changes that
directly affect passengers, using publications such as in-flight magazines that are read widely by the travelling public. The committee also recommends that CASA publish on its website the submissions received during its review to help improve the transparency of that rule-making process. Erring on the side of caution, the point was crucial to the committee’s decision to make a final recommendation that there should not be a change to the current cabin crew ratio until it can be demonstrated that changing the ratio will not compromise safety and security on Australian airlines. We welcome CASA’s willingness to cooperate with the inquiry and to consider its recommendations.

In conclusion I want to thank the members of the committee and the secretary, Julia Morris; our researchers, Shane Armstrong and James Nelson; and the admin staff of the committee, Tamara Palmer and Peter Pullen, for their assistance in our inquiries.

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

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (10:36): I rise to support the chair of the committee in the matter of cabin crew ratios. A lot of us travel by aircraft in Australia and progressively more and more Australians are using aircraft. It is not surprising in a country as large as Australia, with the distances between ports and the necessity to carry out business in remote areas like mining areas and so on, that we are very dependent on aviation. It also follows that there are aspects to that aviation. There is timeliness, there is comfort and there is service, but more particularly on an aircraft there is safety and security. That is what we were asked to look at in respect of cabin crew ratios.

We took 17 submissions and four supplementary submissions for this inquiry. We had three hearings and we came up with seven recommendations. Amongst those was that we want CASA’s mandate for safety extended so that there is no doubt that it includes security. We asked that CASA publish in future their internal inquiries and that, when they are calling for submissions outside the parliamentary process, they publish their submissions on the internet. We also want the travelling public to be aware of these inquiries; we want the inquiries to be advertised in things like flight magazines. We want CASA, as part of this, to also look into flight and duty times when looking at safety and security—in particular with reference to fatigue. We want CASA to cease providing exemptions under order 20.16.3, which is what has been happening, and we want the current ratios to stay in place until it can be demonstrated that there are no safety or security reductions as a result of that.

I find a couple of things in this inquiry disturbing. The first thing was that CASA, despite inquiries in the parliament over the last decade, has continued to grant exemptions. It is the opinion of most of the committee that CASA has allowed the one-in-36 rule to be moved to a one-in-50 rule virtually by stealth, so that nearly every airline in every circumstance has now been able to get away with that. Quite frankly, I do not find that acceptable. We were also given the story by some of the witnesses who wanted this ratio increased to one in 50 that it is world’s best practice. We were not convinced of that. It might be world's most accepted practice but not necessarily world's best practice. The other thing I personally found disturbing was that there were supposed to be drills to demonstrate the safety aspects on aircraft but some of these were done under fairly limited conditions—not with elderly people, young people and people who might be disturbed at a particular time. They were just going through the
motions, so to speak, of what might happen in a drill. In fact, people do not jump down the slides today in a drill exercise because they might hurt their legs and ankles—but maybe that is fair enough.

So there are quite a few aspects of this thing that need to be considered. I for one, coming from a country area, would not like to see a circumstance like what occurred in May 2003 on a flight from Melbourne to Launceston, where there was an attempted hijacking. I asked myself how, on a Dash 8 300 with 50 seats, one attendant could handle that in some sort of emergency—in fact, how they would handle their work generally with one in 50 in that circumstance. So on that basis I support the report.

The DEPUTY SPEAKER (Hon. BC Scott): Does the member for Cunningham wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Ms BIRD: I move:

That the House take note of the report.

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

Report and Reference to Main Committee

Ms BIRD: I move:

That the order of the day be referred to the Main Committee for debate.

Question agreed to.

Economics Committee

Report

Ms OWENS (Parramatta) (10:42): On behalf of the Standing Committee on Economics, I present the committee's report entitled Review of the Reserve Bank of Australia annual report 2010 (third report), together with the minutes of proceedings. Australia continues to experience favourable conditions for future growth, economic stability and monetary policy. As the committee has heard from the Reserve Bank, Australia enjoys extraordinarily good economic conditions across a range of key areas.

The Australian economy demonstrated resilience through its swift recovery from the effects of various natural disasters early in the year, such as Cyclone Yasi and the Queensland floods. Though production recovered more slowly than first expected, the Reserve Bank's expectations about the limited and temporary effects of the disasters on domestic prices have been vindicated. Our terms of trade remain at an all-time high and unemployment remains low by historical standards. Inflation remains within the parameters of the long-established policy of inflation targeting and looks set to remain under control for the foreseeable future. In contrast to many leading economies, our banking sector is sound and does not pose the concerns about liquidity, solvency and the reliability of the credit system that plague some international markets. The soundness and strength of our national situation is evident from the international recognition it receives. Our sovereign credit position is in the topmost tier of the international market. However, the retail sector is under pressure, in part because of increased caution by Australian consumers. This caution underpins the financial resilience of household balance sheets and marks a return to higher rates of savings.

While there are concerns about the broader global economic outlook, the Australian economy is in a strong condition to meet the challenges ahead. On behalf of the committee, I would like to thank the Governor of the Reserve Bank, Mr Glenn Stevens, and other representatives of the
RBA for appearing at the hearing on 26 August 2011. The next public hearing will be held on 24 February 2012 in Sydney. I commend the report to the House.

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

Mr BUCHHOLZ (Wright) (10:44): We support the government's tabling of the document.

The DEPUTY SPEAKER (Hon. BC Scott): Does the member for Parramatta wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Ms OWENS: I move:

That the House take note of the report.

The DEPUTY SPEAKER: In accordance with standing order 39 the debate will be made an order of the day for a later hour this day.

Report and Reference to Main Committee

Ms OWENS: I move:

That the order of the day be referred to the Main Committee for debate.

Question agreed to.

DELEGATION REPORTS

Australian Parliamentary Delegation to the 32nd General Assembly of the ASEAN Inter-Parliamentary Assembly

Mr SYMON (Deakin) (10:46): I present the report of the parliamentary delegation to the 32nd AIPA General Assembly in September 2011. I was leader of the Australian delegation to this year's general assembly of the ASEAN Inter-Parliamentary Assembly, which was held from 18 to 24 September 2011 in Phnom Penh, Cambodia. Firstly, I would like to thank Senator Alan Eggleston, who was the other member of the delegation, for his contribution to the visit. I have travelled previously with Senator Eggleston and was reminded of the great value of his knowledge and experience of issues in the region during our formal and informal discussions and meetings.

The 32nd general assembly was an important occasion for AIPA and for Cambodia and an opportunity for meaningful engagement and discussion between the Australian observer delegation and the 10 countries of ASEAN and other observer delegations. It was a privilege to participate in the AIPA general assembly representing Australia as an observer country and to discuss the interests and concerns shared with all the member countries in our region. The delegation enabled us to reaffirm the very valuable relationships and cooperation which Australia has with ASEAN, to establish new friendships with parliamentarians in the region and to learn more about the cultures of individual nations.

The theme of the 32nd AIPA General Assembly was the role of AIPA in building a prosperous ASEAN community. It is clear that ASEAN member countries are committed to achieving their goal of establishing an ASEAN economic community by 2015. Good progress continues to be made towards this goal, which Australia will support by providing policy advice, research and implementation assistance through the second phase of the ASEAN-Australia Development Cooperation Program. The dialogue session with Australia was well attended with 21 parliamentarians from the 10 ASEAN nations and it provided an opportunity to hold constructive discussions on a range of topics including cooperation between ASEAN and observer countries, water resource management for sustainable development, disaster management and emergency response, and landmines and unexploded ordnance.
Australia is clearly held in very high regard by the countries in our region. Many parliamentarians from ASEAN nations have a strong connection with Australia, having either worked or studied in Australia themselves or having family living and studying here.

The delegation also took the opportunity to make three other official visits arranged for us by the Australian embassy whilst we were in Cambodia. The first visit was to the Cambodian School of Prosthetics and Orthotics, which was established in 1994 and receives considerable support from the Australian government through AusAID. This support has been used to train prosthetic and orthotic technicians not only from Cambodia but also from many other developing countries, for instance Iraq, Papua New Guinea and many others in between. The demand for prosthetic and orthotic services remains high due to landmines and, of more recent times, as a result of traffic accidents in Cambodia. The delegation was given a guided tour of the facility and observed prosthetic and orthotic devices being manufactured, students practising their craft, and both adults and children in various stages of rehabilitation, including being fitted with devices. The second visit was to the extraordinary chambers in the courts of Cambodia, which was established in 2001 to try serious crimes committed during the Khmer Rouge regime from 1975 to 1979. We were given a guided tour of the ECCC, which is commonly known as the Khmer Rouge Tribunal. We were briefed on its operations and the two cases which have so far come before it.

The third additional visit was to Hagar Cambodia, which is a non-government organisation supported by AusAID committed to the recovery, empowerment and reintegration of exploited, abused and rejected women and children in Afghanistan, Cambodia and Vietnam. The delegation met with staff and observed some of the rehabilitation activities at the centre in progress, including activities designed to build self-confidence and social awareness and workshops to develop life and job skills.

Throughout the general assembly, the Australian delegation was very warmly received. I would like to thank the hosting nation, Cambodia, for their friendly hospitality and the professional organisation of the 32nd AIPA General Assembly. I would especially like to thank the Australian Ambassador to Cambodia, Ms Penny Richards, and her wonderful staff for their support and hospitality during our stay in Cambodia and for the arrangements made for the side visits of the delegation to the various organisations that I described earlier. I would also particularly like to thank the secretary to the delegation, Mr Peter Banson, who ensured that everything went according to plan despite the very late notice of the delegation's composition and travel requirements. The support and knowledge that Mr Banson provided was invaluable coming from his experience of attending previous AIPA general assemblies. In summary, I believe that the 32nd AIPA General Assembly presented a valuable forum for the further strengthening of bonds between the parliaments of ASEAN nations, encouraging cooperation and understanding on the many issues facing the region. I commend the report to the House.

BILLS

Police Overseas Service (Territories of Papua and New Guinea) Medal Bill 2011

First Reading

Bill and explanatory memorandum presented by Mr Morrison.
Mr MORRISON (Cook) (10:51): Australia has a proud history of peacekeeping. Our police forces have long played an important part in overseas operations: nurturing and empowering nations along the path to self-determination, democracy and independence. This strong legacy has its root in the service of our kiaps—the precursors, the forgotten peacekeepers. About 2,000 Australians, including at least one shire resident, served as members of the Royal PNG Constabulary between 1949 and 1973. The name 'kiap' came from the German title 'kapitan' and crept into the local vernacular when Germany governed the Territory of New Guinea prior to World War I. In the aftermath of World War II, Australia assumed responsibility for administering the territories of Papua and New Guinea. During this time it remained an overseas territory—a British possession in Papua and a UN trust for the former German colony of New Guinea. The kiaps, or patrol officers, were the face of a colonial government. As sworn officers of Australia's police force, they performed government services prior to independence in 1975—not calling the shots down a telephone line but working alongside people on the ground in the towns and villages.

In 1970, there were about 550 kiaps in the field and all but 50 were posted to rural outstations. They lived the life in order to comprehend it. Papua New Guinea was a rural land, at times primitive, and very remote. It was split into districts and subdivided into patrol posts and base camps responsible for between 15 and 30,000 people. The kiaps did much more than simply police the frontier. It was an all-consuming task requiring total immersion in a culture that was very different from the world they knew. The kiaps were everywhere. They were an authority wholly embedded in the field. They adapted to their environment, shouldering whatever duties a situation demanded. You became what you needed to be. Tom Webster left Canberra in 1969 at age 20 to become a cadet patrol officer in Port Moresby. He was posted to the Western Highlands and within days of arriving he had supervised the extension of an airstrip, investigated a fatal fire in a school and set out on a census patrol.

A kiap was an explorer, a peacemaker, a negotiator, a policeman, a judge, a governor, a mediator and even an anthropologist, not to mention a surveyor and a construction foreman. It was no mean feat to bring stability to a land that was, at that time, largely lawless and tribal, as divided by language and clan rivalry as the wild rivers and steep mountains it possessed. It was not 'policing' in the typical sense of the word but, nevertheless, the kiaps succeeded. The versatility required to perform the many roles they performed should not detract from their eligibility for the Police Overseas Service Medal. Quite the opposite; it should enhance it.

The kiaps worked on foot, conducting radiating patrols throughout the countryside in close cooperation with the indigenous police and local leaders. More than 85 per cent of the population lived in rural villages. Papua New Guinea was and remains one of the most sociolinguistically diverse countries in the world. In 1970, over 700 languages were spoken amongst a population of just three million. Kiaps were often away for weeks at a time, covering vast areas of difficult and unforgiving terrain. I experienced both the privilege and the challenge of walking the Kokoda Track in 2009 with my parliamentary colleague the member for Blaxland. The landscape of Papua New Guinea is formidable. The heat is oppressive, the jungles impenetrable, the mountains sheer and the terrain rugged. Men
were made in those mountains, and Australians and Papua New Guineans fought together and died together during the war. In the decades that followed, our peoples continued to work side by side to help the country achieve independence.

The kiaps first set foot in PNG as young Australians with big hearts, a little training and a thirst for adventure. They left with a sense of real pride, having played a role in accomplishing something great. In his memoirs, Michael O'Connor records his experience of becoming a kiap. In 1959, at the age of 20, he was handed responsibility for the lives of 30,000 Papua New Guineans. Having slashed their way through jungles and waded through swamps, the kiaps would inspect villages, conduct a census, collect head taxes and administer justice. Kiaps dealt with three-quarters of all cases heard in the colony by way of an open court. The officer would face the accused and the litigants before the entire village. He would listen to all parties, form a judgment and then make a resolution, taking into account the views of the village leaders. The decisions were all recorded.

Dinnen and Braithwaite observed that 'interactions between indigenous and colonial systems served to strengthen each other. Working with the kiaps brought considerable prestige to local people, while European kiaps depended on their local knowledge and language skills.' Archives of surviving patrol reports document their attempts to introduce law and order to the towns and, at the same time, to produce maps, reports and accounts of local customs and language. Their actions demonstrated a profound sense of humility and a dedication to serving the local people.

Kiaps frequently went above and beyond the call of duty; duty had no uniform shape. Tom Webster asked at his first training course if he would ever have to deliver a baby. He was firmly told 'no'. By the end of his tour of duty, Tom had delivered four. Departmental standing instructions issued to the officers described their role as to facilitate self-determination, to ensure ‘the territory is reasonably well equipped, as far as natural resources permit, to survive on its own in terms of social and economic development, with a decent standard of living and civilisation. The task is one of staggering magnitude.’

One of the travesties of Australian history is that the kiaps have never formally been recognised, as I now seek to do through this bill. We often talk about views or perceptions of history, but, on occasion, cataracts develop in our national narrative that mar or obscure certain elements of our past. I bring this bill before the House to grant kiaps eligibility for the Australian Police Overseas Service Medal so that, finally, they may receive the commendation they deserve—alongside so many other fine Australian police officers who have served overseas as well. Importantly, this includes posthumous recognition. The kiaps played a crucial role in the reconstruction of a war battered nation. Over time, disparate village units were drawn together. It was a difficult road to self-government, but the role of the kiaps in aiding that change cannot be underestimated. The work was hard, the days were long and the danger was ever present.

In his memoirs, Michael O’Connor recounts the challenges of trying to shoot a crocodile that had been troubling one village in the dark. In another breath, he describes patrolling while suffering hepatitis and dengue fever. Ross Wilkinson, from Victoria, recalls his ancillary duties, which included flying in light aircraft on search and rescue missions and using explosives for road and airstrip construction. Each kiap carried a Lee Enfield rifle for his police
work, along with revolvers and shotguns. In addition to keeping the peace, kiaps were tasked with destroying unexploded ordnance from World War II.

The job was perilous on so many levels. Some were murdered on duty. East New Britain District Commissioner Jack Emmanuel was killed by disaffected landowners on the Gazelle Peninsula when he tried to intervene in a land ownership dispute. Their work involved exploring new territories and pacifying the warring tribes that dwelt there. There were arrows tipped with poison to contend with, should diplomacy deteriorate, but nature was often threat enough, with malaria, snakes and bush pigs. Some lives were claimed by illness; others were lost in boating and aircraft accidents. But all this they took in their stride.

In 1971, then Minister for External Territories Charles Barnes remarked, 'This body of men has made a most admirable contribution to the territory ... a few Australians went into that primitive and hostile country ... and, with a minimum loss of life, brought control to the country and a better life to its people. I do not think their efforts could be equalled anywhere else.' Forty years on, we have the opportunity to offer a fitting thanks to these remarkable Australians. This bill is the culmination of much work from many, and I stand here to represent these people in bringing it forward: Chris Viner-Smith; Morrie Brown, who has joined us here today in the gallery; and Mike Douglas, a very good friend of mine from the shire who first introduced me to this incredible story and who is also supported by the Police Federation of Australia.

One of the obstacles to awarding this medal has been the status of PNG prior to independence. But, as I have said, it was clearly an 'overseas' theatre, given Australia's jurisdiction. The significance of this bill is twofold. Importantly, it recognises the contributions of those 2,000 Australians at a personal level—long overdue. But, as a nation, by acknowledging their achievement in this place, it also gives us access to what is truly one of the great Australian stories in which we should all have a sense of pride. It facilitates engagement with a chapter of our experience of nationhood that I believe has wrongly been overlooked. The qualities of the quintessential Australian spirit are as evident here as on any other page of history—including in that great land of Papua New Guinea.

Last year, to celebrate the 35th anniversary of Papua New Guinea's independence, the National Archives hosted a photographic tribute to the kiaps. Those pictures form an enduring tribute to the Australian spirit and the mettle of its people. Those black and white photographs remind us not only what we were but also who we are and who we can be. The recognition of the kiaps, both in this place and in our national history, is long overdue. But that opportunity is now here with us with the presentation of this bill. I look around the chamber and to the other place and I heartily commend this bill to the House and ask that the kiaps now be remembered and honoured for their service.

Bill read a first time.

The DEPUTY SPEAKER (Hon. BC Scott): In accordance with standing order 41(d), the second reading will be made an order of the day for the next sitting.

PRIVATE MEMBERS' BUSINESS

Crime and Incarceration Rates

Dr LEIGH (Fraser) (11:01): I move:

That this House:
(1) recognises that:
(a) the Australian incarceration rate has risen from 117 prisoners per 100,000 adults in 1991 to 172 prisoners per 100,000 adults in 2010;

(b) since the Indigenous Deaths in Custody Report was released in 1991, the Indigenous incarceration rate has risen from 1739 prisoners per 100,000 adults to 2303 prisoners per 100,000 adults; and

(c) an increasing number of Australian children have a parent behind bars; and

(2) encourages governments at all levels to pursue innovative policies to reduce crime and incarceration rates, including:

(a) investing in early intervention programs to deter young people from crime;

(b) where appropriate, considering alternatives to incarceration such as weekend detention, periodic detention, restorative justice and drug courts;

(c) employing smart policing strategies, such as using real-time crime statistics to identify and target crime hotspots;

(d) establishing in-prison education, training and rehabilitation programs aimed at reducing recidivism and improving family relationships for prisoners with children; and

(e) implementing randomised policy trials (akin to the 1999 NSW Drug Court randomised trial) to rigorously evaluate the impact of criminal justice interventions.

When the Indigenous deaths in custody report was released in 1991, there was widespread shock at the level of Indigenous incarceration in Australia, at 1,739 prisoners per 100,000 Indigenous adults. Yet over the past 20 years the Indigenous incarceration rate has increased by about 30 per cent. Today, 2,303 out of every 100,000 Indigenous adults are behind bars. By their mid-20s, 40 per cent of Indigenous men have been formally charged by police with a crime.

This reflects a general increase in incarceration in Australia, with the national imprisonment rate rising from 117 prisoners per 100,000 adults in 1991 to 172 prisoners per 100,000 adults now. For the most part, the growth in Australia’s prison population has been driven not by a rise in crime but by law changes, such as tougher bail conditions and mandatory non-parole periods. These policies can sometimes cost society a lot without much changing the incentives for offenders. Increasing sentence lengths from 10 to 15 years may sound tough, but if you are dealing with someone who lives from day to day—or, in economic jargon, a person with a high discount rate—it could have no impact on crime rates. Indeed, Steven Durlauf and Daniel Nagin argue that the certainty of the punishment matters more than its size.

There are many admirable things about the United States, as President Obama reminded us in this chamber last week. But one concerning trend is their increased incarceration. US jails currently hold over two million people, more than one per cent of the adult population. Among men aged 20 to 34 who did not complete high school, the US imprisonment rate is a jaw-dropping 12 per cent for whites and 37 per cent for blacks. And that is just the proportion behind bars on any given day. If you are an African-American man who does not finish high school, the odds are two in three that you will see the inside of a prison cell by the time you reach your mid-30s.

Another feature of persistently high incarceration rates is its intergenerational impact. In the US today, two per cent of white children and 11 per cent of African-American children have a parent behind bars. In the US, there are as many children with a jailed parent as there are prisoners. In Australia, the Australian Bureau of Statistics do not count the number of prisoners with children—although I think they should—but, if the US pattern holds up, that would mean that there are about 30,000 Australian children with a parent in jail today. We know
that children with a parent in jail are more likely to commit crimes themselves. If you believe in family values, you should be committed to reducing Australian incarceration rates. I commend organisations such as SHINE for Kids for their work with children of prisoners.

This motion is not the first to recognise such a parlous state of affairs. In its report Doing time—time for doing, the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs described Indigenous incarceration rates as a 'shameful state of affairs', and made 40 recommendations to government for addressing the issue. I commend the chair of the committee, the member for Blair, and the members of the committee for their analysis of this issue, which was discussed at last week's meeting of Commonwealth, state and territory attorneys-general, the body formerly known as SCAG. The Neumann report will be an important document in shaping this debate over years to come.

I know this is also an issue that concerns the Attorney-General personally. In his Lionel Murphy lecture at ANU in September, the Attorney referred to Lionel Murphy's great 1982 High Court judgment of Neal v R. Mr Neal, an Aboriginal man from Queensland, had been sentenced to six months hard labour for swearing and spitting at a store owner. Arguing for the conviction to be overturned, Murphy wrote, 'Mr Neal is entitled to be an agitator.' Yet, if he were alive today, Lionel Murphy would be appalled to know how much the incarceration rate has risen in the ensuing three decades.

A number of public figures have spoken on this issue, including judges Stephen Rothman, Stephen Norrish, my former employer Michael Kirby, and Western Australian MLA Paul Papalia, who promotes what he calls 'justice reinvestment'. As head of the NSW Bureau of Crime Statistics, Don Weatherburn has done a great deal to promote an evidence based debate. While I am acknowledging people, I thank Jess Woodall, who interned in my office and is here in the gallery. She wrote the motion we are debating today. Also, I am very glad Jess has brought her mum, Robyn Woodall, along.

Over the past year, I have also appreciated the chance to visit the ACT's Alexander Maconochie Centre and Bimberi Youth Justice Centre, which struck me as very different from my visit to the old style Parramatta and Long Bay jails as a student journalist in 1993. I have also appreciated learning about the community policing work being led by ACT Attorney-General Simon Corbell and ACT Chief Police Officer Roman Quaedvlieg. For example, ACT Policing are drawing on mental health experts and local Indigenous leaders such as Duncan Smith. They are also using case officers to work intensively with the 12 families who are responsible for a quarter of all property crimes in Canberra.

Nationwide, the total cost of Australia's prisons is nearly $3 billion a year, or about $100,000 per prisoner. By spending money on addressing the underlying costs of crime, society gets to avoid the costs of both the crime and the punishment.

Criminologists describe four reasons for incarceration: retribution, deterrence, incapacitation and rehabilitation, yet for some the criminogenic effect of prisons outweighs any rehabilitative effect. The median sentence length in Australia is three years, so released prisoners find it hard to get a job and often discover that the only friends who have not deserted them are the ones they made inside.
Sexual violence in prison is probably not as common as in the 1990s when New South Wales Magistrate David Heilpern estimated that one-quarter of young male prisoners were raped, but the rate is likely higher than in the outside world.

In the short time available, it is impossible to do justice to the evidence on what works to reduce crime and incarceration, but I commend to the House a 2006 paper prepared by the Washington State Institute of Public Policy, which reviewed 571 evaluations. Among the programs that they found to have the largest effect are prevention programs such as nurse-family partnerships and high-quality early childhood programs targeted at very disadvantaged families. For juveniles, education programs and aggression replacement training were effective, while the 'Scared Straight' program actually increased offending. For adults, vocational training and programs for offenders with mental illness were particularly effective.

On this issue, as with others, we need to raise the evidence bar. To illustrate this, let me tell a story. When I was 22, I clashed with Bob Carr over the issue of criminal justice. Carr, as opposition leader, had complained publicly about gangs roaming the streets of Sydney: 'their baseball caps turned back to front'. As a Labor candidate in the 1995 New South Wales election, I spoke at the New South Wales ALP conference—wearing a baseball cap turned back to front. My argument was that a tough-on-crime strategy ends up incarcerating the poor. Bob Carr's argument was that it is the poor who are most likely to be victims of crime. Both arguments are right. While we can point to examples of white-collar crime, most offences involve a low-income victim and a low-income perpetrator. If you care about reducing hard-core poverty, you should be interested in smarter criminal justice policies.

Yet it was the Carr government who in 1999 put in place one of the most innovative criminal justice strategies—a drug court. Offenders are referred to the drug court from local or districts courts, undergo a detoxification program and are then dealt with by the drug court instead of a traditional judicial process. At the time it was established, the number of places in detoxification was limited, so participants in the evaluation were randomly assigned to either the treatment group or the control group. They were then matched to court records to measure reoffending rates. The evaluation found that the drug court was effective in reducing the rate of recidivism. The drug court was more expensive than the traditional judicial process but it more than paid for itself in lower crime.

Another Australian randomised evaluation is the trial of restorative justice conducted by John Braithwaite and Heather Strang in Canberra. Together with other international randomised trials, this has helped build the evidence that, for low-level offences, restorative justice makes victims feel better and reduces overall crime levels.

As a public policy 'randomista', I firmly believe that we need more randomised evaluations of criminal justice policies if we are to figure out what works and what does not. Some of our justice policies clearly do not work—the trouble is, we are not sure which ones. We need to raise the evidence bar. Getting justice policy right is not easy, but if there is one country that can show the way it should be Australia: the nation that showed the world that if they are given a chance, convicts can do just as well as anyone.

The DEPUTY SPEAKER (Hon. BC Scott): Is the motion seconded?
Ms Vamvakinou: I second the motion and reserve my right to speak.

Mr TUDGE (Aston) (11:12): I rise to speak on Dr Leigh's motion concerning the increasing incarceration rates of Australian citizens, and particularly those of Indigenous Australians. This issue is an important one. The figures quoted in the motion are alarming and should make all Australians, particularly policy makers, stop, think and reflect. The Australian incarceration rate has increased from 117 prisoners per 100,000 adults in 1991 to 172 prisoners in 2010. The Indigenous rate has increased from 1,739 per 100,000 adults to 2,303 over the same period. This Indigenous incarceration rate is particularly alarming as it is high to start with—Indigenous people make up 22 per cent of the prison population and yet comprise only two per cent of the overall population—and this high rate has been increasing ever since the landmark Aboriginal deaths in custody report in 1991. We thought that this report would see the turnaround in incarceration rates of Indigenous people in Australia, but it has not. It has clearly failed in its intent.

I congratulate the member for Fraser for raising this issue today in his motion. But it is here that my congratulations end and my disappointment begins. I am disappointed because I expected more from the member for Fraser in analysing the problem and prescribing some policy solutions that might make a demonstrable difference, but in this motion he does not do this. His analysis and his policy prescriptions of the issues are typical of Left Liberal thinking that has characterised the issue for many, many years. I believe that Dr Leigh is better than this.

The motion itself is largely unobjectionable. It calls for more early intervention; more alternatives to incarceration, such as restorative justice and drug courts; smarter policing strategies; in-prison education; and more research. That is, the motion is based on a strong belief in diversion, education and early intervention as ways of tackling the issue of high and ever-increasing incarceration rates. Some of these policies can be useful. I accept that. Drug courts, in particular, have been shown to be beneficial in this regard.

We should work on the things that Dr Leigh and the Labor Party have raised in this motion. But those things alone will not make a substantial difference, and this is my core criticism. The motion puts too much hope in intervention and diversion alone, whereas we need to acknowledge that a breakdown in norms and self-perpetuating substance abuse epidemics are major causes of crime. We need to tackle those factors head on and with great determination. Dr Don Weatherburn and Noel Pearson have been some of the strongest critics of the approach that this motion advocates. Noel Pearson refers to the sausage machine of the criminal justice system, where Indigenous people are the meat in the machine. He says:

That is, everybody from police to legal aid, diversionary programs, probationary programs and corrective services all basically see the goal as ensuring proper safe and fair procedures and facilities for the meat to get processed through the machine and turned into sausages.

He goes on to say:

Almost all the academic and policy focus on Indigenous criminal justice has been focused on making the most human-rights-compliant sausage machine. And there are those who daydream about simple solutions such as inserting a gate to stop people from being imprisoned. But where does that leave us? The last thing communities want is offenders left to continue wreaking destruction.

The sausage machine paradigm exists because there has been an unwillingness to tackle the
immediate behaviours that give rise to offences, such as substance abuse ...

Dr Don Weatherburn, Director of the NSW Bureau of Crime Statistics and Research, is equally to the point, where he says that the leading cause of Aboriginal overrepresentation in prison is not systemic bias or lack of diversion programs or education program but is the 'high rates of involvement in serious crime'. That is what it is. It is the high rate of involvement in serious crime. It is this fact that this motion and the Left Liberals do not acknowledge and do not address.

Yes, it is unpleasant to state this. But by not stating it does not mean that it does not exist. Worse, it can continue a fabrication that all we need to concentrate on as policymakers is on being nicer, having more education and early intervention programs and a better criminal justice system, and then everything will be rosy. Unfortunately, it will not be.

So what is to be done? The first step is to acknowledge the reality that high rates of imprisonment are due to high rates of serious crime. That is the reality. Next is to address head-on the causes of the high rates of serious crime, to tackle the behaviours that give rise to offences—such as the behaviours that Noel Pearson referred to: substance abuse, abandonment of personal responsibility for one's actions and disrespect for neighbours and for community standards.

The most important thing in this list is alcohol and drug abuse. General poverty and disadvantage are of course factors here and we need to be addressing these, but the categorical research from Weatherburn, Snowball and Hunter is that the highest predictor of imprisonment, even after controlling for a wide range of other factors associated with economic disadvantage, was high use of alcohol and drugs. Anyone who has been to remote Indigenous communities is only too aware of this, where alcohol is the poison that runs through these communities. This is the most important thing for us to tackle head-on if we are fair dinkum about reducing incarceration rates, particularly for Indigenous peoples.

There has been some movement in this area to deal with alcohol and substance abuse, but not enough. We need to be tougher at restricting supply of alcohol and drugs through alcohol management plans and through income quarantining—so there is less cash available to purchase those substance—and we need to do more to enforce existing laws more strongly. Concurrently, other mechanisms to rebuild the social fabric of remote Indigenous communities need to be addressed. We need to insist on 100 per cent school attendance at high-quality schools in the remote communities. We need welfare reform so that people are working and are not encouraged to stay on welfare. We need to give authority back to the elders—like what occurs in Cape York through the Family Responsibilities Commission.

This motion is weak because it does not mention any of those things. It does not mention that the high rate of imprisonment is due to high rates of crime. The motion does not mention alcohol or drugs anywhere. It does not mention the need to rebuild social and community norms.

I will conclude by examining some statistics from Mornington Island, which is almost exclusively an Indigenous community. I have in front of me the murder and suicide rates for Mornington Island from the beginning of the 20th century until the end of the 20th century. Between 1900 and the end of the 1970s there was one murder and one suicide. In the subsequent two decades there were 13 murders and 22
suicides. In those subsequent two decades we had enormous investment in infrastructure, enormous investment in education and the formal elimination of systemic racism. Opportunities opened up for Indigenous people through those decades and yet the murder rate, the suicide rate and the rate of other crimes increased dramatically. I understand—and other people will say—that these statistics are apparent in all other communities as well. But in the last couple of decades there has been alcohol abuse, welfare dependency and a breakdown in these communities. That is what is causing the high crime rate, and it is the high crime rate that is causing the high incarceration rate.

These are the things that this motion should address but does not address. So, while the intent of the motion is good and while the measures that are outlined in the motion are unobjectionable, the motion does not get to the root cause of the problem of the high incarceration rate in our country. They are the things that I have mentioned: substance abuse, welfare dependence and the breakdown of communities. We need to tackle these head-on.

**Ms VAMVAKINOU (Calwell) (11:22):** I would like to thank the member for Fraser for bringing this very important motion to the House. As the member of one of the 10 most socioeconomic disadvantaged electorates in Australia, I welcome the opportunity to address the issues of incarceration and juvenile detention and their impact on the broader community. These are issues that I have grappled with for some time as a member of parliament. I have done so with the help and advice of some very remarkable people. For this reason, today I want to speak about the work of a philanthropic organisation known as the Bridge of Hope Foundation and its plans to create a social revolution, one dedicated to addressing the very issues that the motion by the member for Fraser raises. This has particular relevance to the government's $304 million Social Inclusion Agenda.

I first became aware of the Bridge of Hope Foundation about two years ago when I was approached by its founding member and executive officer, Mr John Walsh. Mr Walsh told me about his plans to establish an organisation that would enable all sectors of the community to work together to address the cause and effect of generational disadvantage. A key tool in this process would be the formation of a Bridge of Hope Foundation roundtable alliance made up of members who were recognised experts in their fields and already had established networks. Mr Walsh went on to explain that the current system of dealing with youth at risk, young single mothers, children with a parent in prison and newly released prisoners often lacked much needed common sense and, above all, a whole-of-government approach.

One can only begin to grasp the enormity of this problem when faced with statistics that show that 12,000 children in Victoria have a parent in prison. On a national basis, this number rises to approximately 38,000. Research also shows that early intervention programs targeted at at-risk youth are the most cost-effective way of reducing crime. Mr Walsh has taken all these factors into account and come up with a proposal known as the Bridge of Hope solutions model. The Bridge of Hope model, like the federal government's Social Inclusion Agenda, puts addressing entrenched disadvantage as paramount to Australia's future and as paramount in addressing some of the issues that we are discussing here today.

In this regard, we have approached the Minister for Social Inclusion, Tanya Plibersek, to have the Bridge of Hope model
included as a prototype for the program that the government is rolling out. We are very much hoping to trial this in my electorate for the first time. The case for trialling the Bridge of Hope model in Calwell is a very strong one, especially when one considers that 25 per cent of the Victorian prison population comes from 14 postcodes out of a total of 647. My electorate is one of those 14 postcodes.

The Bridge of Hope solutions model is a low-cost, volunteer-driven initiative, visualised to empower communities to form partnerships with government as well as experts in mentoring and mental health. In practical terms this involves a coordinated approach in what I like to describe as a process of joining the dots. This process, will involve identifying clients through Centrelink and Corrections Victoria in order to put them in touch with services best suited to their circumstances. Trained volunteers from Rotary and Probus clubs will take on a mentoring role and provide ongoing long-term support in order to ensure individual objectives are achieved.

Research shows that almost half of all Australian juveniles released from detention will be imprisoned as adults, largely because they lack family support and education. For this reason the Bridge of Hope solutions model also addresses in-house prison education with its Stepping Stones crossover program. The crossover aspect means that rather than discontinue the in-prison program at the time of an inmate's release, the program will cross over with the inmate and assist with housing and employment and provide access to a mentor or a friend.

Student education is another vital aspect that is crucial to the success of the Bridge of Hope solutions model. The Bridge of Hope schools program is based on the knowledge that vulnerable youth are inclined to believe that (a) it is considered tough to go to prison and that (b) it is cool to hate cops. The Bridge of Hope Foundation has proposed to debunk these negative mindsets by substituting them with positive mentoring. It is believed that the discipline and focus shown by those in the Army, for example, will serve as a solid foundation for vulnerable youth. Police officers, as well as rehabilitated prisoners, will also be encouraged to share their experiences as part of the program. It is proposed that this program will be similar to the social impact bonds trials currently being conducted in New South Wales. The benefits of the bonds is that they will reduce policing, criminal investigation, prosecution and judicial costs.

Mr CHRISTENSEN (Dawson) (11:27): This motion before us seemingly portrays incarceration as a bad thing and the people who are incarcerated are somehow victims rather than criminals. But people who are incarcerated are criminals. This motion ignores the root cause of incarceration: criminals and crime. Ignoring this and trying to find a treatment for the symptom, such as considering alternatives to incarceration such as weekend detention, will not only do nothing to fix the problem but will actually make it worse.

I weighed up the things that this motion asks us to do in terms of how effective they would be in fixing the problem. Some of the suggestions in there should simply be rejected out of hand. Why do I say that? Because a lot of them are already happening. To suggest that smart policing should be brought in is an insult to those engaged in policing. To suggest that we should provide education in prison is also an insult to those in corrective services and their contractors who are already providing those services. The closest thing in this motion to a suggestion to treat the cause of crime is the
suggestion to invest in early intervention programs to deter young people from crime. At least that addresses the problem: the creation of criminals.

Despite the sentiment of the motion, we already have a deterrent and I have to say that it is one that we do not use enough. It is called 'going to jail'. It is the namby-pamby culture that we have allowed to develop that has neutered this deterrent. The problem is not that there are too many people in jail; the problem is that not enough people who commit heinous crimes against law-abiding citizens and their communities are going to jail. Any member in this place who is in touch with their electorate will know that people are sick and tired of seeing thugs do the crime without having to do the time. I did a tiny bit of research and found several dozen instances just in north Queensland in my electorate where criminals committed crimes for which most people would think they should be locked up for some period but they went walking free on probation. I have here an article about a 20-year-old who committed nine crimes, including burglary, trespass and drug possession. He scared an old lady when she found him in her kitchen and he tried to grab her handbag from her. He went on 15 months probation.

Another young fellow, 17 years old and a repeat offender, had a mate who stole a government vehicle and had a tussle with a government youth services employee—someone who is supposed to be helping him. He ended up taking keys from him, grabbed the car and took our repeat offender on a joyride to Collinsville, who has ended up on probation for 12 months. There was a woman who punched a policeman in the face; she received a $600 fine and 15 months probation.

I could go on and on with this sort of stuff. The community expects people who commit such crimes to be incarcerated but the reality is that they are not. Governments, magistrates and the courts need to realise that if someone commits a serious crime the community does want to see them jailed. A part of that is for rehabilitation; another part of that is for punishment.

We forget that these people should be punished. They are criminals; they have committed a crime. The criminals that we are breeding know that they actually will not go to jail and that they will not get punished. They keep committing crimes, starting with petty crimes and graduating to more serious ones. They know that they can be caught time and time again and that they will keep on getting warnings and probations. You just have to look through newspaper reports to see that in the court reporting.

They keep pushing the boundaries because they cannot even get the proverbial slap on the wrist. The namby-pamby state outlawed that. Sometimes they push too far and they do find themselves in jail because they commit something that even a magistrate cannot look the other way on. By that time they have carved out their little criminal life and they think they are being harshly treated by having their freedom taken away from them for a few months.

By reserving jail time only for the most serious of crimes we are encouraging crimes of an increasingly disgusting and disrespectful nature. This motion does call for innovative ways to reduce crime and incarceration, but here is one: what about punishment—proper punishment that means something and which acts as a deterrent? Proper punishment is not weekend detention or periodic detention; that is stuff that you give to a 13-year-old—you ground them. Taking away someone's PlayStation and sending them to the watch-house for the weekend is not going to be a serious
deterrent in anyone's eyes. A serious deterrent is adequate jail sentencing of criminals who do crimes which the community thinks they should be jailed for. *(Time expired)*

**Mr LAURIE FERGUSON** (Werriwa) (11:32): After the previous contribution I would like to bring people back to the real world. As for people not being incarcerated: in the last state elections the new Liberal Party attorney-general of New South Wales, Greg Smith, did something that has been long overdue. He called for a stop in the race between Labor and Liberal to imprison more people, to create more jails and to spend millions more dollars with regard to incarceration.

And as for people not being jailed, in New South Wales an estimated 50,000 people a year go through our jail system. Increasingly they are people on remand—people who have not been sentenced and people who have subsequently been found to be innocent. It is costing the Australian taxpayer an increasing amount of money. Between 2002-03 and 2006-07 the annual expenditure on prisons in New South Wales went up by four per cent. This increase is greater than what we are spending on the police force. It is also interesting to note that 60,000 Australian children a year are affected by their family members being in jail.

The member for Aston talked about respect and about Aboriginals taking responsibility for themselves et cetera, somehow implying that this was perhaps not integral to their reality. It is interesting to note that these areas of discrimination about who is in prison are universal; they are international. In the United States blacks, who constitute 12.6 per cent of the population, constitute 39.4 per cent of the prison population. Hispanics constitute 16.3 per cent of the population but constitute 20.6 per cent of the prison population.

Michelle Alexander in the book *The New Jim Crow: Mass Incarceration in the Age of Colorblindness* has commented that the United States currently imprisons a larger percentage of its black population than South Africa did at the height of apartheid. I have had the opportunity of being in the Netherlands to see a system that is regarded internationally as very progressive, but you see the same pattern there: the Surinamese—people from Dutch Guiana in South America—have incredibly higher incarceration rates than the general population.

There are certain other characteristics of those in prison. I refer to the inquiry undertaken by the Liberal Party MLC in New South Wales, John Ryan, in 2002 with regard to New South Wales prisons. He showed that 60 per cent of people in prisons are fundamentally illiterate, 60 per cent of them do not have year 10 education, 64 per cent of them do not have a stable family and greater than 60 per cent of them have a history with illicit drugs. It is interesting to note that in the current failure and the increasing money that we are spending on this system that one-third of New South Wales prisoners are re-imprisoned within two years. We have to ask ourselves whether that is money that is well spent. As I said, this has more to do with people's socio-economic circumstances, with their ethnicity, with their problems with mental disorders and with regard to their educational limits than it does with believing that this can somehow be cured by showing respect to people.

There was an interesting article in last week's *Guardian Weekly* by George Monbiot:
In a study published by the journal *Psychology, Crime and Law*, Belinda Board and Katarina Frizzon tested 39 senior managers and chief executives from leading British businesses. They compared the results with the same tests on patients at Broadmoor special hospital, where people who have been convicted of serious crimes are incarcerated. On certain indicators of psychopathy, the bosses scores either matched or exceeded those of the patients.

Elsewhere in the article:

In their book, *Snakes in Suits*, Paul Babiak and Robert Hare point out that, as the old corporate bureaucracies have been replaced by flexible, ever-changing structures, and as team players are deemed less valuable than competitive risk-takers, psychopathic traits are more likely to be selected and rewarded. Reading their work, it seems to me that if you have psychopathic tendencies and are born to a poor family, you're likely to go to prison. If you have psychopathic tendencies and are born to a rich family, you're likely to go to business school. There is a clear correlation in this country between incarceration rates and people who have dysfunctional families, who have psychiatric disorders and who have deprivation in life.

There are measures that can be undertaken. One simple one that has been suggested in my local area is bail houses to make sure that people who are homeless and who cannot get bail actually have another option rather than going to jail while they are waiting for their case to be heard.

I recommend the resolution, and I particularly stress the socioeconomic factors in imprisonment rates in this country.

Mr CHESTER (Gippsland) (11:37): In debating the motion before the House I want to direct my comments towards one of the key points raised by the member for Fraser—that is, the issue of investing in early intervention programs to deter young people from crime. As I am sure the member would acknowledge, the motion itself is very broad and is worthy of perhaps a much longer debate in this place. I do commend the member for bringing these issues to the attention of the House and I also acknowledge the previous speaker, who raised some of the complex issues in relation to education, substance abuse and mental health. It is a very complex problem that we are talking about and it would do the House well to revisit it in the weeks and months ahead.

When it comes to crime, obviously prevention is much better than cure, and our efforts to tackle incarceration rates must start before the crime has been committed. Before we even start worrying about some of those other issues in relation to the alternatives to incarceration, we need to do better at preventing the crime from occurring in the first place. Many times in the past I have stood in this place and talked about the issue of street violence and antisocial behaviour and the need for a national approach and more resources to combat the problem.

While policing is primarily a state based issue, we do have a national epidemic of violence and drunkenness which demands a national approach. Across every jurisdiction in Australia there are different regulations around issues such as liquor licensing, different policing methods to combat crime and different penalties for offenders. While I am not standing here advocating a one-size-fits-all approach, I am supportive of a more national strategy to combat the emerging culture of disrespect and the lack of empathy which allows some people—and, I stress, a minority of people—to attack others without any thought of the potentially fatal consequences.

It seems almost fashionable these days to find someone else to blame, but the answer, I believe, to many of the crime problems we face can be found in the home environment. I
believe that, as parents, we must take more responsibility for the example we set our children and the boundaries we impose on them. It is very hard for an adult to have a serious conversation with your son or daughter about the responsible consumption of alcohol if suffering from a hangover yourself. Like many people, I enjoy a drink, but we need to break this culture of excessive consumption of alcohol, which I believe is the root cause of the violence, the road trauma and the antisocial behaviour which has become such a blight on our community. Change is needed in our homes, as I have mentioned, but also at our sporting clubs and at community functions, where we need to demonstrate to young people that you can have a good time without getting rolling drunk. Programs that have been very successful at a local level include the Good Sports initiative, which focuses on responsible consumption of alcohol in a team sport environment, and I think they are very worthy of continued funding support by both state and federal governments. I am a huge supporter of sporting clubs, and I believe that they really do provide the opportunity to help shape our young people through active participation in organised activities such as our surf lifesaving movement, football, netball, basketball, tennis and cricket.

Where this motion talks about investing in early intervention programs to deter young people from crime, my first thought was to encourage more young people through their involvement in community life through sport and other organised activities. An old friend of mine who passed away a few years ago was a senior sergeant of police in Lakes Entrance: a fellow by the name of Adrian Lalor. He once remarked to me that he had never had any trouble from and never had to arrest any of the kids from the surf lifesaving club. Apart from the fact that the kids, having spent all day volunteering on patrol, were probably too tired to get up to any trouble on the weekend, it also reinforced the point that these young people are being taught how to be part of the community—how they fit in, how they could play a responsible role in community life and how they belong to something which is much bigger than just themselves. I think it is an interesting point in terms of the opportunities for adults in the community, through a sporting club or other community organisation, to provide that mentoring and leadership role to young people and to give them the opportunity to develop their self-esteem, develop their skills and become a responsible part of the community.

Finally, one other point I would like to make in relation to this motion is on the issue of prevention. I want to highlight again the government's failure to fund more of the closed circuit television cameras in high-risk areas, particularly in my electorate. There have been plenty of applications put forward by communities in my electorate, particularly by the Traralgon community, through the central business district there, which has a high incidence of community crime and antisocial behaviour. The funding applications have been unsuccessful at this stage. Our police do a tremendous job but they cannot be everywhere at once. Although I acknowledge nothing will replace an officer on the beat in terms of that strong visual presence, the closed circuit television cameras can assist in preventing antisocial behaviour and they can also provide strong evidence to assist in securing a conviction when crimes do occur.

I have repeatedly urged the government to provide additional funding for supporting community-based anticrime initiatives and to improve the safety on our streets. I believe that at a local community level we need to work together to encourage people to get
actively involved in a range of worthwhile pursuits so they can develop a respect for others and also recognise the importance of taking responsibility for their actions. There is no doubt that the government has an important time to play in building that respect— (Time expired)

Mr ZAPPIA (Makin) (11:42): I commend the member for Fraser for raising this matter and take this brief opportunity to speak to the motion. I also note and acknowledge the presence of Jess Woodall in the gallery today. Jess assisted the member for Fraser in the preparation of this motion.

The statistics within the motion speak for themselves and highlight what should be a matter of deep concern to all Australians and certainly to governments at all levels. The reality is that after years of effort we are failing to make inroads into reducing Aboriginal incarceration rates. This has been matter that has been raised time and again by Aboriginal leaders and social workers within Aboriginal communities.

The motion specifically draws comparisons between Aboriginal incarceration rates today and incarceration rates of 20 years ago. Twenty years ago was the time of the Aboriginal deaths in custody inquiry, led by the late Elliott Johnston after Commissioner Jim Muirhead had to resign in 1989. I knew Elliott Johnston, and I understand that he worked closely with fellow commissioner and Aboriginal leader Pat Dodson in writing the inquiry report.

Almost a decade after Elliott presented his report, I asked him to address a public forum on his work. I can recall that at the forum he expressed considerable disappointment that few of the report's 339 recommendations, although agreed to by governments, had been sufficiently implemented. Had they been implemented, the situation today may well have been different. A good start, therefore, may be to revisit the recommendations of that report, look at what changes have been made since it was handed down and which recommendations still await action.

I have little doubt that the recommendations made in that report 20 years ago are as relevant today as they were then. Overcoming Aboriginal disadvantage has been one of if not the most difficult social challenges faced by successive governments in Australia for decades. Some would say it has been our nation's greatest failure. Incarceration rates and deaths in custody take that disadvantage to a new level.

Prior to European settlement in Australia there were no Aboriginal people incarcerated, Aboriginals were not alcoholics or drug addicts and they were not taking their own lives. European settlement changed that and we have since failed Aboriginal people who died in custody and we have failed the families who grieve their loss. To dwell on the past, however, is only of benefit if we can learn from it.

Justice will only exist where there is equality, and equality can only come when all lives have equal worth. That is our first hurdle. We will only succeed in rebuilding the lives of Aboriginal people, who see little hope in what their future holds for them, when they are treated as equals. Former Prime Minister Paul Keating, in his now famous Redfern speech of December 1992, said:

… the starting point might be to recognise that the problem starts with us non-Aboriginal Australians.

Admitting our own failures is often a hard thing to do. Paul Keating's speech was 19 years ago. We still have a long way to go and much to do. It has not necessarily been through lack of want, because successive governments have implemented well-
intentioned policies and supported them with considerable funding.

Earlier this year in a speech I made in this place about this very issue I referred to statistics provided in a research paper prepared by Professor Chris Cunneen and Melanie Schwartz in 2008. The paper specifically deals with Aboriginal people and the criminal justice system and refers to issues such as: legal needs; language and cross-cultural issues; systemic issues such as adverse use of police discretion, juvenile justice diversionary issues, bail determination; and limited availability of sentencing options. It also covers restraints on effective service delivery arising from geographical isolation and remoteness including recruitment and retention of staff and lack of ability to provide a full range of legal services. The findings of that paper provide many of the answers that we may be looking for.

It is my view, however, that there is no single response or nationwide policy setting that will resolve the many disadvantages faced by Aboriginal people across Australia. Local solutions to local situations led by local people often need to be adopted if we are to cut through with meaningful change. And we must listen to the people who know best what they most need, that is, we must listen to the Aboriginal people themselves.

Mr ALEXANDER (Bennelong) (11:47): I thank the member for Fraser for raising this issue for discussion, and I also thank my colleagues from Aston, Gippsland and Dawson for their insightful contributions. There are two main areas of this broad and important motion that I wish to address: the disproportionate representation of Indigenous Australians in our prisons; and the unique education and rehabilitation programs implemented by not-for-profit organisations that deserve far more support and recognition than they currently receive.

The text of this motion refers to the rates of incarceration as 172 per 100,000 in the broader community rising to 2,303 per 100,000 for Indigenous Australians. That is an increase of over 1,300 per cent. You do not need a PhD from Harvard, like my learned friend from Fraser, to know that something is broken when such a disparity exists. This is an issue that should be significant to all Australians and will not be resolved in the time allocated to this motion today, but this conversation and action should never stop.

As legislators and academics debate policy responses to address these problems from an institutional perspective there are many non-government, not-for-profit groups working hard to alleviate the damage that incarceration and recidivism does to individuals and communities on the ground. One of these groups is the Australian Children's Music Foundation, founded by legendary Australian singer-songwriter Don Spencer and assisted tirelessly by program manager Vicki Fitzgibbon.

ACMF runs education programs for youth at risk in schools and disadvantaged communities. ACMF partners with 34 schools, of which 21 are 100 per cent Indigenous or have a high proportion of Indigenous students. Twelve of these schools are in remote communities. ACMF also runs an extensive juvenile justice program, currently in 17 out of 20 juvenile justice centres in Australia, with the goal to run permanent programs in all 20. ACMF has developed an enviable reputation for sustaining every program that it has initiated. This contrasts with many government programs referred to sceptically in remote Indigenous communities as 'another white
Toyota’—they drive in, they drive out, never to return.

One of the remote centres where ACMF runs a program is the Don Dale Juvenile Detention Centre at the Top End in the Northern Territory with detainees of both sexes aged from 10 to 18 years and with approximately 90 to 95 per cent Indigenous. The Principal of the Don Dale Education Centre, Lisa Coon, refers to the detainees as the 'Dis-Generation'. In her words:

They are typically disadvantaged, disinterested, disengaged, disillusioned, and disconnected. One of the most engaging tools the school currently possesses is the music program funded by the Australian Children's Music Foundation.

Music is a great equaliser amongst detainees, with those who may not be able to read and write in the classroom, being given the opportunity of positive expression through music. Music plays an important part in Indigenous culture and is the main venue that allows Indigenous detainees to create and perform stories about their culture in their own language.

Thus, engaging with the music program is seen as a necessary prerequisite for success in the mainstream classroom.

The ACMF juvenile justice programs are run year-round in remote and often forgotten parts of our nation with paid teachers and considerable overheads. ACMF would say that every dollar spent is worthwhile when observing the great results in some of the most disadvantaged and vulnerable young people in our country. They can only make this work through the generosity of charitable donations.

Unfortunately, this government has been far more willing to perfect the art of wasting money than supporting genuine social programs. It spent $33 million last year on market research and over $20 million was spent on advertising the carbon tax, yet this government can only afford to provide ACMF with just over $15,000 per year for each juvenile justice centre.

ACMF would never complain; however, I urge this government to change their focus to assist great not-for-profit organisations like the Australian Children's Music Foundation in attacking the scourge of Indigenous incarceration. I applaud the efforts of the Australian Children's Music Foundation and all other non-government organisations, who are doing such great work in dealing with a sad reality which we seem to try so hard to avert our gaze from—that of the exceptionally disproportionate rate of Indigenous incarceration.

Mr NEUMANN (Blair) (11:52): I commend the member for Fraser for this motion. It is my honour and privilege to chair the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs. I tabled the Doing time—time for doing report in June 2011 in this place. That report is the result of 110 submissions; hearings across the length and breadth of the country; and 18 public hearings, including a visit to New Zealand to see what has happened in respect of the Maori population. Statistics are damning in relation to this. We have seen a 59 per cent increase in Indigenous juvenile detention over the last 10 or 15 years. The prisoner census data shows a 55 per cent increase in the number of men and a 47 per cent increase in women of Indigenous background in our jails and detention centres between 2000 and 2010. Indigenous women are 35 times more likely to be hospitalised by partner abuse than non-Indigenous women. ABS data from 2008 showed that 40 per cent of all Indigenous men had been charged with a criminal offence by the age of 25.

These figures are damning. This is a national shame, a national disgrace and a national tragedy. The standing committee
made 40 recommendations to the federal government. I note the Attorney-General's recent favourable comment in a speech he made in relation to those recommendations and I look forward to his consideration and action on these matters. The report set out two high-level recommendations that seek to address the void in COAG's Closing the Gap strategy by setting justice targets and including a national partnership agreement under the safe communities building block. These things have been absent for quite some time and we need to take action in relation to them.

For too long both sides of politics have been tough on crime, but not tough enough on the causes of crime. The main thrust of our report was that prevention and early intervention are of utmost importance. The report recommended that we need to develop positive social norms, such as parenting skill, drug and alcohol rehabilitation, increasing engagement in education, initiatives to assist families—as well as young people and older people—in the transition to employment and increasing participation in sporting, cultural and recreational activities. The value of Indigenous mentors was also highlighted as role models and the report recommended that these positions be funded accordingly. We also need to enhance police awareness and cultural training.

We further recommended that the language barriers be overcome and hearing impairments be looked at for young people, particularly from Indigenous background schools. Subsequent to this report we have undertaken a report into language learning in Indigenous communities, competency in English—which is so essential for good educational outcome and vocational attainment—and an examination into the loss of Indigenous language. The impact of the loss of Indigenous language has had a very bad effect on Indigenous awareness, identity and self-esteem. At the time of white settlement there were 250 Indigenous languages across this country; now we have no more than 30 viable languages. I hope that when this committee finishes its hearings there will be some strong recommendations, because we know—as the great German theologian Dietrich Bonhoeffer said—that without one's language one is 'lost, hopelessly lonely'. We believe this will have an impact not only on our Indigenous incarceration rates, but also for better educational outcomes.

The focus on mental health is particularly important. I am pleased to see that the House of Representatives Standing Committee on Social Policy and Legal Affairs will look into the issue of foetal alcohol spectrum disorder. This was a recommendation from the Doing time report. There is good work being done on this issue in terms of assessment and diagnoses in a study in Fitzroy Crossing. We think that this is important and that it is a major problem that has gone undiagnosed and uncommented upon. Diagnosis, intervention and prevention are crucial for Indigenous communities, otherwise this stops good educational outcomes and good financial security for Indigenous individuals and families. We made recommendations in relation to hearing impairment and many other matters—(Time expired)

Debate adjourned.

MINISTERIAL STATEMENTS

Afghanistan

Ms GILLARD (Lalor—Prime Minister) (11:58): by leave—In my statement to the House last year on the war in Afghanistan, I set out to paint a very honest picture of the difficulties and challenges facing our mission in that country. I did so, confident that Australians are a realistic people. Our people of peace, so often called to war, have always
known that human conflict brings days of sorrow, as well as days of progress. Australians well know that this war is no exception. Australians well understand that days of progress and days of sorrow still lie ahead. Of course, we wish it could somehow not be so. It is right that in hard moments our hearts ache for all that is lost and all there is still to lose. Of course, we know that in an imperfect world, there is no perfect way. It is right that we do all that we can, with all that we have, to defend Australia and its national interests. This is the world we live in. It has not become a perfect world in this last year.

The international strategy in which we take our part is sound. It is focussed on counter-insurgency and designed to deliver transition. It has been led by President Obama since 2009 and is supported by the leaders of the 48 other countries who are members of the International Security Assistance Force. It is carried out under a United Nations mandate and with the support of the countries of the world. It is a strategy which is consistent with Australia's aim in Afghanistan as well: that a functioning Afghan state is able to assume responsibility for preventing the country from again being a safe haven for terrorists.

Our mission in Uruzgan as part of the international strategy is clear: protecting the Afghan people, training the Afghan security forces and building the government's capacity. Australia's national interests in Afghanistan are also unchanged. They remain very real—very clear. There must be no safe haven for terrorists in Afghanistan. We must stand firmly by our ally, the United States.

Yes, we are paying a high price for progress in Afghanistan. But progress is being made. Our national interests in Afghanistan have not changed in 12 months. Our mission has not changed. The timetable for transition to Afghan led security by the end of 2014 has not changed either. We will complete our mission of training and transition.

The daily work of Australians in Afghanistan

I believe that our parliament and our people want to know more about the daily work of our troops—and our civilians—in Afghanistan. Australians should have a practical and realistic picture of what our people in Afghanistan are doing on the ground. The moving and now sadly familiar images of ramp ceremonies overseas and funerals at home are a very real part of the story of the war—but they are not the whole story. We owe it to our troops, and to our nation, to understand the whole.

Defence has around 1,550 personnel deployed in Afghanistan at any one time. Over two-thirds of them serve in Uruzgan. Many of the Australians currently there arrived at the end of June and will be deployed until around March next year. With rotations, nearly 4½ thousand Australian Defence Force personnel will spend time in Afghanistan this year. Many will be on their second and third deployments—some will have been to Afghanistan many times.

Combined Team Uruzgan is principally an Australia-US partnership, but it also includes some contributions from Singapore and Slovakia. Many of our soldiers in the team are part of the Mentoring Taskforce. The task force trains and mentors the Afghan National Army's 4th Brigade—to make it ready to take over lead responsibility for security in Uruzgan.

The task force and the brigade train and fight together, working hard to build the brigade into an effective security force, removing improvised explosive devices where they are found, searching out where insurgents hide explosives, improvised
explosive device components and weapons. They have been involved in hundreds of incidents involving direct fire—hundreds of firefightsthis year. To support these operations, they maintain forward or patrol bases, across the province, in some cases as far as 75 kilometres from our main base at Tarin Kowt. And they join operations outside the province too, cutting the so-called 'rat runs', the routes which provide support and supply to insurgents in Oruzgan.

This last year, the Afghan 4th Brigade has increasingly assumed the lead for the planning and preparation of operations. And as that has happened, our Australians have increasingly concentrated on mentoring and partnering Afghan command and combat support functions. Our Special Forces work alongside the Afghan National Police's Provincial Response Company. Together, they have been targeting insurgent leaders and bomb-makers, finding weapons, interdicting some of the movement of Taliban forces and supplies across Afghanistan. Working alongside the Afghan National Interdiction Unit, our special forces disrupt the narcotics trade as well. In September and again earlier this month, the interdiction unit captured hundreds of millions of dollars worth of narcotics and thousands of kilos of poppy seed stored in preparation for next year's growing season. They cut vital money flows to the insurgency and Taliban when they did.

Another example of our work in building Afghan security capacity is our work at the Afghan National Army Artillery Training School. The Afghan artillermen we have helped train have now formed a new battery within the Afghan National Army. And in early April they were deployed to Kandahar to commence counter-insurgency operations. In Oruzgan Australians also work with the Afghan police to get them ready for transition. The Australian Federal Police currently has 20 officers at the police training centre and our police have trained more than 1,600 Afghan National Police officers in local policing work. This is our people's daily work: protecting the Afghan people and training the Afghan security forces. Every day, Australians are working to strengthen institutions and deliver basic services as well. In Kabul, led by our ambassador, our diplomats work with the Afghan government and our international partners to prepare for transition in Oruzgan province. We have 12 AusAID staff in the country at any one time, working in Kabul, Kandahar and Oruzgan. In Oruzgan, Australia leads the Provincial Reconstruction Team. Officials from the Department of Foreign Affairs and Trade and AusAID work hard in what is a vital and perhaps under-recognised role. These fine public servants serve our national interest well.

Australia is amongst the top ten bilateral aid donors to Afghanistan. Our programs fund primary schooling. They train farmers to increase crop yields and improve their livestock. They offer small loans to help rural households develop their own small businesses and economic independence. They help remove landmines and teach locals about the risk of mines. They distribute saplings and plant trees. Every day this work makes a difference in Afghan lives.

Our soldiers, police and aid workers do their work as part of a political and development strategy for the province as well. Civilian administrators and aid officials—including Australians—are helping government work better in Oruzgan and in Afghanistan as a whole. They have a difficult task: helping to recruit and train effective public officials, including in key provincial positions, even when it is hard; assisting the provincial government to deliver basic services like health, education
and rural development; playing a constructive role to lift the power and prestige of elected government—all difficult, all vital over time—because the international strategy is one which understands that no insurgency is ever defeated by military force alone.

To understand this daily work of our people, we must understand too that their work forms part of a nationwide strategy with international support. And the international strategy supports the Afghan government's efforts for reconciliation. We support reconciliation and the reintegration of insurgents who are prepared to lay down their arms, renounce violence and terrorism and respect Afghanistan's constitution. The international strategy also understands that Afghanistan exists in a regional security context where all its neighbours must do their part.

This year brought a great victory against terrorism. The hiding place of Osama bin Laden was found and Osama bin Laden was killed—justice delayed, but not justice denied. Yet this great success, revealing as it did bin Laden's presence in Pakistan, underscored the complexity of the war in which we are engaged. Pakistan, its military and people are on the front line of terrorism and have been victims of its violence themselves. In that country, perhaps as many as 30,000 civilians and 5,000 military personnel have died in terrorist attacks in the past 10 years. We do cooperate with Pakistan on counterterrorism. And the international community is there to assist as well. All that is true. What is also true is this. It is time for Pakistan to do more to counter terrorism and extremism, particularly on its border with Afghanistan. This is in the interests of Afghanistan, Australia and our coalition partners, and it is in the interests of Pakistan itself.

This was the daily work of the Australian military and civilians in Afghanistan this last year. And it was not isolated work. Across Afghanistan this last year, coalition and Afghan troops put considerable pressure on the insurgency. Sustained operations through the year weakened the Taliban's leadership and disrupted its ability to recruit and resupply. In 2010, the momentum of insurgents had already been halted and then reversed. In 2011, the insurgents were unable to retake any ground from the control of the International Security Assistance Force.

These gains need to be consolidated. Despite our successes, the Taliban is not yet defeated. But there is progress on the ground. The 4th Brigade is becoming more capable and professional. So is the Afghan National Army as a whole. Its ability to combat improvised explosive devices has significantly improved—more than 120 Afghan counter-IED operators are in the field with another 70 in training now. Some of their training has been from Australians. Afghan medics are about to deploy to patrol bases to train Afghan soldiers in skills that will enable them to stabilise combat injuries and prevent non-battle injuries. They have been trained by Australians. The Afghan National Police's crime scene and evidence collection procedures have improved, thanks to Australian training too. And progress can be seen in the country as a whole. Important tactical victories have been won fighting al-Qaeda and degrading jihadist networks; maintaining our momentum against the Taliban—cutting into their ability to control territory and provide sanctuary for terrorist groups. And the process of transition has begun. Several provinces and districts have now moved to Afghan-led security control and further provinces and districts are to be announced soon.

We understand that security progress is not enough. Progress in human development
and political reconciliation is vital too. Afghanistan is a poor country today: a place where most people are extremely poor and where many lack access to clean water, health and education and basic services. But this is not somehow inevitable or inescapable. It is a product of war and dictatorship, and peace and progress can allow Afghanistan to develop over time.

In the 1960s Afghanistan was a poor country but a growing one. Its wealth was comparable to that of countries like Malaysia and Portugal—countries which have found a path to prosperity in the decades since. By 2002, much had been lost. But since 2002 much has been gained. School enrolments are up from around one million then to over seven million today, including 2½ million girls. Basic health services once reached 10 per cent of the population; they now reach around 85 per cent. Almost 10,000 kilometres of rural roads have been rehabilitated, employing hundreds of thousands of local workers and building critical infrastructure. The economy has grown strongly, averaging 11 per cent growth each year since 2002.

Oruzgan is still a poor province and Afghanistan is still a poor country. These lost decades can never truly be regained—the Afghan people's goals for development, and our work with them, are very realistic. But Afghanistan is unrecognisable from the place Australians first deployed to 10 years ago. This is what is happening on the ground. In security, in training the Afghan 4th Brigade, in delivering basic services, progress has been made in 2011.

**Toward Transition**

Our caution is real. The progress is real too. So now let me turn to the government's plans to complete our mission of training and transition—our plans to ensure that progress continues during 2012. Throughout the coming year, we will continue working closely with the Afghan government, our ally the United States and our other international partners on the future of Oruzgan and our mission there and the course of transition there too.

This ultimately depends upon a careful, realistic and professional assessment of the progress of the Afghan 4th Brigade. Our best professional advice is this: the overall training task is on track. The 4th Brigade is demonstrating progress towards operating independently. One of the brigade's kandaks, or battalions, is now close to being able to conduct fully independent operations with advisers. The others are making steady progress with more expected to be capable of conducting independent operations next year. This is the big picture of the 4th Brigade.

But every member of the House understands the grave significance of the attacks on our soldiers by individual members of the Afghan National Army. If I can echo the Chief of Defence Force's words, it is critical that we show restraint and reserve our judgments until the investigation of these incidents is complete. We do not yet have grounds to conclude that these attacks represent a pattern or were directed with a purpose. What we do know is this. These attacks killed Afghan and Australian alike. Our partners in the 4th Brigade, our Afghan partners, are shocked and horrified at what has occurred. The Afghan National Army is a force of some 300,000 soldiers—a force making steady progress like the nation it serves. Whatever the purpose, we are determined not to allow these incidents to erode our trust. We must not allow attacks like these to strike at the core of our training and mentoring mission in Afghanistan.

All our best advice leads us to conclude that the 4th Brigade is on track to assume the lead role on security in Oruzgan by 2014.
And we are making steady and careful preparations for transition now. Australian forces have already handed over 11 patrol or forward operating bases to Afghan lead. Mobile mentoring teams will continue to assist our Afghan partners at their operating bases for periods as required. When our primary training and mentoring task in Oruzgan is complete—when the Afghan authorities have assumed lead security responsibility in the province—then Australia will adjust our contribution.

The timing to complete transition in Oruzgan is not yet decided. But given the progress we now see, it may well be complete before the end of 2014. And once our mission to train and mentor the 4th Brigade is complete, we will draw down the number of ADF personnel in the country. We are realistic about the 4th Brigade's progress. And it is that realistic assessment, by the governments of Australia and Afghanistan and by ISAF, which will decide the timetable for transition in Oruzgan. We will not allow a security vacuum in the province.

This reflects the international plan across Afghanistan. In March this year President Karzai announced the first tranche of Afghan districts and provinces to start transitioning to Afghan-led security responsibility. As security conditions improve, 2012 will see Afghan authorities take on lead security responsibility in more provinces and districts. The Afghan government is expected to announce the second tranche of provinces and districts for transition soon.

Transition is a process—and in these areas it is expected to take around 12 to 18 months. By the time transition in the second tranche is completed, Afghan national security forces will have lead security responsibility for around half of the country's people. As subsequent tranches are announced through 2012 and 2013 the remaining parts of the country will enter transition. And the Afghan National Security Forces should lead and conduct military operations in all provinces by the end of 2014.

**Transition and Beyond**

Over the next three years, Australia will complete our mission of training and transition. Australia will not abandon Afghanistan. With Afghan authorities in charge of their own security, the nature of the international effort in Afghanistan will change. International military forces will reduce in number. The forces that remain will focus on training and support for the Afghan National Security Forces and on counterterrorism. Australia's contribution in Afghanistan will continue to be part of a wider international effort. We will be engaged through this decade at least.

Naturally much remains to be decided. For now, the centre of our efforts is directed towards successful transition. But now is also the time when we will begin to develop the right strategy and approach for beyond 2014—for post-transition. 2012 will be an important year. Working closely with the Afghan government, international community and military planners, we will form our plans for transition and beyond. What we can say already is this. The international commitment, including that of our ally the United States, remains substantial. It is a substantial commitment in human and in dollar terms. Today, the US has around 100,000 troops in Afghanistan, reducing to around 90,000 at the end of this year. Most of the 'surge' troops, which lifted troop numbers to deliver the international strategy, will remain for most of 2012. This time next year, there will be around 68,000 US troops in Afghanistan—as part of an international force of over 100,000. By the
end of next year our contribution of around 1,550 people will be part of a force of over 100,000 uniformed personnel.

The United States is in negotiations with Afghanistan on a long-term strategic partnership—intended to provide a transparent political framework for long-term cooperation—to continue targeting terrorists and supporting a sovereign Afghan government. While the shape of the US commitment in Afghanistan post-2014 is yet to be decided, this work being done by the US on its long-term strategic partnership—and work being done by NATO—informs our thinking. And the May 2012 summit in Chicago of member countries of the international force will be critical in developing this thinking further.

What this means is that we have reached an important stage in our national policy on Afghanistan. I can advise the parliament that the government's post-transition planning has formally begun, building on the announcements made by the Minister for Defence and the Minister for Foreign Affairs during this year.

During my visit to Afghanistan last month, President Karzai and I discussed formalising a long-term framework agreement for the future of the Australia-Afghanistan partnership. This kind of cooperative, country-to-country approach is an important framework for our long-term plans. We seek an enduring partnership with Afghanistan beyond 2014 as Afghanistan takes on responsibility for its own security and governance—taking in a broad range of bilateral activities, including a sustained development assistance program and support for Afghanistan as a fledgling democracy. We have all worked hard to support democratic institutions and process. The next presidential elections in 2014 will be a test of those. So continued electoral reform is important too.

Australia will work closely with the Afghan government and international partners to continue electoral reform and to support successful and transparent presidential elections in 2014. Good government in the country may be the work of an Afghan generation. That, of course, is the responsibility of the Afghan government and people. But we can help.

While in Afghanistan, I also officially opened Australia's new embassy in Kabul—a 'bricks and mortar' symbol that our relationship with the people of Afghanistan will endure. After 2014 we will continue to maintain links with Oruzgan, a province in which we have invested so much. But our role will also have a national focus, with substantial development assistance and an AusAID presence, including Afghanistan based official aid personnel. We also expect to continue defence training to continue building the capacity of the Afghan National Security Forces—and for the Australian Federal Police to keep training the Afghan National Police.

We must remain vigilant against the threat posed by al-Qaeda and the groups it has inspired. Al-Qaeda and its affiliates still hold ambitions to conduct acts of terrorism in Afghanistan, the region and around the world. We will continue our efforts in Afghanistan to ensure that the country never again becomes a safe haven and training ground for international terrorism.

Whether there is still a counterterrorism role for the Australian Defence Force, in concert with the US and other international partners, will depend both on the security situation and on our discussions with our international partners. The government will keep under consideration a continued Australian Special Forces presence in
Afghanistan beyond 2014. We will take a firm line on our national interest that terrorism finds no safe haven in Afghanistan. We will see them through

I am deeply aware of, and the government, the parliament and the nation deeply feel, the burden which is being borne by the Army, by the Australian Defence Force and by the Defence community as a whole. In the years since 1999 we have asked much of this generation of our Defence Force personnel. We ask much of their families. We ask much of the communities they come from and the communities where they live. And for these good people, this has been a very hard year. As a nation, we are determined. We know their price. We know the good things we have done have come at a high cost. There have been days of sorrow and we do not forget.

Eleven Australians have died in Afghanistan this year. The 1st Combat Engineer Regiment lost Corporal Richard Atkinson and Sapper Jamie Larcombe in February. The 2nd Commando Regiment lost Sergeant Brett Wood in May and Sergeant Todd Langley in July. In May, Lance Corporal Andrew Jones of 9th Force Support Battalion and Lieutenant Marcus Case of 6th Aviation Regiment both died of wounds. The Incident Response Regiment lost Sapper Rowan Robinson in June. The 2nd Battalion, the Royal Australian Regiment, lost Private Matthew Lambert in August, and then last month the battalion also lost Lance Corporal Luke Gavin. On the same day Captain Bryce Duffy, 4th Regiment, Royal Australian Artillery, and Corporal Ashley Birt, 6th Engineer Support Regiment, were killed. We do not forget.

I believe that the best tribute we can pay to them is to live by their example—the example set by those who have died and by those they leave behind; of their service without fear. Even in their mourning they are an example to us. These are people who stick together; these are people who see things through. I am proud of the respect Australians show to our Defence Force—to those serving, to those who have died. I see that on Anzac Day and I see it on Remembrance Day. I feel it most when we hold our breath at the news that we most dread, news of casualties from the field. We have lost 32 Australians in our decade in Afghanistan. They are not our only casualties. Our wounded—and their families—have suffered terribly as well.

More than 200 Australians have been wounded in action in Afghanistan—48 this year. They include: 18 soldiers who were involved in improvised explosive device attacks, five aircrew who were wounded in a helicopter incident and another 10 soldiers wounded in the two recent incidents at patrol bases. They suffer: amputations, fractures, gunshot and fragmentation wounds, hearing loss and what is called 'mild traumatic brain injury'—something we will see more and more often as we learn more about how to detect and understand percussion damage from explosions. There are also lacerations and contusions, concussion and traumatic brain injury, penetrating fragments and multiple severe injuries. Many will not serve again. Some will not walk again. Not one will be forgotten. Our country will recognise and respect our wounded as well as our dead. Our country will take care of these Australians as they have taken care of us. We will see our mission through; we will see our people through as well.

This year, I flew from Jamie Larcombe's funeral at Kangaroo Island halfway across the world to Washington DC. I spoke about him there. I wanted to be sure that his service was honoured and, through him, that of all
his mates. Not just their service and their sacrifice but their virtues as well; their confidence and their determination to see their mission through. They are a sight to see.

Ours is a beautiful country. We share a continent of many great sights, and last week I took President Obama to see one of our finest: 1,500 of our young people in uniform in an Air Force hangar on a steamy Darwin day. I never thought I would say drinking a non-alcoholic beer was a highlight of my year, but a good time depends on the company you keep. And, if it had to be 'near-beer' last month, it was worth every drop for a chance to be near some great young Aussies in the canteen at Tarin Kowt.

The job they are doing for us has not changed in 12 months. They have made progress. They have hard days ahead. So do we. Ours is a realistic people. A people of peace, so often called to war. We will do what is necessary. We will defend our national interests. We will deny terrorism a safe haven in Afghanistan. We will stand by our ally, the United States. We will complete our mission of training and transition in Afghanistan. I present a copy of my statement.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:35): I ask leave of the House to move a motion to enable the honourable Leader of the Opposition to speak in reply to the Prime Minister's statement.

Leave granted.

Mr ALBANESE: I move:

That so much of the standing orders be suspended as would prevent the honourable Leader of the Opposition speaking for a period not exceeding 37 minutes.

Question agreed to.

Mr ABBOTT (Warringah—Leader of the Opposition) (12:36): I rise to support the fine words of the Prime Minister and I am grateful for the opportunity to join her in this expression of support for our military commitment to Afghanistan.

With the passing of the 10th anniversary of the September 11 terrorist attacks, and of the beginning of Australia's commitment to Afghanistan, it is fitting that we in this parliament reconsider and recommit to the military campaign. Much has been achieved over the past year. The United States and its key allies have badly damaged al-Qaeda. Information recovered from the Bin Laden compound suggests that, with half its key leadership killed or captured, the movement had even on its own assessment largely lost its capacity to inflict harm on Western targets and had failed in its quest to portray the West as being at war with Islam. In President Obama's assessment, al-Qaeda is now headed for defeat.

Inside Afghanistan, President Karzai has declared that Afghan forces should assume full responsibility for leading combat operations by the end of 2014, and members of the international coalition are planning for a transition to meet that deadline. President Obama has announced that 33,000 US troops will be withdrawn from Afghanistan through 2012. Prime Minister Cameron has already withdrawn 500 British troops, but both the United States and the United Kingdom continue to emphasise that the transition in Afghanistan will depend upon the actual security situation inside the country and that some coalition forces could remain for a long time.

The international coalition's commitment to Afghanistan cannot be entirely open-ended because that would excuse the Afghan people from taking responsibility for their own country. It would amount to a Western
takeover. On the other hand, withdrawal dates cannot be irrevocable either or the Taliban win just by waiting out the West. The best exit strategy is to win. For Australia, this means playing our part in defeating the Taliban in Oruzgan province and completing the task of training the 4th Brigade so that central government can contain and defeat the insurgency.

Our soldiers should not be in Afghanistan a moment longer than is necessary but, while there is vital work that they can do, that mission should be sustained. While it may well be possible to have significant troop withdrawals by 2014, it would be wrong to think that Australia's or the broader international community's involvement with Afghanistan should terminate at that point. It would be unrealistic for Australia to stay longer than our principal allies are staying but it is vital that we achieve our mission: Afghanistan should not be abandoned after 2014.

Australia must remain a reliable friend and partner of Afghanistan, if necessary, for many years to come. That may well require contributing to Afghan security beyond 2014, including with troops in an overwatch role—and I note the Prime Minister's comments a few moments ago about the possible continuation of special forces in that country.

We know that victory in Afghanistan will not resemble the unequivocal resolution of World War II; it will be more like success in Northern Ireland, involving a process as much as an outcome. Our goal is the establishment of a stable, effective and humane government, at least by Afghan standards, backed by reliable security forces.

I would like to confront head-on the claim that this is an unwinnable war. The impact of the surge of US troops which began in 2009 has been dramatic. At times, this has been overshadowed by high-profile suicide bombings and the tragedy of Australian casualties. Still, grief and disappointment should not override judgment. The coalition and its Afghan partners have made important security gains across much of the country, even though the border with Pakistan remains porous and key elements of the insurgency can enjoy a form of R&R there.

Progress is fragile. There is no certainty that recent security gains will be turned into a durable, stable country. Still, my most recent visit reinforced my confidence that Australia is making a difference, at least in Oruzgan province. The security situation there continues to improve. Taliban numbers are decreasing. They are finding it increasingly difficult to move around, and there are more relatively safe areas than during my previous visit. The insurgency still has the capacity to inflict casualties using roadside bombs to carry out civilian massacres and assassinate officials of the Karzai government.

The Australian military assessment though is that the Taliban's ability to engage in direct combat with coalition forces or even with the Afghan army has been seriously degraded. The transition from largely Western to largely Afghan security forces will take time. But, thanks to the work of the Australian mentoring task force, the 4th Brigade is now among the best in the Afghan army and is disproving the view of some strategic analysts that the only people in Afghanistan who shy away from fighting are the Afghan National Army.

In Oruzgan, more schools and clinics are open and many girls are getting an education for the first time. The road between Tarin Kowt and Chora has been sealed and a four-hour journey can now be done in 20 minutes. I understand that there are now individual cars on the road as travellers no longer feel
the need to be in convoy for safety. Local villagers, in a pattern which echoes Iraqi uprising against the insurgents in that country, are reported to be increasingly turning on the Taliban.

But, for Australian soldiers on the ground, the insurgency does remain potentially deadly. There is no such thing as casualty-free combat. Soldiers understand that, and we should too. Because of the higher intensity of our operations, we have lost 21 soldiers over the past two years compared to 11 in the previous eight years of our involvement. Nor should we overlook incidents in which rogue Afghan soldiers have turned on their Australian mentors. The element of betrayal makes these deaths particularly tragic. In any traumatised and armed society, though, there will be individuals who act violently even against friends. Our enemies hope to foster this type of treachery because it is the surest way to shake our own people’s faith in the mission, so it is important not to play into their hands.

Trust between comrades is vital for success in battle and must now be fully restored. I am pleased to say that the Australians I met in Tarin Kowt all spoke highly of their Afghan allies, the vast majority of whom they regarded as worthy brothers-in-arms. The next claim I want to confront is that the war is not worth the cost. Higher casualty rates do not mean that the war is being lost. They could equally mean that it is being prosecuted more vigorously. The Taliban are finding it more difficult to move around or to directly engage coalition or Afghan troops, so have increasingly resorted to roadside bombs. Since the departure of the Dutch in mid-2010, the Australian Mentoring Task Force, with the same numbers as before, has had a bigger job.

The Howard government originally judged that it was in Australia’s national interest to help evict the Taliban from power and to secure an Afghanistan that would never again grant sanctuary to al-Qaeda. And, to their credit, the Rudd and Gillard governments have made essentially the same call for essentially the same reasons. First, al-Qaeda represented a direct threat to all Western countries, as the September 11 atrocity demonstrated and as subsequent ones confirmed, such as the Bali and London bombings. All up, al-Qaeda has murdered 108 Australians. Al-Qaeda has also been a deadly threat to our country from within, as shown by home-grown terrorist plots, all of which, thankfully, so far have been foiled.

Second, it is in Australia’s enduring national interest to be a reliable ally and friend. It is in our national character not to let down our friends when the need help. It is right that we should support our allies in doing some of the heavy lifting in the struggle against Islamist extremism.

Third, it is consistent with our best values as a nation to back an international effort to remove an oppressive regime and to help establish a freer and fairer political system and a freer and fairer society in Afghanistan, especially for women. I have to say that Afghans are unlikely to become a nation of liberal pluralists or secular humanists any time soon. But that does not mean that they have no wish to be free to choose their own way of life. Their enthusiastic participation in multiparty elections last year, despite lethal intimidation, as well as similar participation earlier in Iraq suggests that the desire for freedom and democracy is not merely a Western conceit. Afghanistan may never be a Western-style pluralist democracy. In any event, it is for Afghans, not for outsiders, to reengineer their society from feudal to the modern, if that is what they want. It is important, though, that their choices should not be made for them by a totalitarian theocracy bent on exporting death to all, with a different notion of God.
Today's parliamentary statements are a response to understandable public concerns that the results in Afghanistan might not be worth the effort. In fairness to our soldiers and to their families we must count the cost of our continued commitment, but we must also count the cost of prematurely abandoning that mission. Should the international coalition's mission fail or end too soon, there is a strong risk that Afghanistan would once again descent into feudalism and once again become a base for international terrorism. If the Taliban were able to reassert control in Afghanistan there would be a high risk that neighbouring Pakistan—a nuclear armed country under great internal pressure from its own extremists—could itself become critically destabilised. That is why it is important that those who support the commitment continue to explain why it is not— I repeat, not—interfering in a faraway struggle that we could safely ignore.

I again place on record the coalition's appreciation of the magnificent work of the Australian forces in Afghanistan. As I had the opportunity to observe again last week, their job is dangerous and difficult, but they undertake it with great skill and resolution. Again and again they have confirmed their reputation as soldiers equal to the world's best. There are many ways to serve our country but probably no finer way—and, I am sure, no tougher way—than to be on active service in the armed forces. I am sure all in this House stand in humble awe of those who put their lives on the line every day for our country.

We mourn the 32 young Australians killed in Afghanistan. They are our finest. We honour them and we will never forget them. We also remember the 213 who have been wounded in the line of duty. Those who have not recovered fully from their injuries must have the best possible support; we must never let them down. Our hearts go out to the families of the dead and the wounded. They do not want their loved one's sacrifices to have been in vain. We best honour these soldiers by securing the victory for which they fought. I also salute the police, diplomats, aid workers and other Australians working hard in Afghanistan to give that country a better future.

I do acknowledge the fact that the Rudd and Gillard governments have maintained their predecessor's commitment in Afghanistan and were even prepared to strengthen that commitment following the withdrawal of most Australian forces from Iraq. Bipartisan support for the commitment is not quite the same as agreeing that nothing could ever be improved. Respectfully, the coalition should speak out in those instances where we feel the commitment could be made more effective.

In my parliamentary address on Afghanistan last year I noted that it would be important to be able to detain suspects beyond 96 hours, as the Americans and the British can. I have to say that our troops on the ground do remain concerned that they are releasing suspects only to have them rejoin the fight against us. So, again, I do respectfully ask the government to consider giving our forces in Afghanistan the capacity to detain terror suspects for at least as long as authorities already can here in Australia. The key element in prolonging the conflict in Afghanistan has been covert support for the Taliban from elements in the Pakistani state. The United States has so far judged that it is better to have an imperfect Pakistan as a partner than to treat it as a pariah. Pakistan indeed has tacitly accepted air attacks against al-Qaeda operatives on its territory and did not over strenuously object to the US raid that killed bin Laden. The Pakistani army has been intermittently effective against the local franchise of the Taliban. On balance, it is
best for Australia to maintain cooperative relations through our military training program in Pakistan and I am sure that the government is making every effort to rouse the Pakistanis to their own danger should Taliban safe havens continue to exist and should an insurgency take greater hold in Pakistan too.

I fully understand why a peaceful people would prefer to have our military forces out of harm's way. As far as everyone in this parliament is concerned, I am sure, Australian forces will not stay a day longer than they need to. But they should not leave while they are still needed and wanted. We should be very wary of rushing for the exits and seeing much that has been achieved crumble. Missiles and drones might be able to keep terrorist bases out of Afghanistan but they cannot build roads, they cannot keep schools open and they cannot give women equal rights with men. That requires a commitment on the ground.

Whatever the future holds, there is no doubt that the Australians there have acquitted themselves with courage and professionalism in the very best Anzac tradition. Our armed forces are more than ready to fight for our country but they need to know that it is indeed our country's fight. Our behalf of the Liberal and National parties I give them that assurance.

Mr ALBANESE: I move:

That the House take note of the document.

Question agreed to; debate adjourned.

Referral to Main Committee

Mr ALBANESE: by leave—I move:

That the resumption of the debate on the motion to take note of the Prime Minister's statement on Afghanistan be referred to the Main Committee.

Question agreed to.
BUSINESS

Rearrangement

Mr ALBANESE: I ask leave of the House to move a motion relating to the time and order of business for the sitting on Tuesday, 22 November 2011.

Leave granted.

Mr ALBANESE: I move:

That the time and order of business for the sitting tomorrow, Tuesday, 22 November 2011, be as follows, unless otherwise ordered:

(a) the House, at its rising, adjourn until tomorrow at 9 am;
(b) government business have priority from 9 am until 2 pm;
(c) during the period from 9 am until 2 pm any division on a question called for in the House, other than on a motion moved by a Minister, shall stand deferred until the conclusion of the discussion of a matter of public importance;
(d) during the period from 9 am until 2 pm, if any member draws the attention of the Speaker to the state of the House, the Speaker shall announce that he will count the House after the conclusion of the discussion of a matter of public importance if the member then so desires; and
(e) standing orders 31 (automatic adjournment of the House) and 33 (limit on business after normal time of adjournment) be suspended for the sitting.

Question agreed to.

BILLS

Minerals Resource Rent Tax Bill 2011

Report from Committee


Leave granted.

Ms OWENS: Mr Speaker, the committee reviewed the Minerals Resource Rent Tax Bill 2011 and the four related minerals bills; the Petroleum Resource Rent Tax Assessment Amendment Bill 2011 and the three related petroleum Bills; the Superannuation Guarantee (Administration) Amendment Bill 2011; and the Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011. The committee reviewed the bills against the backdrop of an unprecedented mining boom with high levels of investment and profit. Mining companies generated profits of $92.8 billion to June and plan to invest $430 billion to expand their industry. In the last decade mining profits have jumped 262 per cent. The Australian government has taken the view that the massive profits of the mining sector should be more fairly taxed and the proceeds returned to all Australians. This is consistent with the evidence the committee received during the inquiry. United Voice stated:

There is a substantial gulf between the perceived benefits of the mining boom and some of the actual impacts on our economy, environment, health and the day-to-day lives of working Australians.

The minerals resource rent tax will be a tax on mining profits. The proceeds of the tax will fund critical infrastructure and a cut in the company tax rate for small business, and make it possible to increase the superannuation guarantee from nine to 12 per cent. Resource rent taxes are much more efficient than royalties. The Australia’s Future Tax System review found that royalty regimes were the most distorting taxes in the Federation.

The package of bills implement important reforms to the Australian economy. They apply a 22.5 per cent minerals resource rent tax on the profits that mining companies make on iron ore and coal on their mining activities only. This excludes value-adding
activities such as transportation and concentration.

They also extend the petroleum resource rent tax to the North West Shelf and the Australian mainland.

The bills increase the superannuation guarantee from nine per cent to 12 per cent, remove the age limit of 70 for the superannuation guarantee, and implement a superannuation contribution for low-income earners of up to $500 annually.

Finally, the bills give small businesses simplified and greater upfront tax deductions for assets.

Although not formally a part of the package, the government has also announced that it will decrease the company tax rate for small businesses from 30 per cent to 29 per cent.

These reforms recognise that mineral resources belong to all Australians and it is only right that the profits from the mining boom be shared more widely.

During the inquiry there were differing views on how the tax would affect emerging miners, compared with established miners. Emerging miners believed that they would be paying a large amount of the revenue under the minerals resource rent tax and that large miners would pay very little, due to the larger starting base that established miners have available to them as a deduction against the tax. However, Treasury advised the committee that:

The value of the resource, to the extent that it is reflected in the starting base, will be reflective of the expected future cash flows from the exploitation of the resource, so they will be proportional. If you have a large starting base you would expect to have large revenue flow, and if you have a small starting base you will have a smaller revenue flow.

The committee is confident that the MRRT will operate as intended.

Importantly, the other elements of the package deliver significant benefits to the Australian economy as a whole. Small business confirmed that the improved deductions will help them with their cash flow and make it easier for them to obtain finance to invest in their businesses during the two-speed economy. Business Enterprise Centres Australia said:

… we have small business, which is the backbone of the economy, struggling. There has to be a redistribution of that wealth.

The MRRT will also fund substantial infrastructure investment in regional Australia through the Regional Infrastructure Fund.

The superannuation industry confirmed that Australians support compulsory saving for their retirement and that the bills will help address the savings gap that currently exists for the great majority of Australians. The Financial Services Council stated:

… the current SG rate is at nine per cent and that will fail to provide people with their expectations of a comfortable retirement.

Low-income earners stand to significantly gain from the bills. Unlike the majority of Australian workers, 3.5 million Australians on low incomes receive little or no tax benefit from contributing to super because their marginal income tax rate is equal to, or below, the 15 per cent tax applied to superannuation. The low-income superannuation contribution in the legislation will distribute superannuation tax concessions more equitably.

The bills implement important long-run reforms to the Australian economy and ensure that all Australians will benefit from the mining boom. They should become law.

I would like to thank the organisations that assisted the committee during the inquiry through submissions or participating in the hearings in Canberra. I also thank my
colleagues on the committee for their contribution to the report and acknowledge the extraordinary work done by the secretariat on a very short time frame. I commend the report to the House.

Ms O'DWYER (Higgins) (13:04): by leave—I rise to speak on the minority dissenting report on the Minerals Resource Rent Tax Bill 2011 and 10 related bills. These bills contain some of the most complex tax changes ever introduced into the parliament. There are 11 bills in total and they account for more than 525 pages of legislation. You would think that, in these circumstances, the government would be keen for proper scrutiny of these tax changes. You would think that the government would want to evaluate the impact of these tax changes on employment, on investment, on Australia's international competitiveness, on the Commonwealth budget position, on state and territory revenues, on whether the tax changes have a disproportionate impact on smaller miners versus large miners. But no, it is clear that the government does not wish to look at these elements in detail. Despite the government's high-minded rhetoric on undertaking tax reform to make laws 'simpler and fairer', it appears that the government does not want to hold to this test. It is simply interested in the revenue that will flow from any tax changes made. This is clear from the fact that the Treasurer allowed only 12 business days to conduct this inquiry and report. There were only three business days on which people could make submissions to the inquiry.

This tax has been flawed from the very beginning. It has been flawed in its design and in the consultation process that led to this design. I will quote from Mr Yasser El-Ansary, from the Institute of Chartered Accountants in Australia. He said:

If there was an international prize for the best worst policy consultation process in a sophisticated open market economy, Australia's efforts during the course of 2010 would win hands down.

Speaking about the consultation process after the RSPT that occurred in secret between the three big miners and the government, he went on to say:

It would not be unreasonable to say that that represented a low point in Australia's economic and political history. It is a low water mark which most Australians would prefer not to see repeated in our lifetime. I think you would be hard pressed to find anyone to support the view that that is a good way to make public policy decisions.

We are very concerned about how this tax has come about and, specifically, about a number of elements of the tax. We outline those in the minority report, but for the purpose of this speech today I will highlight one element: the revenue and fiscal position of the government and the revenue implications of the tax.

When the government came into office, it had been left with a very strong fiscal position. The coalition left a surplus of $20 billion and a $60 billion investment in the Future Fund, having paid back $96 billion of the government's debt when it was previously in office. In the May budget, the Treasurer announced his fourth deficit—a fourth deficit in four years. He has, in fact, announced an accumulative deficit of over $100 billion.

It is clear that the goal of the MRRT is to try to obtain revenue for the government because of the fiscal position that it finds itself in. Yet, despite the goal, it is clear that the revenue raised by the MRRT is highly volatile and sensitive to changes in such things as commodity prices and production volumes. The government has chosen to introduce the package of bills that include both revenue and expenditure measures. In
so doing, the spending will continue to grow as a permanent feature of the architecture of the bills, yet there is no guarantee that the revenue will also continue to increase. In fact, the evidence provided to the committee gave cause for alarm because, according to Treasury's modelling, the MRRT and extended PRRT will not raise the $11.1 billion over the last three years of the forward estimates that it claims to.

Since the government released its numbers, New South Wales and Western Australia have announced increased royalties over this period of $1 billion and $2 billion respectively. These royalties will be credited against the revenue of the mining taxes. This means that net revenue to the federal government will be reduced to $8.1 billion. Under the government's numbers, there is a shortfall in revenue relative to spending of $2.8 billion over the forward estimates. This black hole blows out to $5.7 billion after crediting the royalties of New South Wales and Western Australia.

Both the RBA and Access Economics have suggested that commodity prices in terms of trade have peaked and are declining more rapidly than expected. This created further downside risks for the mining tax revenue. It is clear that the spending side of the package is locked in but the revenue side is subject to the vagaries of the international market and state royalty changes. The MRRT package will significantly worsen Australia's structural budget deficit over time, with the government's proposal underfunded beyond the forward estimates.

The coalition members of the committee also have serious concerns about the transparency of the government's modelling. It was pointed out on a number of occasions in the testimony provided to the committee that the government had not provided the assumptions behind its modelling, making it very difficult for miners to determine the amount of MRRT that they would be subject to. It also goes to the accuracy of the revenue projections by the government when it was revealed that Treasury had not done a calculation on a project-by-project basis. This also concerns coalition members. We think there is no reason for the government not to be completely transparent about the assumptions behind its modelling. This is something that is commonplace in the WA treasuries and is something that we would commend to the government.

The coalition members were particularly concerned about some of the sovereign risk concerns that had been raised in the course of the testimony provided to the inquiry. Those concerns were outlined in a number of the submissions. I will not go through all of those in detail but they are referred to in our minority report. The coalition members were also concerned about issues raised by the smaller miners in relation to thresholds and the impact of the regulation impost that would be applied as a result of the MRRT. Again, we highlight that these issues are not issues that have been properly and duly considered by the government in its design of this tax. As such, due to these reasons and others as outlined in our report, the coalition members recommend that all 11 of the bills in this package be rejected and that the Minerals Resource Rent Tax Bill 2011 and the four related minerals bills, the Petroleum Resource Rent Tax Assessment Amendment Bill 2011 and the three related petroleum bills, the Superannuation Guarantee (Administration) Amendment Bill 2011 and the Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011 be rejected.
BILLS

Defence Trade Controls Bill 2011
Customs Amendment (Military End-Use) Bill 2011

Report from Committee

Mr DANBY (Melbourne Ports) (13:12): On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I seek leave to make a statement on the Defence Trade Controls Bill 2011 and the Customs Amendment (Military End-Use) Bill 2011, in discharge of the committee's requirement to provide an advisory report on the bills and to present a copy of my statement.

Leave granted.

Mr DANBY: The committee has considered the content of this statement and has unanimously endorsed it. On Thursday, 3 November the House of Representatives Selection Committee referred the Defence Trade Controls Bill 2011 and the Customs Amendment (Military End-Use) Bill 2011 to the joint standing committee for inquiry and report.

The Defence Trade Controls Bill is intended to give effect to a treaty between Australia and the United States concerning defence trade cooperation, which was examined and endorsed by the parliament's Treaties Committee in September 2008. The US Senate recommended ratification of the treaty last year and the congress passed the treaty's implementing legislation on 28 September.

In essence, the treaty and its enabling legislation create a framework for two-way trade in eligible defence articles between trusted communities of the two countries, without the need for licences to be obtained for each export. For Australian companies that are part of the approved community, this will save time and money. For the Australian Defence Force, the legislation will also improve interoperability with US armed forces and defence industries. The treaty and the bill will strengthen our alliance with the United States in defence capability and technology, which is clearly in our national interest.

The purpose of the Customs Amendment Bill, which complements the new powers in the Defence Trade Control Bill, is to strengthen Australia's defence export controls by providing measures to prohibit the export of goods where they may have a military end-use contrary to Australia's interests.

In view of the recent visit of the US President and the 60th anniversary of the ANZUS alliance, the government has requested that these bills be dealt with expeditiously by the committee and that, if possible, an advisory report be presented to the House of Representatives this week.

The principal bill, the Defence Trade Controls Bill 2011, has now been referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee, which has commenced its inquiry. Any concerns that stakeholders have in relation to the bill may be considered by the Senate committee.

Out of a desire to avoid needlessly duplicating the examination being conducted by that Senate committee, to more efficiently progress the passage of the bills through the parliament and at the special request of the government, the committee has agreed not to further inquire into the bills, and recommends that the House of Representatives pass both bills without amendment.

I wish to express my gratitude to the opposition members of the committee and, in particular, to the deputy chair of the committee, Mrs Joanna Gash, for
accommodating the government's request on this occasion.

Business Names Registration Bill 2011  
Business Names Registration  
(Transitional and Consequential Provisions) Bill 2011  
Business Names Registration (Fees)  
Bill 2011  
Tax Laws Amendment (2011 Measures No. 6) Bill 2011  
Higher Education Legislation Amendment (Student Services and Amenities) Bill 2011  

Assent  
Messages from the Governor-General reported informing the House of assent to the bills.

Clean Energy Bill 2011  
Clean Energy (Consequential Amendments) Bill 2011  
Clean Energy (Income Tax Rates Amendments) Bill 2011  
Clean Energy (Household Assistance Amendments) Bill 2011  
Clean Energy (Tax Laws Amendments) Bill 2011  
Clean Energy (Fuel Tax Legislation Amendment) Bill 2011  
Clean Energy (Customs Tariff Amendment) Bill 2011  
Clean Energy (Excise Tariff Legislation Amendment) Bill 2011  
Clean Energy (Unit Shortfall Charge—General) Bill 2011  
Clean Energy (Unit Issue Charge—Auctions) Bill 2011  
Clean Energy (Unit Issue Charge—Fixed Charge) Bill 2011  
Clean Energy (International Unit Surrender Charge) Bill 2011  
Clean Energy (Charges—Customs) Bill 2011  
Clean Energy (Charges—Excise) Bill 2011  
Clean Energy Regulator Bill 2011  
Climate Change Authority Bill 2011  
Steel Transformation Plan Bill 2011  
Australian Renewable Energy Agency Bill 2011  

Australian Renewable Energy Agency (Consequential Amendments and Transitional Provisions) Bill 2011  
Excise Tariff Amendment (Condensate) Bill 2011  
Excise Legislation Amendment (Condensate) Bill 2011  
Trade Marks Amendment (Tobacco Plain Packaging) Bill 2011  

 Returned from Senate  
Message received from the Senate returning the bills without amendment or request.

Tobacco Plain Packaging Bill 2011  
Consideration of Senate Message  
Bill returned from the Senate with amendments.
Ordered that the amendments be considered immediately.

Senate’s amendments—

(1) Clause 2, pages 2 and 3 (table), omit the table (not including the note), substitute:

<table>
<thead>
<tr>
<th>Provision(s)</th>
<th>Commencement</th>
<th>Date/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sections 1 to 16 and anything in this Act not elsewhere covered by this table</td>
<td>The day this Act receives the Royal Assent.</td>
<td></td>
</tr>
<tr>
<td>2. Sections 17 to 27A</td>
<td>1 October 2012</td>
<td>1 October 2012</td>
</tr>
<tr>
<td>3. Sections 28 to 29</td>
<td>The day this Act receives the Royal Assent.</td>
<td></td>
</tr>
<tr>
<td>4. Sections 30 to 32</td>
<td>1 December 2012</td>
<td>1 December 2012</td>
</tr>
<tr>
<td>5. Sections 33 to 36</td>
<td>1 October 2012</td>
<td>1 October 2012</td>
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<tr>
<td>6. Sections 37 to 38</td>
<td>1 December 2012</td>
<td>1 December 2012</td>
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<td>7. Section 39</td>
<td>1 October 2012</td>
<td>1 October 2012</td>
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<td>8. Sections 40 to 41</td>
<td>1 December 2012</td>
<td>1 December 2012</td>
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<tr>
<td>9. Sections 42 to 46</td>
<td>1 October 2012</td>
<td>1 October 2012</td>
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<tr>
<td>10. Sections 47 to 48</td>
<td>1 December 2012</td>
<td>1 December 2012</td>
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<tr>
<td>11. Sections 49 to 80</td>
<td>1 October 2012</td>
<td>1 October 2012</td>
</tr>
<tr>
<td>12. Sections 81 to 82</td>
<td>The day this Act receives the Royal Assent.</td>
<td></td>
</tr>
<tr>
<td>13. Sections 83 to 105</td>
<td>1 October 2012</td>
<td>1 October 2012</td>
</tr>
<tr>
<td>14. Sections 106 to 109</td>
<td>The day this Act receives the Royal Assent.</td>
<td></td>
</tr>
</tbody>
</table>

(2) Clause 18, page 21 (lines 7 to 9), omit paragraph (3)(c), substitute:

(c) the inside lip of the cigarette pack must have straight edges, other than corners which may be rounded, and neither the lip, nor the edges of the lip, may be bevelled or otherwise shaped or embellished in any way;

(3) Page 28 (after line 11), after clause 27, insert:

27A Legal effect of sections 18 to 27

Sections 18 to 27 have no legal effect other than to specify requirements, and provide for regulations specifying requirements, for the purposes of the definition of tobacco product requirement in subsection 4(1).

Note: Chapters 3 and 5 contain the offences and civil penalty provisions for failing to comply with a tobacco product requirement.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (13:17): I move:

That the requested amendments be agreed to.

As the House would be aware, the government is committed to reducing the national smoking rate to 10 per cent of the population by 2018 and to halving the Aboriginal and Torres Strait Islander smoking rate. This bill is a crucial step in the government’s antismoking action, which includes a 25 per cent excise increase which was announced in April 2010, record investment in antismoking social marketing campaigns, legislation to restrict advertising of tobacco products on the internet, listing of nicotine replacement therapies on the PBS and investments in Indigenous tobacco control.

The Tobacco Plain Packaging Bill introduced plain packaging, which will remove one of the last remaining forms of tobacco advertising. It will restrict the use of tobacco industry logos, brand imagery, colours and promotional text on tobacco products and their retail packaging.

I am pleased about, and want to acknowledge, the support of the Liberal opposition for this legislation, both here and
in the Senate. The bill was passed by the House of Representatives with the accompanying Trade Marks Amendment (Tobacco Plain Packaging) Bill on 21 August, and passed with amendments in the Senate on 10 November.

The government's amendments to the original bill supported in the Senate ensure that there will be sufficient time for the industry to comply before the penalty provisions commence. This followed, of course, the delays in considering the bill in the Senate and intense discussion from the industry asserting that they would not be able to meet the initial time lines in the bill.

The bill, as it currently stands, does not alter the approach to plain packaging of tobacco products but the bill does change the dates following the amendments from the Senate. The bill now proposes that most of the preliminary provisions that previously commenced on 1 January 2012 will now commence on royal assent. The offences relating to prohibition of manufacture of noncompliant product in Australia will now commence on 1 October 2012, and the remaining offences relating to the retail sale of noncompliant product will now commence on 1 December 2012.

In addition, the commencement clauses 17 to 27 are in line with the commencement of the manufacturing offences on 1 October 2012. This is intended to make clear that these provisions have no legal effect independent of the offences in chapter 3 and the enforcement provisions in chapter 5 of the bill. This is supported by the new provision at clause 27A to state that sections 18 to 27 have no legal effect other than to specify requirements, and permit regulations that specify requirements, to be made for the purposes of the definition of 'tobacco product requirement' in the bill.

Finally, paragraph 18(3)(c) addresses a technical implementation issue. It will allow the use of rounded corners on the inside lip to avoid the need for a change to this part of the manufacturing process, which would be difficult to achieve within the proposed implementation time frames.

I am very proud that this legislation has received the support of this House and the Senate. I hope that the Liberal opposition, as they have indicated, will support this change. It means that Australia, next year, will be the first country in the world to introduce plain packaging legislation. Australia, again, will be leading the way, as it has for many decades, in taking tobacco control measures to the next step. I commend this bill, with its amendments, to the House.

**Dr SOUTHCOTT** (Boothby) (13:20): In rising to speak on the amendments to the Tobacco Plain Packaging Bill 2011, I would like to thank the minister for acknowledging the support of the opposition for the principal plain packaging bill. We did support that bill in the House of Representatives and we supported it in the Senate. I also want to indicate that the opposition will be supporting the government's amendments to their own bill.

The most important of the three amendments deals with the time lines. I would like to spend some time addressing, specifically, the time lines. It was in June 2009 that the Preventative Health Taskforce, in a draft report, first recommended moving to the plain packaging of tobacco. And that was reconfirmed in their final report of September 2009. In April 2010, the government announced that they would implement plan packaging from 1 July 2012. The draft plan packaging legislation was released for consultation on 7 April 2011, and the House first saw the final bill when it was introduced into the House of
Representatives on 6 July 2011. That bill was passed by the House on 24 August 2011. It was brought on for debate in the Senate for the first time on 11 October 2011, and that debate was adjourned by the government. It was finally passed and the debate concluded in the Senate on 10 November 2011.

At all times in this process, the opposition has been in the hands of the government. The government have set the time of the release of their draft legislation and the timing of the introduction of the bill: the timing of when it was brought on in the House and the timing of when it was brought on in the Senate. I notice that the minister, in October and November, blamed the opposition for delaying the passage of the bill. A press release of 12 October 2011 from the minister's office states:

... delaying tactics by the Opposition have ensured that the legislation won’t pass this week and again call into question their commitment to this landmark public health reform.

In the same press release, the minister herself said:

Given the delays in passing the Bill caused by the Opposition, the Government now has no choice but to reconsider the impact on implementation timeframes.

Subsequently, the minister made an announcement that the time frame for implementation of the bill would be delayed by five months.

The House and the Senate have spent a matter of hours debating this legislation, so there has been no delay. There has certainly been no delay caused by the opposition, because, at every point in time in the scheduling of this bill, the opposition has been in the hands of the government. It is clear that the original time frames were not realistic at the time that the plain packaging bills were introduced. If we consider the introduction of the GST—the A New Tax System—we realise that that legislation was in place more than 12 months before its implementation, and, although that was a much bigger reform, it is clear that a reasonable time for small businesses to comply with new legislation is something in the order of 12 months. The problem with this bill is that in April 2010 the government made the announcement that plain packaging would come in more than two years later, but there was a 12-month delay before anyone saw the draft bill. That is where the principal delay has occurred. The minister has repeatedly said that the delay in implementation of the bill was caused by the coalition's stalling tactics in the Senate. On behalf of the opposition, I reject and repudiate that.

I take the opportunity now to remind the minister of some comments she made on 24 August about the implementation of a neutral track-and-trace regime. The opposition now offers the implementation of such a regime as a suggestion—as just one element in combating illicit tobacco—in the context of tobacco control. It is done in a number of jurisdictions such as California, Massachusetts and Canada, all of which, like Australia, have excellent reputations in the area of tobacco control.

Mr BILLSON (Dunkley) (13:26): I support the comments of my colleague Dr Southcott, the member for Boothby. In his remarks, he touched on the consideration being afforded to businesses, particularly smaller businesses, in the transitional arrangements in the Tobacco Plain Packaging Bill. As Dr Southcott outlined, the coalition have at times been portrayed as not being as supportive, as we in fact have been, of the measures in this bill, and that is unfortunate. However, the particular concern which has exercised my mind is the way that small retailers are so often caught at the pointy end of changes such as those that will
result from this bill. If we look at a range of earlier measures—for example, the graphic health warnings introduced at the retail level on 1 March 2006 and the reduced fire risk cigarettes which were phased in from 23 March 2006—and at the available lead-in periods of four and six months respectively, we see that the small business community was able to make the required transitions during its nonpeak periods. But the revised date for the implementation of the new arrangements in this bill creates quite a narrow window in which the manufacturers, and in turn the retailers, must comply with the new arrangements. In fact, the revised date is 1 December, which is right in the middle of the peak period for many retailers.

We are not of a mind to amend the bill—it has had a rather interesting journey thus far—but we are very concerned about the narrow window of time and that it will fall in a peak period for many small retailers. I urge the minister to reassure the opposition and the small retailers that there will be a collaborative and facilitative approach to the transition period rather than a punitive and strict compliance regime. I ask this in good faith and in the spirit in which the opposition have been supportive of what the government has been doing on plain packaging. Also, in consideration of the very real life workplace responsibilities that smaller retailers would face at the coalface, I ask the minister to consider a moratorium of prosecution during the first three months of the transitional period. That is not to say that the minister's enforcement activities would be completely truncated but rather to remind her that, where an inadvertent error may have been identified, the risk of a very heavy $220,000 fine would bankrupt most small retailers.

There is an opportunity to be supportive and collaborative in this transition period. There is an opportunity to facilitate the handling of inappropriate stock and its return. There is an opportunity to realise that the time around 1 December is a Christmas and summer peak period for retailers, with much on their plate, and that this is a difficult and unprecedented time to ask them to make a transition of the kind demanded by this bill, especially given that they are faced with a very heavy penalty if they get it wrong. I ask the minister to consider making a declaration or providing this House with some reassurance that the real-life challenges which small business retailers are facing are understood by the government and that, where an error is identified, guidance, coaching and facilitation will be the order of the day for the first three-month period. Frankly, Minister, small retailers are absolutely terrified. They have been subjected to local councils sending in people who are probably a good foot taller than me and who might well be a third of my age!

Mr BILLSON: I know that is hard to imagine, Ma'am! The small retailers are at the pointy end of so many of these changes, whether it be the display bans—which, to bring about, small business incur another cost—or even the penalties they face for inadvertently selling to an under-age person, where the under-age person gets away scot-free. In a small corner store, half-a-dozen large adolescent males urging a shopkeeper to sell them tobacco can be quite intimidating. The small retailers are at the pointy end to begin with and, with these changes, they are again at the pointy end again, during a peak time in their business. There is no time during the year when their prospects to make a profit are as bright as over the Christmas-New Year period. To contend with this change and the risk of a penalty at this time is quite terrifying.

Mrs Elliot interjecting—
So, rather than reopening the bill, I see the way forward being a moratorium for the first three months on prosecution and on those stiff penalties. I am very hopeful that the minister will be able to give that reassurance and give some encouragement to the small businesses at the pointy end of yet another change in this space. *(Time expired)*

**Mr CHRISTENSEN** (Dawson) (13:31): In rising to speak on the motion, I want to reiterate the issues that have largely been addressed by the member for Dunkley and also by the member for Boothby beforehand. Proposed section 31(2) of the Tobacco Plain Packaging Bill 2011 is of concern. That is where a retailer who contravened the act and sold non-compliant products would be liable for a penalty of up to $220,000. That would kick in from 1 December 2012. The member for Dunkley certainly put it very aptly: December is the busiest month for most small retailers and a time when stock management is particularly difficult. The fact that we have a short window of time between when the manufacturers of these products start supplying retailers with compliant product and when they have to stock the shelves with it means that you are going to have retailers who are out of pocket. They are going to have considerable amounts of unsold non-compliant product.

Mix-ups do happen, particularly with smaller shops, where younger people and perhaps people for whom English is not the first language often work, and mistakes are easily made. If you have a whole heap of non-compliant stock sitting there that is yet to be returned to the manufacturer, the question is whether you can return it and get compensation. I do not know the answer to that, but the fact is that a mistake could be made and non-compliant stock could be sold. It concerns me that a $220,000 fine could be imposed for an accident that, given time, could be completely averted.

If this kicked in on 1 March 2013, it would probably be better for everyone involved, but that would require a further amendment. It would be preferable to me, and obviously to many shopkeepers, to know their exact legal standing. But, if the minister was so kind as to offer a moratorium—as the member for Dunkley has suggested—on fines for small businesses, that would be good. Mistakes may be made during the Christmas rush, with all the day-to-day stuff that small business retailers have to contend with. I really do urge the minister to look at that option. If that was done, these concerns would be addressed.

**Mr DUTTON** (Dickson) (13:34): I want to start by thanking the shadow parliamentary secretary, Dr Southcott, for his work in this area. I also thank the shadow minister for small business and my other colleagues who have raised legitimate questions for the minister. There are serious concerns at a small business level. These are people who want to do the right thing, who have the right intent, but do not have the great resources of government to introduce what are dramatic changes to the way in which they retail products. I endorse those calls and ask—I am sure the Minister for Health and Ageing will take up the request—that the minister directly respond to what are reasonable suggestions. I think they are a demonstration that the coalition does believe that small business are in a difficult space, and it is not unreasonable in the circumstances to ask the minister to respond accordingly.

I also wanted to touch on two other issues. I know that time is against us at the moment, but I want to say to the minister that the government's attention must redouble in terms of Indigenous smoking rates in this country. People can be optimistic or pessimistic about the Tobacco Plain Packaging Bill 2011 and the measures. My
judgment is that, in Indigenous communities, this will have very little impact; nonetheless, it is for government—and for the opposition, in a constructive way, to support government—to introduce changes which will have tangible and positive outcomes for people living in Indigenous communities, particularly young people living in Indigenous communities, as well as young people living across the country.

The take-up rate is still too high, although much of the work that we did when we were in government and that Tony Abbott did when he was health minister has resulted in positive outcomes, downward trends, that have put us in a position that the world is envious of. But we need to make sure that as a country we continue to put mechanisms which will have positive outcomes in those particular hot spots of tobacco use. A significant cultural change needs to take place. It will provide government with ongoing difficulties—there is no question about that. It will provide government with resourcing questions. But what we do not need in this space is more health bureaucrats, which is what we have seen in other parts of this health portfolio. I want to make sure that the measures the government puts forward—and the coalition would be happy to support—are practical measures which would go to reducing smoking rates, particularly, as I say, in Indigenous communities. I might close on this note. I do not wish to seek to raise the tempo in this chamber. I think the member for Boothby aptly put the argument before. But the fact is that the coalition has not sought to block or slow down the passage of this legislation in the Senate. I thought it was churlish, I might say, for the minister to put out a press release—I am sure it was done by a junior staffer in her office—to suggest that somehow we were complicit with big tobacco or other companies in slowing down the process. Of course the truth came to the surface when within a matter of days the minister was out making a plea on ABC radio, asking health groups and other informed constituents to lobby her own Senate colleagues to get out of the way, to stop slowing down their own bill and to get on with the passage of the legislation. Eventually the minister came clean. I think that is worth putting on the record, because those sorts of press statements I do not think add to the maturity of this debate. The coalition's position has been made very clear by Dr Southcott and others as part of their contributions.

Mr WYATT (Hasluck) (13:38): I want to put in a plea for small businesses because, when this legislation was being discussed and it was certainly in the public arena, small businesses accepted the fact that there was a need to take the preventative health measures. However, in this instance I would appreciate the Minister for Health and Ageing looking at a moratorium that would allow small businesses to have that leeway. The genuineness of their concerns have been expressed to me. Certainly, they support the preventative health measures that you have been inspired to put in place. On that basis, Minister, I will cover just that because I am conscious of your time and certainly would appreciate a moratorium.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (13:39): I thank the members who have asked these questions and I know that it is done in good faith. Certainly, after the views that I am sure I have not been the first minister to express about the other place, I did not want to be in a position in which we missed this window of opportunity to be able to pass this legislation today before question time, particularly when the Liberal opposition have made clear that they are keen to be part of this historic day. So I am going to very
quickly address the questions that have been raised, noting that they are ones that we are quite comfortable to have ongoing discussion with the opposition about.

I do believe with the new changed time frames that small business not only have the opportunity and notice far in advance now of when these changes come into effect but also the change dates from when a manufacturer can stop producing non-compliant products to when they have to be sold in the retail facility has now increased with this change. It has gone from six weeks to two months. So it does actually mean that the flush-through has a longer period of time. It will require, of course, attention being paid by both the manufacturers and retailers in the ordering practice when you get close to that period of time for the change. But they will have more than 12 months notice that this is coming. I am comfortable to talk more closely with the opposition about any particular proposals they have. I recall from my earlier briefings that there would be problems with a moratorium as such, in that we would probably need a legislative base to do that, which I do not think is being proposed. But I am happy to take that on notice and look into it further.

I understand that the member for Boothby today asked us again to consider these track-and-trace provisions. I think when we were debating the matter in the House previously there was a suggestion that this was already an accepted international practice, when I think the negotiations about the broader international approach that should be taken is still ongoing. We are very conscious that as a government we do not endorse tobacco products. We do not believe that we should be in the business of in any way misleading people that tobacco is safe. We do fear that a number of the track-and-trace provisions would be ones where the government would need to give an imprimatur to a particular product and we would not be interested in pursuing something that might mislead people.

I also very much welcome the member for Dickson's questions about Indigenous smoking—an area in which I also know the member for Hasluck has a keen interest. I do want to urge those opposite, though, to understand that the intensive work being done by our Aboriginal health workers and tobacco workers is very hands-on, very much out in the field, very focused on individual families and communities. I do not think calling those people 'bureaucrats' actually is doing credit to the type of work that they are doing to change practice within the communities. But, again, I think that is a good area where we can continue to work together.

I really thank the House. I think Australians can all be proud that we are leading the world with this measure and I hope that it means that we will see our smoking rates continue to drop.

Mr BILLSON (Dunkley) (13:42): Minister Roxon, thank you for that open door about the moratorium—or at least a process of facilitation rather than enforcement. We are keen to work with the minister on that, particularly as the enforcement agency arrangements are still a work in progress. We are encouraged by her openness to have that conversation.

The DEPUTY SPEAKER (Hon. Peter Slipper): The question is that the amendments be agreed to.

Question agreed to.
Minerals Resource Rent Tax Bill 2011
Minerals Resource Rent Tax
(Consequential Amendments and Transitional Provisions) Bill 2011
Minerals Resource Rent Tax
(Imposition—General) Bill 2011
Minerals Resource Rent Tax
(Imposition—Customs) Bill 2011
Minerals Resource Rent Tax
(Imposition—Excise) Bill 2011
Petroleum Resource Rent Tax
Assessment Amendment Bill 2011
Petroleum Resource Rent Tax
(Imposition—General) Bill 2011
Petroleum Resource Rent Tax
(Imposition—Customs) Bill 2011
Petroleum Resource Rent Tax
(Imposition—Excise) Bill 2011
Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures)
Bill 2011
Superannuation Guarantee
(Administration) Amendment Bill 2011
Second Reading
Cognate debate.
Debate resumed on the motion:
That this bill be now read a second time.

The DEPUTY SPEAKER (Hon. Peter Slipper): I remind the House that, pursuant to the resolution agreed to by the House on 2 November 2011, this is a general debate covering this bill and the 10 related bills.

Ms GAMBARO (Brisbane) (13:45): Let me in the minute or so available prior to statements by members begin my remarks on this package of bills that has been put forward by the government. I support the speakers on our side—the shadow Treasurer, in particular—who spoke on behalf of the opposition when we last met in describing this package of bills as a bad package of bills that will create a black hole not just for the mining industry but for the budget as well.

The story of these mining tax bills sums up the failure of this government on so many levels: the failure of their competence, their failure on substance, their failure to act responsibly in so many ways. Of course, this saga, as you well know, Deputy Speaker—this long and winding road—began about 18 months ago when the Treasurer released, finally, the Henry review into taxation. He had sat on that review for more than six months and then, just a few days before the budget, he decided—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! It being 1.45 pm, the debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour and the honourable member for Casey will then have the opportunity to continue his remarks.

STATEMENTS BY MEMBERS
Adidas School Fun Run Community Care Program
Ms GAMBARO (Brisbane) (13:45): Today I rise to say a special thank you to Credit Union Australia for the first year of its Adidas School Fun Run Community Care program, through which CUA donates money to local schools and supports worthy community initiatives.

Last week, I had the privilege of visiting Hamilton State School for CUA's $5,000 donation to contribute to a new multipurpose play area. The school aims to add to the health and enjoyment of students, and this grant will help them to do that.

Schools across Queensland had to apply through a grant submission process. After 75,000 votes were cast Hamilton received
the most votes from members of the community for their proposal and were among nine schools across Queensland who won a grant. The principal, Adam Brandt, and everyone at Hamilton worked very hard on their submission. The degree of support from school and community for this project was outstanding. It was fantastic to see such a small school—90 students—win this coveted award.

Hamilton State School participated in the school fun run, through which they raised $1,300 from members of the school community to help promote healthy living amongst their students. The slogan for the CUA program is 'Your School, Your Community, Your Benefit', and that certainly seemed to sum up the approach at Hamilton State School.

I also want to thank Olympic bronze medallist, Cate Campbell, who was also there on the day. She gave a very inspiring speech about the hard work and dedication required to achieve their dreams. (Time expired)

Tibet

Ms PARKE (Fremantle) (13:46): I am saddened and deeply concerned about the recent instances of self-immolation by young Tibetans in eastern Tibet.

Ten Tibetans have set themselves on fire since March this year in a desperate bid to bring attention to the severe repression of Tibetan religion and culture. Five young Tibetans, including one nun, have died as a result of their injuries. The condition and whereabouts of the remaining four are unknown. Seven of the Tibetans are linked to Kirti monastery, an important Tibetan religious institution which was active during the uprisings of 2008.

The first immolation took place on 16 March, the third anniversary of a protest at Kirti monastery during which Chinese forces shot and killed 13 Tibetan monks. China reacted by further increasing security, stepping up 'patriotic education' campaigns and restricting the religious activities of the monks. This is resulting in an escalating cycle of protest and crackdown. The ongoing level of repression has driven these young Tibetans to this final desperate act.

We have already seen the first self-immolation outside the Ngaba area in the Tibetan town of Kardze. Unless the issue is addressed there is a danger of these fatal protests spreading further.

The Australian government raised its concerns with the Chinese government on 19 October in both Beijing and in Canberra. I hope the government continues to call on China, including through the bilateral human rights dialogue, to enter into meaningful negotiations with the Tibetan representatives to address the underlying causes of ethnic tensions in Tibet, noting that economic development must be accompanied by the protection of the unique linguistic, cultural and religious identity of the Tibetan people.

Herbert Electorate: Townsville Fire

Mr EWEN JONES (Herbert) (13:48): I rise today to speak about something that is very near and dear to the people of Townsville, and that is women in sport.

The Townsville Fire almost folded last year, but this year the re-formed Townsville Fire, with a new board, a new brand and a new uniform, have won their first six games in a row. They are a fantastic team. We have a new facility in Townsville RSL Stadium, and last week's game against the Sydney University Flames was a top-of-the-table clash and an absolute sell-out of just under 3,000 people.

The Australian Women's National Basketball League is being broadcast by the ABC. The ABC will go to Sydney, it will go to Melbourne, it will go to Bulleen and to...
Bendigo. It will go to Adelaide and it will go to Perth, but will the ABC come to Townsville? No, it will not! Here you have possibly the greatest women's basketball team in the history of the sport in Australia not being able to be shown on its home court. I call on the ABC to get behind the likes of Rachael Flanagan and her co-captain, to get behind our head coach, Chris Lucas, and the whole team. This includes the local talent—the scholarship girls, the Froling twins, who are just about to finish school and who look like they will go on to play for Australia.

Australia is currently the silver medallist in basketball at the Olympics, and the ABC should be supporting Townsville Fire because they are a great side. Thank you very much.

**Bass Electorate: Building the Education Revolution Program**

Mr **LYONS** (Bass) (13:49): I was pleased to welcome the state Liberals and federal Liberal candidate at a BER opening recently in the north-east of Tasmania, even though the Liberal Party voted against these projects and these jobs.

We took the right action during the GFC to protect 200,000 jobs and to stimulate the economy. And we have the right plan now to keep the economy strong and to drive future growth for working people. We have very low public debt—less than a tenth of that of those economies in difficulty in Europe; we have half their unemployment rate, with an economy that is adding jobs; and we have a massive $430 billion investment pipeline, which is a vote of confidence in the economy.

I note that the Leader of the Opposition acknowledged these points in London. We know that here in Australia the member for Warringah is well protected by his minders. He attends public meetings which appear to be private to prevent dissent and restrict questions. But even that protection could not hide his acknowledgement when in London of our strong economic position. The member for Warringah is not interested in policies; he just wants to play politics. That is why he wants to bring us back here next week. He should explain that to the taxpayers of Australia.

I congratulate the Liberals in north-east Tasmania for their strong support for the BER projects, their strong support for the Gillard Labor government's NBN and for its strong economy and fair society which obviously delivers in Tasmania. *(Time expired)*

**World Diabetes Day**

Mr **ALEXANDER** (Bennelong) (13:51): On 14 November last week it was World Diabetes Day. It is a particularly important issue for those supporting Movember, which I obviously am. As such, I visited one of the many global pharmaceutical companies in Bennelong, Eli Lilly, who provide an effective medicine for type 1 diabetes. Eli Lilly hosted an informative event including an address by Mirella Donaldson, community program manager for the Juvenile Diabetes Research Foundation, about the support program they provide. I thank Chris Miskel, all the way from Indianapolis, who is the managing director of Eli Lilly, for the opportunity to speak to a large audience and to help raise awareness on these important issues. Chris's family has two members who suffer from diabetes.

As the chair of the new Parliamentary Friends of Medicines Group, I invite all my parliamentary colleagues to join me for Medicines Australia end-of-year drinks at 6 pm tomorrow night in the theatre foyer, which also will serve as the launch for this new group. Chris Miskel and representatives from many other
Bennelong pharmaceutical companies will be there to discuss the great work they do in alleviating the impacts of diabetes and many other illnesses that do so much damage to our communities, on both a personal and a family basis, and the major impact that preventative illness has on our productivity as a nation.

**Woden Valley Redbacks Under-14s Girls' Soccer Team**

**Australian Public Service**

Ms BRODTMANN (Canberra) (13:53):
I rise today to congratulate the under-14s Woden Valley girls’ soccer team on winning on the FFA Junior Team of the Year award. This is a truly great achievement and it was a win that did not come easily. The under-14 Redbacks, as they are commonly known, fundraised $90,000 so that the dream of competing in two of the world’s largest junior club football tournaments in Europe could come true. Their hard work paid off, and this year the girls travelled to Sweden to compete in the Gothia Cup and to Denmark for the Dana Cup.

In Denmark, they competed against 33 other under-14 teams and were undefeated in their eight games to claim the championship. During their entire tour the girls won 12 games, had two draws and two losses. Not only did the girls play extremely well in the competition but their sportsmanship was acknowledged by all of their opponents, many of whom became supporters for later games.

Fifteen of the girls have now gone on to represent the ACT in futsal. They have set their sights on returning for the Gothia Cup as under-16s and competing in the prestigious Dallas Cup next year. I wish the Woden Valley Soccer Club Redbacks under-14 girls team the best of luck in reaching their future goals. Girls, you have made us proud and I hope you win many more games to come. Congratulations and a huge well done.

I also want to remind Canberrans that the opposition leader and the coalition are no friends of Canberra. If elected, they will axe 12,000 public service jobs and entire government departments. I remind Canberrans: remember 1996.

**Murray-Darling Basin**

Mr MCCORMACK (Riverina) (13:54):
It will come as no surprise to many to learn that the entire Murray-Darling Basin draft plan, due for release on 28 November, has been leaked to the media. Who is to blame for this outrage? The chairman of the supposedly independent Murray-Darling Basin Authority, Craig Knowles, has blamed environmentalists for spilling the information—and that just makes the whole situation worse. How did environmentalists have access to the full contents of the draft in the first place? Whoever gave the contents of the draft to the greenies ought to be outed and sacked forthwith.

This whole process has been a stitch-up from the start. Family farmers have always been put last in this whole debate by the authority and by this Labor government. It is shameful that the environmentalists had access to all the information and then disclosed it. How could you ever trust them? How could you trust a Labor government which refuses to adopt the 21 recommendations of the committee headed by the member for New England? Indeed, how could he trust them to continue governing when Labor has snubbed his report?

It is a national disgrace that there are a further 2,800 gigalitres of productive water being demanded from the system at a time when world food demand is growing. Only when we are a net importer of food will this Labor government be satisfied. This is not a
draft based on good science. There is no justification for this amount of water being stolen from regional communities. The front page of my local newspaper this morning suggested that 15,000 jobs in New South Wales alone will be lost if this draft is made policy. Let me tell you now: my people are not going to cop that lying down—and nor should they. (Time expired)

Aviation

Mr DANBY (Melbourne Ports) (13:56): On Friday I was fortunate to go with the Minister for Innovation, Industry, Science and Research to see Boeing's latest long-range twin-engine aircraft, the Dreamliner, in Melbourne at Tullamarine airport. It may have been its first time in Australia but not all of the aircraft's parts are in this country for the first time. That is because four per cent of the aircraft—the composite moveable trailing-edge wing surfaces—are manufactured at Boeing's Australian Fisherman's Bend plant in my electorate and shipped for assembly to Boeing's US factory.

The Boeing 787 Dreamliner will be the world's first commercial aircraft made mostly of composite materials. It will use 20 per cent less fuel per passenger than similar planes, produce fewer carbon emissions and have quieter take-offs and landings. Australia should be very proud of the research and development that has led Boeing Aerostructures Australia to win billion dollar contracts in design, manufacture and export wing-trailing edge devices such as flaps, ailerons and spoilers, supporting Australia's manufacturing and helping create more jobs.

There will be 1,000 of these planes produced, and it is wonderful to see an Australian manufacturing enterprise that will be able to use leading edge technology. If Boeing produces 3,000 of them, which I hope they eventually will, all of those jobs will come to Australia for four per cent of the manufacturing. Congratulations to the Boeing Dreamliner.

Address by the President of the United States of America

Mr BUCHHOLZ (Wright) (13:57): I rise to sing the praises of some very hardworking young students from my electorate who recently competed in an essay-writing competition. Last week, as most members would remember, we welcomed to this parliament the President of the United States and arguably the leader of the free world. Each of us as parliamentarians were given the opportunity of having a ticket to the gallery. I took the opportunity within my electorate to share that privilege, that wonderful experience, with students from my community.

I encouraged each of my 11 schools to compete in an essay-writing competition in which they gave me 1,000 words on the relationship between Australia and America and how it should progress over the next 60 years. That was done to celebrate the 60-year anniversary of the ANZUS treaty. Candice Hope and Lindsay Skipper of Flagstone State Community College both received certificates of credit for the magnificent work that they did, along with Amelia Coxon of Laidley State High School. Rachel Venz of Beaudesert State High School also received a certificate of credit, as did Laura Steiniger of Emmaus College. Matt Cumner, Sherry Harvey, Nadia de Villiers, Tahlia Kinrade, Hamish Seagrave and Grace Bennett, all of Boonah State High School, received certificates of merit. The ultimate winner was a young lady by the name of Megan Grummit from Beaudesert State High School. Megan, congratulations on a prize that will hopefully take through for the rest of your life.
Polio Eradication
Ms PARKE (Fremantle) (13:59): There were a number of important announcements made at the recent successful CHOGM held in Perth, but one in particular struck me as highly significant. This was the pledge by a number of nations, including Australia, Nigeria, Pakistan, the UK and Canada, as well as the Bill and Melinda Gates Foundation, to significantly increase funding commitments for the eradication of the debilitating disease of polio.

Australia is contributing $50 million over four years to this end. The campaign over more than two decades to end polio has resulted in the number of polio cases being slashed by 99 per cent. However, one per cent of cases remain in four countries: India, Nigeria, Pakistan and Afghanistan—three of these being Commonwealth countries.

I want to acknowledge the efforts of Rotary International and the Global Poverty Project—in particular, Perth local Michael Sheldrick, who organised a fantastic concert on the Friday night of the CHOGM week to raise awareness of the campaign to end polio. The world is so close to eradicating polio. (Time expired)

The SPEAKER: Order! It being 2 pm, the time for members’ statements has concluded.

MINISTERIAL ARRANGEMENTS
Ms GILLARD (Lalor—Prime Minister) (14:00): I inform the House that the Attorney-General will be absent from question time this week as he is in France representing Australia at the European Convention on Cybercrime. The Minister for Home Affairs, Minister for Justice and Minister for Privacy and Freedom of Information will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE
Carbon Pricing
Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I remind her of President Obama's statement that the US will not introduce a carbon tax, nor even take part in an emissions reduction treaty, unless emerging economies like China and India are included. I also remind her that the Canadians confirmed at CHOGM that they reject any form of carbon pricing and, further, that Minister Combet admitted last week that Japan and Russia will not take part in the second round of the Kyoto protocol. Given that the government assumes, and I quote, 'comparable carbon pricing in other major economies from 2015-16,' when will it redo its modelling to reveal the increased cost of its carbon tax to Australia's forgotten families?

Ms GILLARD (Lalor—Prime Minister) (14:01): To the Leader of the Opposition I say: he should stop misrepresenting the facts of this to the Australian people. The assertions he has just made about the Treasury modelling are wholly wrong. They are wholly wrong and the opposition should know that they are wholly wrong because they received detailed briefings at Senate estimates. So, before they make these claims, they should actually go out and acknowledge to the people of Australia that this is a misrepresentation when they are in possession of the facts. It is simply wrong to suggest that the Treasury modelling of the government's Clean Energy Future program depends on the United States putting a price on carbon by 2016. It is wholly wrong and the opposition is out there misleading again.

The two key assumptions about international action in the Treasury modelling—and the Leader of the Opposition, if he were not addicted to
negativity and saying no, would acknowledge this to the Australian people—are, first, that companies meet their low-end pollution reduction targets for 2010—something verified in respect of the United States by President Obama when he spoke in this parliament late last week. The second assumption about international action is that countries have access to international abatement; and, as the Leader of the Opposition well knows, there are carbon markets in operation now that Australia’s scheme can link with internationally, including in the European Union.

The assumption in the Leader of the Opposition’s question is wholly wrong. This is what happens when you have no policy and you are simply addicted to saying no.

Mr Abbott (Warringah—Leader of the Opposition) (14:03): Mr Speaker, I seek leave to table the government’s modelling document which states: ‘The modelling assumes comparable carbon pricing in other major economies from 2015-16’.

Leave not granted.

Honourable members interjecting—

Mr Abbott interjecting—

The SPEAKER: Order! The Leader of the Opposition will resume his seat.

Economy

Mr Danby (Melbourne Ports) (14:04): My question is to the Prime Minister. How is the government working to advance Australia’s interests internationally and represent the interests of working people here at home?

Ms Gillard (Lalor—Prime Minister) (14:04): I thank the member for Melbourne Ports for his question. We have in the last period seen Australia represented at four major international summits. Indeed, Australia was the only country to be a member at all four: a member at the Commonwealth Heads of Government Meeting held so successfully in Perth; a member of the G20 with the meeting held recently in France; a member of APEC, with a proud track record of support for APEC, with the meeting in Hawaii; and then, of course, the East Asia Summit held in Indonesia over the past weekend. It is only Australia that has been a member country at all four international meetings.

I thank the member for Melbourne Ports for his question about how Australia’s interests have been advanced at these four summits. Whilst these four summits have been of different organisations with different members and different mandates in different places, there have been some cross-cutting themes. Most particularly in this parliament I would point to concern about the global economy and a focus on the current eurozone crisis. Across all four meetings leaders expressed that they were concerned about the circumstances of the global economy and what the eurozone crisis might mean for its future.

What was incredibly striking at all of these meetings was the difference between the circumstances of the Australian economy and the economies of so many nations around the world. It is all about jobs. It is all about this nation and this government having
done what it needed to do during the global financial crisis to keep Australians working and being focused now on keeping Australians in jobs.

When we compare our economy to the economies around the world what we see is, by the standards of the world, low unemployment. Indeed, there are major economies battling unemployment rates that are double ours. We see strong public finances and low debt. We see a strong banking sector and, of course, we see strong prospects for growth because we are in the region of the world that is continuing to grow.

That has been reinforced at APEC and at the East Asia summit on the weekend: that this is the region of the world in this Asian century that the world is looking to be the source of economic growth. What this reinforces is the need in this Asian century to make sure—just as we managed the economy in the interests of working people during the global financial crisis—that we continue to manage it in their interests now. That does mean more appropriately taxing that sector of the economy which is racing ahead, which is turbo-charged, our mining sector, through the minerals resource rent tax and using that to spread opportunity to all around the nation so that we see people having the benefit of jobs, whether they are in small businesses, whether they are in manufacturing businesses, whether they are in retail businesses, whether they are in the services sector—that we can see Australians throughout our nation having the benefits of opportunity and jobs. That is what the minerals resource rent tax is about: the economy we want for the future where Australians throughout the nation enjoy the opportunity of getting a job.

**DISTINGUISHED VISITORS**

The **SPEAKER** (14:08): I inform the House that we have present in the gallery this afternoon a delegation of former members of the Canadian and the New Zealand parliaments, including the Hon. Peter Milliken, former Speaker of the Canadian House of Commons. I say to former Speaker Milliken that he should not overly show his amusement at my discomfort during this question time. I do, however, note the benefits of being a former Speaker: he appears to be in robust health. On behalf of the House, I extend a very warm welcome to our visitors.

**QUESTIONS WITHOUT NOTICE**

**Carbon Pricing**

Mr **TRUSS** (Wide Bay—Leader of The Nationals) (14:09): Given that the Centre for International Economics using more realistic assumptions than the government's has found that electricity prices will rise by 30 per cent under her carbon tax and not the 10 per cent that the government modelling suggests, will she guarantee that if prices rise by more than 10 per cent her promised compensation will also rise?

Ms **GILLARD** (Lalor—Prime Minister) (14:09): I thank the Leader of the National Party for his question. First and foremost, I would caution the Leader of the National Party against misrepresenting the Centre for International Economics study to support their claims about lack of US action. That
claim has been repudiated by the Executive Director of the Centre for International Economics, David Pearce.

Opposition members interjecting—

Ms GILLARD: They never like it when facts are on the table, but these are his words:

Our modelling had nothing to do with whether the US had a carbon price. It did not test the impact of the US being in or out of the market.

The very modelling that Leader of the National Party refers to is modelling that has been misrepresented in the public domain by those opposite.

On the question of compensation for Australian families, what the Leader of the National Party may not understand is that for the compensation package we have Treasury modelling, which deals with the impact of electricity prices and deals with the impact therefore on CPI, uses a figure of 0.7 per cent.

Mr Pyne: Mr Speaker, on a point of order: the Prime Minister was asked a very straightforward question, which was that if prices go up by more than 10 per cent will the compensation rise by more than 10 per cent.

The SPEAKER: The member for Sturt will resume his seat. It was an element of the question and, whilst I do not pretend to be an econometric expert, it would appear that the Prime Minister's response is directly relevant to the question.

Ms GILLARD: What I was saying is that Treasury has modelled this package and that modelling has been used to advise Australians that the expected price impact, the CPI impact, is 0.7 per cent. What the Leader of the National Party fails to understand is that a key part of the compensation mechanism here is the indexation of benefits that Australians receive, including family payments and the pension. Of course, CPI rises make a difference to that indexation. The Leader of the Opposition wholly fails to understand the model of carbon pricing and the opposition has been wholly misrepresenting the modelling of the Centre for International Economics. I would say again to those opposite that we have seen these claims about carbon pricing all made before. Firstly, claims about astronomical price rises are completely untrue. Then we had the Leader of the Opposition claim the coal industry was going to shut down, only to be mugged the next day by the fact that the biggest investment into a coal company in the nation’s history happened and he had been standing at that mine the day before. We have seen ridiculous claims about job losses and we have seen the hypocrisy of the opposition refusing to support the jobs of steelworkers. We have seen false claim after false claim after false claim, and it is clear from the first two questions from the opposition today that the false claims will continue, because the opposition is absolutely locked in a mode of just saying no.

Mining

Ms O'NEILL (Robertson) (14:14): Will the Treasurer outline for the House the importance of spreading the benefits of the mining boom to all corners of the economy?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:14): I thank the member for Robertson for this very important question because later this week all members of the House will have an opportunity to spread the benefits of the mining boom to every corner of our great country. Then we will see who is prepared to stand up for the struggling small businesses of this country: 2.7 million small businesses will be major beneficiaries—those that are not necessarily in the fast lane of the mining
boom. Importantly, we will see who is prepared to stand up for eight million working Australians through increased superannuation. We will also see who is prepared to stand up for more investment, particularly in our mining communities.

This is important right now because our mining resources, our mineral resources, can only ever be dug up once. At the moment we are getting record prices for our commodities. Commodity prices are at 140-year highs. Our terms of trade are the highest they have ever been. This is the case despite the fact that there are challenging economic times in Europe and in the United States. Our mining industry is still going well. It is going well because of growth in Asia in the Asian century. That is why we are getting record prices and it is why we must take this once-in-a-generation opportunity to move some of those profits and spread them right across our country, so it means that all Australians can benefit with a fairer return from the mining boom.

It is an economic reform which requires this country to face up to our realities. Those realities are that we must ensure that those very profitable companies who are mining our mineral resources, which we own 100 per cent, give a fair return to the Australian taxpayer. That is exactly what we are doing. I would like to thank those members of the minor parties and crossbenchers and Independents who are prepared to support this very important reform: tax breaks which will go to the benefit of 20,000 small businesses in New England, in the electorate of Lyne, in the electorate of Robertson and in all of the electorates represented by us. We are prepared to get in there and back small business; those opposite are not. But most importantly we are prepared to stand up for working Australians by boosting their superannuation, recognising that through their hard work through their working lives they are entitled to a dignified retirement.

We on this side of the House understand that. As the architects of our retirement income system, we understand the importance of giving people dignity in retirement. We also understand the importance of increasing national savings. Our superannuation pool was critical to refunding our companies during the global financial crisis and the global recession. Building our national savings is part of having a prosperous economy. All of those opposite who are going to vote against the MRRT are voting for higher taxes for small business and lower retirement benefits for Australian workers. That is what they are voting for.

This is a very important day in the history of economic reform in our country, economic reform to increase prosperity. Those opposite can only say no. They do not have one positive idea for the future. All they have is brain snaps and backflips. All they can do is say no; they have no positive ideas. (Time expired)

Economy

Mr ABBOTT (Warringah—Leader of the Opposition) (14:18): My question is to the Prime Minister. I refer her to her words of a few moments ago in question time when she said:

It is simply wrong to suggest that the Treasury modelling of the government's Clean Energy Future program depends upon the United States putting a price on carbon by 2016.

I also refer her to this statement from chapter 5 of the modelling document:

The modelling assumes comparable carbon pricing in other major economies from 2015-16 …

My question is: since when did the US cease to be a major economy—or is she just misleading the parliament?
Ms GILLARD (Lalor—Prime Minister) (14:19): I confirm again to the parliament and to the Leader of the Opposition the information that was made available to the opposition through Senate estimates and that it should know. That information is that the Treasury modelling assumes that nations hold to the lower end of their pledges for reducing carbon pollution.

This moment very much reminds me of when the Leader of the Opposition got himself in a huge mess when he was out and about at a public meeting describing Australia's minus-five-per-cent target as 'crazy', whereas at the same time his blogs—I think on Mamamia—praised the fact that the Liberal opposition actually had bipartisan support for that target. Of course, that minus-five-per-cent target is what Australia has pledged it will do by 2020. My understanding, unless something has happened this morning, is that that is supported by the Leader of the Opposition. What is being done in the Treasury modelling—

Honourable members interjecting—

The SPEAKER: Order! When the House comes to order, the Leader of the Opposition on a point of order.

Mr Abbott: Yes, Mr Speaker. The relevant statement is:

The modelling assumes comparable carbon pricing in other major economies from 2015-16 …

The SPEAKER: Order! The Leader of the Opposition is raising direct relevance. I know that the Prime Minister is aware of that and I caution the Prime Minister that less debate, which still could be directly relevant to the question, would assist. The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. I went to Australia's reduction target for 2020 to give the parliament and the Leader of the Opposition an example of a nation—Australia—that has made an unconditional pledge to reduce its carbon pollution. We have made an unconditional pledge to reduce our carbon pollution by five per cent.

What the Treasury modelling does is assume that other countries meet their low-end pollution reduction targets for 2020 as well. The opposition knows that when it is not on a campaign of misrepresentation. That has been gone through at Senate estimates. That is a fact available to the opposition. In terms of the position of the United States of America, it was verified by President Obama in this parliament last Thursday when he restated the commitment of the United States of America to the reduction target that it has announced.

The Leader of the Opposition, I understand, is trying to do everything he can to continue his campaign of negativity, but he cannot live in denial of the facts, and the facts are as I have just explained them to the Leader of the Opposition. For him to say anything else or to do anything else is simply to mislead the Australian people.

Economy

Mr OAKESHOTT (Lyne) (14:23): My question is to the Prime Minister. Can the Prime Minister detail the government's intent with (1) the new cabinet working group on water, soil and food for Australia; (2) the new reference to the Brumby-Greiner GST review on inefficient state based royalties and how this connects to the Henry review and tax reform; and (3) the new national partnership agreement to address the clash between extractive industries, productive lands and quality water? Prime Minister, can you outline in detail what each is expected to deliver?

Ms GILLARD (Lalor—Prime Minister) (14:23): I thank the member for Lyne for his
question. I also thank him for his consideration of the minerals resource rent tax and for his understanding of the shape of Australia’s economy today and the great potentials which lie in the future for our country. Realising those potentials means that we need to better tax the area of the economy which is turbocharged and to share those benefits with other areas of the economy, but it also means that we need to address important questions about how we are going to work through issues associated with water, soil and food, with coal seam gas and with major coal projects, and also how we are dealing with the tax work which was spoken about at the recent tax forum, including concerns about royalty increases by state governments.

To go quickly through those areas, as I indicated to Labor members who raised with me community concerns in their own area about coal seam gas and large-scale coalmining, coal seam gas is going to be an important fuel for our future. What we can do as a federal government is value-add in our traditional roles of scientific leadership, coordinating the states and driving them to best practice, and that is what the government has agreed to do: to ensure that there is a well-resourced scientific body that can make the right assessments of Australia’s land so that that dataset is available to everyone, including local communities, and a national partnership so we drive state governments up to coordinated best-practice standards. Local communities are empowered along the way, because that scientific information will be in their hands too. I think that that is an important development and one that has been the subject of intense discussion with the members for New England and Lyne and is a value-add to what the Commonwealth has traditionally done in these areas of planning.

In addition, the member for Lyne has raised with me how we can ensure that across our nation our water, soil and food production for the future is in the right balance. With this being the Asian century, we have huge opportunities in front of us for food production. We are seeing the rise of middle classes in Asia to more than a billion people by the end of 2020, and they will want what we have—that is, they will want high-quality, clean, green food; they will want to buy premium wine; and they will also want to go to parts of Australia that have retained their natural beauty and be able to come here for tourism purposes. That does require us to make sure that we work in balance across those areas, and the government has agreed to create a cabinet-level working group on water, soil and food. We have agreed that the members for Lyne and New England will participate in that working group, and I thank them for their agreement to do that.

Finally, the member for Lyne has been a long-time advocate for dealing with the question of inefficient state taxes. He has raised directly the question of state royalties and, in light of the MRRT, the government believes that that should be looked by the John Brumby-Nick Greiner review which is working in the area of GST reform. So I thank the member who asked the question and also the member for New England for their support and for understanding today’s economy and the future for Australia.

**Water**

Mr FITZGIBBON (Hunter—Chief Government Whip) (14:27): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Minister, what is the government doing to improve the protection of underground water in mining and coal seam methane gas projects?
Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:28): I want to thank the member for Hunter for the question. He is someone who has a significant resources industry within his electorate and is a strong supporter of jobs but also wants to make sure that we get the balance right.

The coal seam gas discussions that have been happening throughout the community and indeed throughout the parliament as well have brought very much to our attention the issues and the complexity of dealing with underground water. In the extraction of coal seam gas, large amounts of water are removed from aquifers. In circumstances where those aquifers do not have connection to the rest of the underground water, there is not necessarily a problem, but in circumstances where there is connectivity there can be very significant outcomes not only for environmental assets but also for agriculture.

There is a need for any scientific assessment of this to be part of environmental approvals, as has been the case at a federal level. There is also a need for that scientific assessment to be independent, and completely independent, of the other funding resources. People have often questioned whether or not, for something as significant as the water table, we should have a situation where the companies, for example, are the sole providers of the scientific research. That is why the government announced today that the standards we have been applying will actually be able to be applied nationally now through an independent expert scientific committee. It will be able to look at coal seam gas, it will be able to look at large-scale coalmining developments and it will, importantly, in doing so, be able to look at the protection of our water resources.

It is critical to remember that the federal approvals which have been given, which call for things like reinjection and which call for principles like re-pressurisation, are only able to apply to the extent that we activate Matters of National Environmental Significance. A number of members have pointed to this as a significant limitation. This is a well-resourced committee with $150 million behind it to be able to make sure that the science is understood on the connectivity between these aquifers and the rest of underground water. It not only will look at that to the extent that we have national environmental powers but will be able to look at water issues generally.

We then need to make sure that the states are willing to incorporate the work of this committee into their own environmental approvals. A national partnership agreement will be pursued with the states, with $50 million on the table for incentive payments to make sure that the states are willing to incorporate the best-quality scientific information made available through this committee into their own environmental approvals. By doing it this way, we manage to avoid the significant red-tape challenges that would be there by having a unilateral federal takeover of state approvals, so you do not get the extra layers of red tape but you do get the best-quality science. You do get the best-quality protection of underground water. You do make sure that the interests of the environment and the interests of agriculture are properly taken into account through working with the states and making sure that we have the best possible quality scientific information, made by a committee that is well-resourced and operating entirely independently of the mining companies themselves.
Carbon Pricing

Mr HUNT (Flinders) (14:32): My question is to the Minister for Climate Change and Energy Efficiency. I refer the minister to his statement, twice repeated, on the 7.30 program on Tuesday, 8 November that 160 million tonnes of emissions would be reduced in Australia as a result of the carbon tax. I also refer him to the government's own modelling that shows almost 100 million tonnes of those emissions reductions would actually be sourced from overseas. Which statement is true?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (14:32): On the issue of modelling, it is simply wrong to suggest, as the coalition has been suggesting, that the government's Clean Energy Future plan somehow relies upon an economy wide cap-and-trade emissions trading scheme in the United States. We have heard this being implemented by 2016 and we have heard it repeated here in question time.

Let me make something clear about the Treasury modelling. The Treasury modelling makes two key assumptions about international action: firstly, that countries meet the low-end pollution reduction targets for 2020 that they committed to under the UN Framework Convention on Climate Change. The second important assumption is that countries have access to international abatement—countries including Australia having access to international carbon markets. Those are the two important assumptions that underpin the Treasury modelling. They are both completely reasonable assumptions. Nothing—

Mr Hunt: Mr Speaker, I rise on a point of order, on relevance. The question was whether or not the minister stands by his statement that 160 million tonnes would be sourced in Australia.

The SPEAKER: Order! The only point of order that can be raised is on direct relevance. I remind the minister to relate his material in a directly relevant manner to the question. I thought that he was coming around to being that precisely, and I hope I am right.

Mr COMBET: Thank you very much, Mr Speaker. It is important, of course, to establish the basis for the Treasury modelling that the coalition have been consistently representing. On the issue of the United States, nothing President Obama said during his visit to Australia calls those issues into question whatsoever. In fact, the contrary is the case. It needs to be made clear that President Obama in fact confirmed the commitment of the United States to meet its emissions reductions targets.

Mr Pyne: Mr Speaker—

The SPEAKER: Order! The member for Sturt and the minister will resume their seats!

Mr Schultz: Just answer the question!

The SPEAKER: What about just sitting there quietly? That would assist the chair. I will explain: it is very difficult when everybody on my left is talking and yelling for me to be able to indicate, as I am about to indicate to the minister, that he should directly relate his material to the question. But it would be assisted by a bit of quiet on my left. The minister has the call. He shall be heard in silence.

Mr COMBET: Thank you very much, Mr Speaker. The opposition are well aware of the things that I am advertting to in relation to the Treasury modelling. In fact, they have had detailed briefings at Senate estimates and yet they still persist with these claims. In testimony to the Senate, senior Treasury officials from the modelling team stated a number of things. These I quote. Treasury assumes:
… that countries that have made pledges at either Cancun or Copenhagen conventions through the UNFCCC process implement policies to achieve those pledges.

That is the assumption. Furthermore:

What we are assuming is that there are mechanisms in countries … that result in an implicit or explicit carbon price—

The SPEAKER: Order! The minister will resume his seat.

Opposition members interjecting—

The SPEAKER: Order! He is not the only person. If anybody is defying the question, members of the opposition and coalition benches—who, I have indicated, make it near impossible to take action, with their continued interjections—also could be considered to be in defiance. Again I say to the minister that he should relate his material to the question, and it would help if he could be heard in silence so that people could make judgment. At the end of the day, if the response is heard, people can make judgment about the answer by having heard it.

Mr COMBET: Thank you, Mr Speaker. It is relevant, as will be apparent if I am allowed to get to the end of the answer. The Treasury officials also went on to say, in relation to the assumptions:

It does not mean it specifically has to be an emissions trading scheme within all countries … we are assuming that there is a continuation of the international offset market which exists now …

This is entirely relevant to the issue in question, because I went on to say in The 7.30 Report that it involves access to international carbon markets.

Mrs Bronwyn Bishop: Mr Speaker—

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

Mr COMBET: That is what the record of the interview will show clearly, and the assumptions that the Treasury make in relation to the modelling are entirely apparent. They involve access to carbon markets and Australian businesses, when we go to a flexible emissions trading scheme from 1 July 2015, will be able to access those markets in order to meet the emissions reductions target.

Mrs Bronwyn Bishop interjecting—

The SPEAKER: The member for Mackellar will withdraw.

Mrs Bronwyn Bishop: I withdraw the word 'grub'.

The SPEAKER: The member for Mackellar will withdraw unreservedly.

Mrs Bronwyn Bishop: I withdraw, unreservedly, the word 'grub'.

The SPEAKER: The member for Mackellar will leave the chamber for one hour under 94(a).

The member for Mackellar then left the chamber.

Mr Hunt: I seek leave to table the very transcript to which the minister was referring.

Leave not granted.

Mining

Ms BIRD (Cunningham) (14:39): My question is to the Minister for Resources and Energy and Minister for Tourism. Will the minister update the House on the strong performance of the resources sector and why the government is making sure the benefits are shared by other sectors of the community?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (14:40): I thank the member for Cunningham for the question. In doing so, I remind the House that this week we must finally determine whether we as a community are prepared to support a tax that the mining industry now supports. In doing so, this House has an opportunity to share the
benefits of the resources boom that Australia is currently experiencing. The coalition, in their determination to vote down this tax, have to face up to the fact that they are voting against taxation relief for small business. I must say that that is very important to a broad section of small businesses in the Australian community. They must also face up to the fact that they are voting against the opportunity for small business to have an automatic capital write-off of $6,500. As Minister for Tourism, I remind the House that that is exceptionally important to the almost 280,000 enterprises in the tourism sector. It is also about making sure that where we are experiencing the pressures of the resources boom in the key petroleum areas, we have the capacity to invest in infrastructure and, in doing so, to ensure Australia's opportunity to grasp every available increase with respect to export opportunities.

In terms of this debate, I notice that the opposition were out there yesterday reinforcing their determination to vote down this tax. But when questioned about the alternative, they basically said, 'We have a smarter opportunity, and that is to increase royalties.' In essence they said: when it comes to the MRRT there is sovereign risk but not with respect to the opportunities of state premiers and treasurers to increase royalties willy-nilly. When it comes to assisting small- and medium-sized businesses, they say the MRRT is wrong, but increases in royalties do not impact on small- and medium-sized businesses. They also say that, in essence, state royalties represent a better opportunity in terms of increasing taxation in Australia. That is contrary to the view of the mining industry, who very firmly believe that profits based tax system is the best system for the mining industry. The mining industry have said in no uncertain terms that in times of high commodity prices they are prepared to put their hands in their pockets and share the benefits of the resources boom with the whole of the Australian community.

There is no risk to investment in Australia. The facts speak for themselves. We have a planned and committed capital investment pipeline of $430 billion. In the resources and energy sector alone, ABARE and BRS reported earlier this year that there were 94 projects in an advanced stage of development, with a record capital expenditure of $173.5 billion—a 31 per cent increase from October this year through to April. The report then talks about recent decisions: Olympic Dam—a potential $30 billion investment—the biggest open-cut mine in the world. There is the Wheatstone project with a recent investment of $29 billion.

The time has come for this parliament to determine once and for all whether or not it is prepared to support the MRRT, which the mining industry largely supports, and in doing so to spread the benefits or yet again see further displays of hypocrisy. Royalties affect and hurt small- and medium-sized businesses. An increase in royalties represents a real sovereign risk issue because they are retrospective in nature. (Time expired)

**Carbon Pricing**

*Mrs MIRABELLA* (Indi) (14:44): My question is to the Prime Minister. I refer the Prime Minister to her statement on 10 July that the government's so-called Steel Transformation Plan will assist Australia's steel sector to transform into an increasingly efficient and sustainable industry in a low-carbon economy. I also refer her to OneSteel's announcement today that its entire Whyalla operations could be closed within just months of the introduction of the carbon tax. Rather than making the steel
industry uncompetitive, wouldn't it be smarter to help the steel industry and protect Australian jobs by simply scrapping the world's biggest carbon tax?

Ms GILLARD (Lalor—Prime Minister) (14:45): To the member for Indi I say: the campaign of misrepresentation continues. What the member for Indi should know is that our steelmaking industry has been under intense pressure. Labor members in this parliament know that because we are deeply concerned about Australian manufacturing and steelmaking. It has been under intense pressure because of the transformation in our economy that is arising from the Asian century.

It has been under pressure because of the high demand for the minerals that we sell, because our economy emerged strongly from the global financial crisis and because this government, working with the people of Australia—with employers and with unions—ensured that we had Australian jobs. Because of the commodities prices we are seeing, the growth in the resources sector and Australia’s status as a safe place, we are seeing strong dollar prices. Those strong dollar prices put pressure on industries like steelmaking. That changes the equation for people who are going to buy that steel from overseas and it changes the equation in relation to import replacements. The attitude of the government in relation to steelmaking has therefore been to work in partnership with them, and that is why we designed the Steel Transformation Plan.

It is very interesting indeed that the member who came to the dispatch box and feigned concerned for working people in Whyalla voted against a $300 million package to help steelworkers. We always knew this concern was feigned—when the Leader of the Opposition went through manufacturing establishments and went to steelmaking establishments—because the Liberal Party never once in their entire life have ever stood by working people in manufacturing. This Liberal opposition are showing their contempt for working people in manufacturing through their half-a-billion-dollar cut to the assistance that supports the car industry.

We have stood shoulder to shoulder with manufacturing workers, including workers in the steel industry. That is why we designed a $300 million plan. That is why we came into this parliament and voted for it. That is why we will always do what we need to do to support Australian jobs, despite the relentless negativity of the opposition. They did not support jobs during the global financial crisis, they do not support manufacturing today and they want to cut half a billion dollars out of assistance to the car industry. Every member on that side of the House is on record showing their contempt for steelworkers by coming into this parliament and voting against their jobs.

Mining

Mr NEUMANN (Blair) (14:48): My question is to the Minister for Infrastructure and Transport. What is the government doing to invest in regional infrastructure? What would be the impact on the Regional Infrastructure Fund if the MRRT is not passed by the parliament?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:48): I thank the member for Blair for his question. Indeed, today we have announced more than $200 million brought forward to this financial year to fast-track our regional infrastructure development in Queensland alone. That is money brought forward for the Cairns southern approach on the Bruce Highway, for the Calliope Crossroads, for the Yeppen roundabout and bridge upgrade in the electorate of
Capricornia and, importantly for the member for Blair, for construction on the Blacksoil interchange of the Warrego Highway. This is a critical program funded by the Regional Infrastructure Fund. It is related to the billions of dollars of resource developments that are taking place in the Surat Basin. Nationwide we have more than doubled regional infrastructure funding to some $22 billion.

Mr Christensen: What a rort!

Mr ALBANESE: The morons opposite yell out, 'What a rort.'

The SPEAKER: The minister will withdraw.

Mr ALBANESE: I withdraw, Mr Speaker. We are funding the Mackay ring road study. Let it be said that—

Mr Christensen: What are you funding—a study? You goose!

The SPEAKER: Member for Dawson!

Mr ALBANESE: Well, when you do an infrastructure project, first you plan it—and there was none done by those opposite; they are on the record as opposing it. The fact is that the government says yes, the community says yes, and even the big miners say yes to the Regional Infrastructure Fund, but the walking vuvuzela and his team over there say no. They say no to completing the Townsville ring road; they say no to the Mackay ring road; they say no to upgrading the intersection between the Bruce and Capricorn highways; they say no to the Gladstone Port access road—

Mr Christensen interjecting—

The SPEAKER: The member for Dawson is warned!

Mr ALBANESE: They say no to upgrading the Peak Downs Highway. They say no to all these projects. At the same time, the leader of the Nats, while in regional Australia, said:

I share the disappointment about how few mining companies contribute to the areas they invade—'Invade' was the term used—and how little state governments return the massive royalty incomes they receive to these communities. That is what they say out there in their communities, but in here the Nats line up with their Liberal Party colleagues to knock over funding for regional infrastructure.

There are some regional members who understand the importance of regional infrastructure and they sit on this side and up in the corner over there—the member for Lyne, the member for New England. They understand the importance of regional infrastructure and that is why they are backing the MRRT.

I must say there are some others who understand as well. Remember in the budget when we brought forward an additional $1.02 billion for the Pacific Highway? Those opposite, including the local member, said that it was a mirage—that there would be nothing built and that it was just for planning. Well, last week, I was there with the leader of the New South Wales Nats, Andrew Stoner, announcing the construction of the Clybucca section of the Pacific Highway. This is the location of the worst road accident in Australia's history. They did nothing about it for 12 years. We have brought forward funding. Construction will commence in 2012 as part of our upgrade of the Pacific Highway. I pay tribute to the member for Lyne, particularly for the work that he has done in advocating the upgrade of the Pacific Highway, unlike the member for Cowper who has been opposed to funding in his own electorate. (Time expired)

Mining

Mr HOCKEY (North Sydney) (14:52): My question is to the Treasurer. I refer the Treasurer to the revenues forecast to be
raised by the mining tax of $11 billion and the fact that New South Wales and Western Australia have increased their royalties by $3 billion, thereby reducing net revenue to the Commonwealth to just $8 billion. I also refer the Treasurer to the forecast spending associated with the mining tax, which is now over $14 billion. Treasurer, how are you going to find that $6.3 billion shortfall?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:53): He has got a lot of nerve and a lot of hide to ask that question. He has got one fact right and one only: there is $11 billion worth of revenue in the forward estimates—that is absolutely correct—but, of course, he has pointed to the fact there have been some royalty increases in Western Australia that will have an impact on revenues, and we will account for that in the mid-year economic review when it is published before the end of the year.

Regarding the attempted increase in royalties by New South Wales, there is yet no royalty increase in New South Wales. There is yet no figure provided by New South Wales.

Mr Hockey: It is in their numbers.

Mr SWAN: They did put it in their numbers, but they have not told us what they are going to do. If you accept that then you believe in the tooth fairy. There is no figure that can be validly put in any calculation, but the one thing you can be absolutely sure that we will do on this side of the House is that we will put in place fiscal responsibility because we are determined to bring our budget back to surplus in 2012-13, despite the fact there has been a significant hit to revenues from events that have occurred in Europe and the United States. There has been a flow-on effect, but we understand the importance of having a clear and consistent fiscal policy, particularly at a time when there is such uncertainty in the global economy. We will send a clear message to markets and to the global economy that we will manage our economy in a fiscally responsible way, and that is what we are going to do by bringing our budget back to surplus in 2012-13 and making responsible savings to do it when we bring down the mid-year review.

We will see where they stand on fiscal responsibility because the shadow Treasurer has got a $70 billion crater in his budget bottom line and, before he takes any new policy decisions, he starts with a minus $70 billion in his budget line. All of that is on the back of the debacle of the $11 billion black hole, which was discovered by the departments of Finance and Treasury.

The SPEAKER: Order! The Treasurer is straying—I have already indicated to the Treasurer.

Mr Hockey: Mr Speaker, I rise on a point of order, on relevance: I just ask him to answer the question he was asked.

The SPEAKER: The member for North Sydney will resume his seat.

Mr SWAN: Sometimes a difference of time zones causes remarkable events to happen. The Leader of the Opposition, who has talked down our economy year after year, a couple of weeks ago went to London, and you know what he said? Our economy was the envy of the world. 'Two-timing Tony'—he says one thing in Europe and another thing here when he runs down the economy every day of his life.

The SPEAKER: The Treasurer will resume his seat. The Treasurer must relate his material directly to the question.

Mr SWAN: Sometimes a difference of time zones causes remarkable events to happen. The Leader of the Opposition, who has talked down our economy year after year, a couple of weeks ago went to London, and you know what he said? Our economy was the envy of the world. 'Two-timing Tony'—he says one thing in Europe and another thing here when he runs down the economy every day of his life.
set about spreading the great opportunities, which are flowing from the mining boom, to every corner of our country. The rock that that is built on is our commitment to return our budget to surplus in a responsible way with savings when we bring down the mid-year review. The challenge for those opposite is: will they support responsible budgeting and the savings that are required or not? The answer will be: no.

Mr HOCKEY: Mr Speaker, I ask a supplementary question. I refer to the statement by the member for Denison just before question time that only 20 to 30 miners will be paying in full the $11 billion mining tax. Given that one of the biggest miners in Australia, Fortescue Metals, has advised its shareholders that it will not be paying any mining tax for the next three years, isn’t the $11 billion of revenue from this tax just an illusion? And will the government now release all modelling details on their flawed mining tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:58): We have put on our website the modelling for this tax. He knows that, but we have just got more distortion and more lies from those opposite. He also knows that we are supplied with commercial-in-confidence information which, if we published it, would have major effects on the market, and we simply are not that irresponsible. But the fact is that most of this money will be paid by the largest miners in this country. Of course, we now know the lies that have been told by Fortescue have been exposed—

Mr Dutton interjecting—

The SPEAKER: The Treasurer will withdraw the remark, but I can indicate to the member for Dickson: it is to spite him that I have ruled that the Treasurer will withdraw. The Treasurer will withdraw and the Treasurer has the call after the withdrawal to continue his response.

Mr SWAN: Yes, Mr Speaker, I withdraw. The untruths that have been put forward by Fortescue have now been exposed at a parliamentary committee in this House. Fortescue went around and said they were a small miner and they expected to pay the tax. When they turned up here they admitted that they would not pay the tax and they also admitted that they have never, ever paid any company tax. So their opposition has been based on the fact that they do not want to pay any tax.

The effective tax rates paid by miners are lower than the statutory rate, and there is a legitimate reason for that. Because mining is very capital intensive they get a lot of deductions, and that means that in the early stages successful miners do not necessarily pay their company tax. I am not saying that there is anything wrong with that at all. What I am saying is that, when there are super profits that are unexpected, the Australian people should get a share of those for the mineral resources they own 100 per cent. And guess what? The mining industry actually agrees with that—except Fortescue, who act in their own interests and not in the national interest.

Ms SMYTH (La Trobe) (15:00): My question is to the Assistant Treasurer and Minister for Financial Services and Superannuation. How is the government spreading the benefits of the mining boom to boost superannuation for working people and give a tax cut to small business? Why is it important for the parliament to support these important reforms?
Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (15:01): I would like to thank the member for La Trobe for her question. She understands that there will be 53,600 voters in her electorate who are going to get an increase in superannuation because of the government's mining tax. In fact, it is fair to say that the MRRT is unmistakably good news right across the Australian economy, especially for people saving for their retirement and for Australia's 2.7 million small businesses.

And why wouldn't it be good news—nine to 12 per cent in compulsory savings and the instant right-off and tax benefits for small business totalling up to over $10,000? Why wouldn't it be good news for the Australian economy and for Australians that people earning under $37,000 will get back all of the concessional tax that they have paid on superannuation? In fact, why isn't it good news for small business and all Australians that we will see a mining tax driving productivity focused infrastructure investment in the mining states?

But, of course, there are some here who still do not support the mining tax—which is a matter of some bemusement. Why shouldn't the Australian people get a dividend back for the hospitals they have funded that look after the workers that go in the mines? Why shouldn't the Australian people get a dividend back for the schools, the education and the training that they have provided for the workforce that makes the profits for these companies? Why shouldn't the Australian people get a dividend throughout the whole of the Australian economy—because it is their taxes that have helped fund the infrastructure which allows these mining companies to make their remarkable profits?

Lifting superannuation is just fiscally responsible. It is good for the whole economy. As a result of us having 12 per cent compulsory retirement savings by 2030, I suspect it is likely that we will have $10 billion less to pay in age pension outlays. I believe there is no doubt that, because we have $1.3 trillion in savings, Australian enterprise will be less reliant on foreign capital.

I am asked how it important it is to the parliament. I have looked back—as I am wont to do—to see what people in this place have said in the past, and I found an interesting quote from the member for Warringah, on 25 September 1995. Always remember that what you say comes back to haunt you. The member for Warringah said:

Compulsory superannuation—wait for it; you will not believe he said it then—
is one of the biggest con jobs ever foisted by government on the Australian people.

A government member: He still believes it.

Mr SHORTEN: Well, in fact, he does still believe it. When he was talking to Melbourne Talk Radio on 4 May 2010, Mr Price, the journalist, asked Mr Abbott: 'What do you think about increasing from nine to 12?' and the Leader of the Opposition said: I don't support this change. That is what I am saying, Steve.

Mr Price then asked:

So it'll stay at 9 under you?

And Mr Abbott said:

Yes, that's right. I am not proposing this. It isn't our policy. We are deeply sceptical ...

Mr Price then went on to say:

So let me get that clear—you would leave the contribution rate at 9?

Mr Abbott:

I have no plans to change it.
Well, at least until 8 November this year. What a backward somersaulter this fellow is who is running the opposition.

Those opposite are going to move their own amendments to the mining tax—fair enough—but then they are still going to vote against it. So what is the point of moving amendments? They say that they are against the 12 per cent and then they roll Andrew Robb in the opposition, and now they say that they are going to keep the 12 per cent. But, of course, what do you do when you do not support the 12 per cent? You abstain. So they have been against it and now they are going to abstain. They believe superannuation is a con job, but now he says that he wants to abstain—although there are some synonymous, if not valiant, members of the coalition secretly backgrounding the media saying that they support the mining tax. But I think the cracker is that, regardless of superannuation and regardless of the tax, they want to give $11 billion back— 

(Time expired)

Mining

Mr HOCKEY (North Sydney) (15:05): My question is to the Treasurer. I refer to statements made by the member for Denison before question time that, according to information provided to him by the government, by increasing the threshold for the mining tax from $50 million to $75 million, only 20 to 30 miners will be paying the tax in full. Given that this concession has been made by the Treasurer, will the Treasurer advise the House whether new modelling was actually undertaken on the impact of these changes and how the member for Denison came to know that there would be only 20 to 30 miners who would pay the tax in full? Will the Treasurer now come clean with the Australian people about the full details of the revenue on the mining tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:06): We have published in all of our budget updates and in our budgets our estimates of the revenues. And our estimates of the revenues will be updated in the *Mid-year economic and fiscal outlook*, which will come out before Christmas. Revenues are affected by a whole variety of factors. They are affected by exchange rates, volumes and production levels—and the list goes on. They are affected by all of those factors and those factors are evaluated when we do our forecasting. They will be updated and published before Christmas. The total revenues will be out there.

We have made it very clear that this is a super-profits tax that will be paid by companies that are super profitable by definition. Most other companies pay company tax. Some of them do not, as we have heard. But they will eventually pay some company tax. But there are plenty of companies out there that are super-profitable and have become super-profitable because our terms of trade are at 140-year highs. We will update all of that in the mid-year economic review and it will be the case that a relatively small number of very large companies will be paying the bulk of the revenue. That is what Treasury officials told everybody at estimates.

Australia-United States Relationship

Mr BYRNE (Holt) (15:08): My question is to the Minister for Defence. Will the minister update the House on recent developments in the Australia-United States alliance?

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (15:08): I thank the member for Holt for his question and acknowledge his longstanding interest in the Australia-United States alliance. This year, marked by
President Obama's visit, we celebrate the 60th anniversary of the alliance. As President Obama said when he was here, the alliance has never been stronger. For 60 years, it has been the bedrock of our security, strategic and defence arrangements.

The member asked me about recent developments. In terms of the operational structure of the alliance, we do not have US bases in Australia. We have joint facilities, which were effected in the late 1980s. Pine Gap is the classic and obvious example in that respect. We also have very substantial training exercises with the United States and provide access to our facilities. That is all done under a status of forces agreement that was struck in 1963. Perhaps the best example of the training that we do with the United States is Exercise Talisman Sabre, which is carried out every two years. On the last occasion, this year, we had between 14,000 and 15,000 military and defence personnel from the United States in Australia.

The alliance has moved with the times. We saw over a decade ago the invoking of the alliance for the first occasion in the aftermath of the terrible events of 11 September 2001 in the face of international terrorism. At the AUSMIN meeting this year in San Francisco, through an accord struck by the four principles at the meeting, we agreed that, for example, a cyberattack could be an attack that would invoke the provisions of the treaty.

The member asked by about operational and practical developments. The whole world is moving to our part of the world. It is not just the rise of China. It is also the rise of India, the exponential increase in the growth of the ASEAN economies, the ongoing importance of Japan and the Republic of Korea, the emergence of Indonesia as a global influence not just a regional influence, and the ongoing importance—economically and strategically—of the United States. As the Prime Minister made very clear during the President's visit, the ongoing engagement by the United States in the Asia-Pacific in this the Asia-Pacific century is absolutely important—indeed, not just its ongoing engagement but its enhanced engagement.

That has been reflected by the announcements made by the Prime Minister and the President during the President's visit. Firstly, there will be a rotational group of United States marines in the Northern Territory, starting in the first and second quarters of next year with a group of 250 and growing over time to a group as large of 2,500 marines and air force personnel in 2016-17—a taskforce group. We envisage that we will see training and exercises conducted at the Delamere weapons range, at Mount Bundy and also at Bradshaw.

As well, as I and the Prime Minister have indicated, there is the prospect of greater utilisation of airfields in Northern Australia—in particular RAAF Base Tindal—by United States aircraft. I have also indicated that further down the track we will have ongoing consideration of allowing US surface and submarine vessels greater access to our Indian Ocean port, HMAS Stirling, Fleet Base West. This is an ongoing extension of the training and exercises that we do. At the same time, it is the single most important development in the operational arrangements under the alliance since the striking of the joint facilities in the 1980s. This is unambiguously in Australia's national interest and unambiguously in our region's interest.

Australia-India Relationship

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (15:12): My question is to the Minister for Foreign Affairs. When was the minister first informed of the Prime Minister's decision to
overturn Labor's ban on uranium sales to India?

Mr Rudd (Griffith—Minister for Foreign Affairs) (15:12): I thank the opposition for this question. Mind you, I think it takes temerity for the opposition to ask any question about consultation, as a week or so ago the Leader of the Opposition announced a $750 million policy on superannuation without bothering to consult the shadow minister for finance. So, for anyone opposite to stand up and raise any question about consultation really takes the cake. The Australian Labor Party has some rules. Our rules are that any member of the party, from the Prime Minister to your local branch president, can put forward proposals for the party's national conference. That is what the Prime Minister has done. I support her right to do so.

Ms Julie Bishop: Mr Speaker, I rise on a point of order. Clearly, the foreign minister did not hear my question. When was he first informed?

The Speaker: The Deputy Leader of the Opposition will resume her place. The Minister for Foreign Affairs has concluded his answer.

Health Reforms

Mr Perrett (Moreton) (15:14): My question is to the Minister for Health and Ageing. How is the government delivering better health outcomes for all Australians?

Ms Roxon (Gellibrand—Minister for Health and Ageing) (15:14): I thank the member for Moreton for his question, particularly on a day on which Australia has now finally passed the world's first plain-packaging legislation. I know that he has been a very keen advocate of that measure. That will save many lives in the future. I can report to the House that across the country Labor's health reforms are starting to make a very practical difference to the community.

For example, I know that the member for Greenway clearly understands the benefits. The Prime Minister was in her electorate, and on the front page of the Blacktown Advocate the member was welcoming, as was the Prime Minister, that there will now be 150 medical trainees in Blacktown when six years ago there were none. Six years ago there were none and there is a capacity now for there to be 150 medical students doing their training in Blacktown, providing services into the western suburbs of Sydney where they were not able to do that before.

I know, for example, that the member for Wannon will be delighted that the Portland GP superclinic has been on the front page of his local paper twice—two weeks in a row—because the Portland superclinic is going to provide his community and his citizens with access to special services.

I know, for example, that the member for Robertson will be particularly delighted that the front page of her paper, the Peninsula News, reports that the new rehabilitation beds at Woy Woy Hospital will be very welcome. And I know that our friend, the member for New England, who is not in the chamber now, was delighted to turn the first sod—with a particular country flair, I think actually throwing the first sod—for the regional cancer centre which is going to be in Tamworth. I know that my colleague, the Minister for Infrastructure and Transport—also interested in soil—was delighted that Stanmore Public School was getting one of the Stephanie Alexander kitchen garden programs.

I hold all these articles up to highlight to the community and to highlight to the House that across each and every electorate we have investments in health services that are delivering to the community. We have more GP registrars in training—900 this year. When Mr Abbott was health minister, he had
a cap on GP training places at 600. We now have 900, and that is going up to 1,200 providing services across the community.

We have our GP after-hours hotline, which is now providing support and relief to families—in the middle of the night, when their GP is not open, they can call and have a GP on the end of the line to get advice. More than 50,000 Australians, many of them with young children, have taken advantage of those health services.

Of course, we are seeing changes in our hospitals as we speak. For the first time staph infection rates in each and every hospital are being provided on the My Hospitals website. These reforms have all been opposed by those opposite. They said at the last election that they would cut funding for superclinics and for primary care infrastructure grants. They have never supported the regional cancer centres and they have said they will close down the GP after-hours line. We are getting on with the job of delivering health services that this man opposite never delivered when he was the health minister.

Australia-India Relationship

Mr IAN MACFARLANE (Groom) (15:17): My question is to the Prime Minister. I refer the Prime Minister to her statement about cabinet government, and I quote her:

You consult and then you decide. I will take that approach to all questions in my Prime Ministership, …

My question to the Prime Minister is: why did the Prime Minister not consult the foreign affairs minister about her plan to overturn the ban on uranium sales to India before she informed the Indian Prime Minister?

Ms GILLARD (Lalor—Prime Minister) (15:18): I thank the member for his question. I made a decision about raising at the forthcoming ALP national conference the need to change our platform. I made that decision; I viewed it as a leader's call and I took it.

MOTIONS  
Prime Minister Censure

Mr ABBOTT (Warringah—Leader of the Opposition) (15:18): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Warringah from moving immediately:

That this House censures the Prime Minister for misleading the Parliament about her discredited carbon tax when she said in an answer earlier today that 'it is wrong to suggest that the Treasury modelling of the government’s clean energy future program depends on the United States putting a price on carbon' when her own same Treasury modelling says, on page 111, that 'the modelling assumes comparable carbon pricing in other major economies from 2015-16'.

What we have seen over the last four weeks is the Prime Minister stalking world leaders for photo opportunities. That is what she has been doing—she has been stalking world leaders looking for photo opportunities, but she has to come back and answer to the Australian people and she has to come back to answer to the Australian parliament. That is what she signally has not done today.

No recent Prime Minister faced with a potential censure motion would scurry out of this parliament as this Prime Minister does day in, day out. But let there be absolutely no doubt: this Prime Minister today has misled the parliament. She has claimed that her carbon tax modelling is based on one thing when plainly it is based on something absolutely altogether different. In fact, what has happened is that last week President Obama blew up the Prime Minister's carbon tax by revealing to the Australian public and
to the wider world that the international action on which the government's carbon tax is based simply is not going to take place.

_Mr Albanese interjecting—_

**Mr ABBOTT:** That is exactly right. President Obama said, and he might as well have stood up in this parliament and declared that 'There will be no carbon tax under any government I lead.' And you can believe President Obama in a way that you could not believe this Prime Minister before the election.

Not only did this Prime Minister, before the election, say one thing to win votes and then do the opposite after the election to hold her job she has compounded the pre-election falsehood with a series of flagrant falsehoods in this parliament today.

I asked a question earlier today about the fact that President Obama is not going to introduce a carbon tax, that the Canadians are not going to introduce a carbon tax and that the Russians and the Japanese are not going to introduce a carbon tax. In other words, no major economies are going to have a comparable carbon price to that in Australia. None! Not a single one. And what did the Prime Minister say in response? She said:

The assertions he—
the opposition leader—
has just made about the Treasury modelling are wholly wrong.

She went on to say:

It is simply wrong to suggest that the Treasury modelling of the government's Clean Energy Future program depends on the United States putting a price on carbon by 2016—

wholly wrong. Let me just read again what the modelling does say. In chapter 5, it says:

The modelling assumes comparable carbon pricing in other major economies from 2015-16.

Can this Prime Minister not read? She was the Minister for Education, but she seems incapable of understanding plain English words written on the paper of her own document.

Chapter 3 of the government's own Treasury modelling document—*Strong Growth, Low Pollution: Modelling a Carbon Price*—says:

Global coordinated action emerges from 2016.

An equilibrium global permit price emerges to clear the global permit market.

That is the condition on which the government's modelling rests. Chapter 3 also says:

By 2016, a more coordinated international policy regime allows countries to trade either bilaterally or through a common central market. As a result, a harmonised world carbon price emerges in 2016.

So, again and again, in the government's own modelling document, it is crystal clear that it does not work unless comparable major economies adopt a system like that which Australia is now proposing to adopt. And all the bluster, all the obfuscation and all the straight-out falsehood that we got from the Prime Minister today does not alter that fact.

The carbon tax modelling is a fraud. The carbon tax modelling is a con. The government's compensation package, based on the carbon tax modelling, is simply wrong, is simply a rip-off, and the Prime Minister should come into this House, own up to that fact and start telling the truth for the first time since before the last election. It really is a disgrace that this Prime Minister is not prepared to own up to the truth about her own modelling. It is a disgrace that this Prime Minister is perhaps the most brazen purveyor of falsehoods this parliament has ever seen. Let's face it: this is the Prime Minister who still insists that the member for
Dobell has her full confidence; that is the 
quality of truthfulness we get from this 
Prime Minister. It is a disgrace that this 
Prime Minister is not prepared to admit in 
this parliament that her carbon tax modelling 
absolutely depends on action by other 
countries which is not going to occur.

What does that mean? That means that the 
whole foundation of her compensation 
package—the whole foundation of her 
claims that Australians will not be hurt by 
this carbon tax—is absolutely and 
categorically wrong. The Prime Minister is 
claiming, based on the assumption that other 
countries will have a carbon price, that the 
carbon price will be just $29 by 2020. And 
this absolutely critical, because they have to 
buy 100 million tonnes overseas to get their 
reductions.

Mr Combet interjecting—

Mr ABBOTT: We hear the minister at 
the table saying, 'We think it's funny'. This is 
the minister who could not answer simple 
questions about the falsehoods he told on 
7.30 just a few weeks ago. This is the 
minister who claims that Australia's domestic 
emissions will fall by five per cent and yet it 
will only happen because we are buying, 
under his policy, 100 million tonnes of 
abatement overseas. That purchase will be 
vastly more expensive if there is no 
international carbon price, and that is why 
this fundamental mistake that the 
government has made is so critical for the 
future of the struggling families of this 
country and why this government has to 
come clean and own up to the fact that its 
carbon price compensation is simply a fraud.

If we redo the modelling with an accurate 
assumption, we get very different results. I 
am pleased to say that the Centre for 
International Economics have redone the 
modelling on the basis of correct 
assumptions. They have correctly assumed 
that international action would be patchy at 
best, and what they found is that the carbon 
tax will not be $29 a tonne by 2020; it will 
be $43 a tonne. They found that the hit to 
Australia's GDP by 2020 will not be $32 
billion; it will be $180 billion. They found 
that the hit on household incomes will not be 
$5,000; it will be $11,000. They say that 
wages will not be more or less static; they 
say that wages will be two per cent down by 
2020 as a result of a properly modelled 
carbon tax. The minister at the table is 
someone who once stood up for the workers 
of Australia. Now he is knowingly inflicting 
a two per cent pay cut on the workers of 
Australia and an $11,000 hit on household 
budgets. It is an absolute disgrace and what 
this shows is that the carbon tax is just a rip- 
off. (Time expired)

The SPEAKER: Is the motion 
seconded?

Mr HUNT (Flinders) (15:29): I second 
the motion. 'There will be no carbon tax 
under the government I lead,' and today, 'We 
never relied upon the United States having a 
carbon tax.' We have a pigeon pair of grand 
deceptions—one before the election and one 
on the floor of the parliament this day— 
which mean that the Prime Minister has 
missed the Parliament of Australia. Last 
week President Obama let the cat out of the 
bag and made it absolutely clear that the 
United States would not have a carbon tax 
now, would not have a carbon tax in 2016 
and, dare I say it, it will be many, many, 
many, many years before they even consider 
it.

Of most importance is the simple fact that 
the government's modelling clearly, 
absolutely, unequivocally, without question, 
without debate assumes that the United 
States, Canada, Korea and Japan will all be 
part of a coordinated global carbon price by 
2016. Let me read the damning evidence
which makes this Prime Minister a grand deceiver today on the floor of the parliament. It says:
The modelling assumes comparable carbon pricing in other major economies from 2015-2016.
That is not a statement of equivocation. While the United States is a major economy, and so are Japan, Korea and Canada, these countries are not about to have a carbon price. These countries are not about to live up to the assumptions in the modelling. The Treasury modelling is express, clear, absolute and unequivocal because in chapter 3 it says:
Global coordinated action emerges from 2016.
The government has attempted to say that it is already there. We are just talking about Europe. This is about a transitional process. This is about a change which is in place from 2016. This is about something other than the European system, which is approximately 1/400th per head of the impact on every member of the European population, compared with the system imposed by this government. It is about a radically different global environment from that which is in place now.

The government know that their model is broken, that their assumptions are false and that the President has exposed them. But not just the President, the Canadian Foreign Minister came to this country and was asked whether or not Canada would ever have a carbon tax. The answer was not equivocal or doubtful; the answer was ‘no’. Canada will not be having a carbon tax—not now, not anytime soon, not anytime in the medium term, never—according to the Canadian Foreign Minister. That is about as unequivocal as it gets. As the Leader of the Opposition said—this matters because the entire government modelling is based on a fiction, a fantasy, a falsehood. This modelling is therefore broken.

As the Centre for International Economics said in a note which was circulated to explain their modelling:
The new modelling analysis is the first to assess the cost impact of the carbon pricing scheme if global action on climate change is patchy and fragmented.
It goes on:
This is a much more likely scenario than Treasury’s rose-coloured assumption of universal and synchronised action with unlimited cross border trading.
We do not blame Treasury; we blame these guys for forcing a false assumption on the modellers. There is no question that this assumption was forced on people. That is why the government were so uncomfortable during the estimates process. That is why they ducked and weaved. They knew that it was unsustainable and, as President Obama let out last week, the government’s best case scenario—and I want everybody to hear this—is that somehow the US meets its targets without a carbon tax. The mightiest economy in the world, according to the government, is able to meet its targets without a carbon tax. How do they do it? Direct action, practical action, real action. Yet, these guys are in deep trouble because there will be no carbon tax in the United States, there will be higher electricity prices in Australia, the modelling is broken, President Obama let the cat out of the bag and the Prime Minister has misled the House—(Time expired)

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:34): I used to think that they moved a suspension of standing orders every day at 10 to three so that they could get on TV prior to Play School. But that explanation does not cut it today because
they waited until 25 past three. So the only possible explanation for such a weak resolution as suspension to be moved by the opposition is that they want the opportunity to sit on the government benches, if only for a couple of minutes during the division. So desperate are they to sit on this side of the House that they come in here and move a pathetic resolution, a weak resolution, coming on the back of one of the worst question time performances—and there have been some doozies—that they have had this entire year.

We move to the end of 2011 and we know there have been 235 bills passed through this House; we know that the government have the carbon pricing through; we know that there is support for a minerals resource rent tax regime; we know that we have had the structural separation of Telstra voted for overwhelmingly by all the Telstra shareholders; we know the National Broadband Network is being rolled out; we know we had record infrastructure spending in roads and rail and ports; and we know that the government's agenda on education means that schools are being opened as a result of the Building the Education Revolution with new halls, new facilities, new computers and new sports fields. We know that the opposition are desperate about that, even though they opposed them. We know that the government's health agenda is flowing through with new GP superclinics and new hospital infrastructure across the board. We know that this is a government that is delivering.

Those opposite, as they near the end of the parliamentary year, are getting more and more desperate. Because, with the walking vuvuzela over there that parades himself as the opposition leader—all opposition and no leader—you can only believe one word he says and that is when he says 'no', because you know that that is of conviction. 'No' to action on climate change, 'no' to action on the NBN, 'no' to national hospital reform, 'no' to assistance for the steel industry, 'no' to helping problem gamblers, 'no' to higher pensions, and 'no' to lower personal business taxes.

Although they do change occasionally—such as they did on superannuation. They have read a bit of research that the walking vuvuzela is running up against reality: that those people whose attention he got in the early stages are growing tired of the fact that there is just one noise. There is no vision for Australia's future on any issue whatsoever. He is the stuntman of Australian politics where no platform is too low. The inconsistency of those opposite and the rank opportunism whereby they are prepared to oppose—even things they say they support they oppose. He is the only living Liberal leader who opposes putting a price on carbon.

Let us have a look at their resolution. They want to get the suspension of standing orders through so that they can speak on this today. This is a cracker. They quote the Prime Minister as saying:

It is … wrong to suggest that the Treasury modelling of the government's Clean Energy Future program depends on the United States putting a price on carbon …

And then the quote that they say contradicts it—the big killer blow to the Prime Minister—does not even mention the United States in their motion. It does not say a word about the United States. They know that in fact in the United States you have an economy such as California, the eighth largest economy in the world—an economy bigger than Australia's—that is taking action on climate change. They know that across the world we have action taking place but those opposite are inconsistent about this to an extraordinary degree. We should not be surprised, because the former Leader of the
Opposition Malcolm Turnbull had this to say about the current Leader of the Opposition when it came to climate change:

His only redeeming virtue in this remarkable lack of conviction is that every time he announced a new position to me he would preface it with, 'Mate, mate, I know I am a bit of a weathervane on this but...' That is what the former Leader of the Opposition had to say.

The only strategy they have is for the Manager of Opposition Business is to try and block the camera during this speech. That is what they are reduced to. You can imagine them sitting around, talking tactics: 'We'll ask a question about climate change. Yes, there's no link between what the Prime Minister said, no contradiction between that and what we allege is the big killer blow, but we won't let that worry us. We'll move a suspension motion regardless, because even though we lose it, even though it is impossible for us to get a suspension through'—and there have been more suspensions moved by this opposition this year than by any opposition in Australia's political history since Federation. When they talk it through, they say: 'At least we'll get to sit on the government benches for a couple of minutes. So, let's do it.'

What we are suffering from is the longest political dummy spit in Australia's political history. This desperate Leader of the Opposition knows that his relentless negativity is jarring against the Australian public. The 'no, no, no, no, no, no, no, no', the walking vuvuzela that is the Leader of the Opposition, is jarring against the Australian public. They know that there is nothing constructive to say, but this is the highlight of their day. I urge the counters, the deputy whips, to count slowly so that they get to sit on the government benches for an extra 30 seconds or an extra minute. It will be the highlight of the opposition's day.

They come in here and they talk only negativity. Remember when the global financial crisis, according to the Leader of the Opposition, was going to lead to massive debt and deep recession? Then in 2009 he said: 'All of the money that they are spending is not going to stop us going into recession. It's not going to stop the recession being long and deep. I would argue that the recession will be worse in the long run, because of the measures that they've taken.' That is what he had to say about the global financial crisis in 2009. But what does he actually say when he is hit with the reality of being at a serious economic debate overseas, where they know that Australian economic performance is regarded by all—including President Obama, the United States and all the European leaders—as being the envy of the world for what we were able to achieve through the economic stimulus plan? What does he say? What is his real view? It is this. He said:

This year, Australia's economic growth is expected to be one and three quarters per cent; our unemployment rate about five and a quarter per cent; our net government debt ... about 8 per cent of GDP; our collective budget deficits just under four per cent of GDP and net interest payments just under 2 per cent of government outlays.

On the face of this comparative performance, Australia has serious bragging rights. Compared to most developed countries, our economic circumstances are enviable. That is what the Leader of the Opposition had to say about the Australian economy on 10 November. The shadow finance minister is so desperate to be consulted, but the only time the Leader of the Opposition will talk to him is when he sits next to him in the chamber! I would stick to trying to get a phone call about a meeting, if I were you. They are trying to drag down the Treasurer's
performance today. They ask a question, forgetting the $70 billion black hole!

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The 25-minute time limit for this debate has expired.

Mr ALBANESE: Well I say to those opposite: enjoy your couple of minutes on the government benches because it is all you are going to get for a very long time!

The DEPUTY SPEAKER: Order! The Leader of the House will resume his seat.

Mr Pyne: On a point of order: I invite the minister to table the government's talking points, from which he was reading.

The DEPUTY SPEAKER: There is no point of order.

Question put: That the motion (Mr Abbott's) be agreed to.

The House divided. [15:48]

(Assistants count votes)

The Speaker—Mr Harry Jenkins

Ayes.................71
Noes.................73
Majority............2

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Hartseyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Seeker, PD (teller)
Slipper, PN
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Brodmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jones, SP
King, CF
Livermore, KF
Macklin, JL
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Piberseck, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Wilkie, AD
Zappia, A

AYES

Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Contet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Mitchell, RG
Neumann, SK
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Vunnakinou, M
Windsor, AHC
Question negatived.

Ms Gillard: I ask that further questions be placed on the Notice Paper.

AUDITOR-GENERAL'S REPORTS

Report No. 12 of 2011-12

The SPEAKER: I present the Auditor-General's Audit report No. 12 of 2011-12 entitled Implementation of the National Partnership Agreement on remote Indigenous housing in the Northern Territory.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Presentation

Mr ALBANESE: Documents are presented in accordance with the list circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

- Australian Prudential Regulation Authority—Report for 2010-11.

Sydney Airport Demand Management Act—Quarterly report on movement cap for Sydney airport for the period 1 July to 30 September 2011.


Torres Strait Regional Authority—Report for 2010-11.

Debate adjourned.

BILLS

Social Security and Other Legislation

Amendment Bill 2011

Returned from Senate

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

Business Names Registration

(Application of Consequential Amendments) Bill 2011

First Reading

Bill received from the Senate and read a first time.

Ordered that the second reading be made an order of the day for the next sitting day.

Offshore Petroleum and Greenhouse Gas Storage Amendment (Significant Incident Directions) Bill 2011

Report from Committee

Mr ZAPPIA (Makin) (15:56): On behalf of the Standing Committee on Climate Change, Environment and the Arts, I present the committee's advisory report on the Offshore Petroleum and Greenhouse Gas Storage Amendment (Significant Incident Directions) Bill 2011 together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

Mr ZAPPIA: by leave—The Offshore Petroleum and Greenhouse Gas Storage
Amendment (Significant Incident Directions) Bill 2011 was referred to the House of Representatives Standing Committee on Climate Change, Environment and the Arts for inquiry and report on 22 September 2011. The purpose of the bill is to amend the OPGGS Act to specifically enable the regulator to issue a direction to a petroleum titleholder in the event of a significant offshore petroleum incident that has caused or might cause an escape of petroleum.

The OPGGS (Significant Incident Directions) Bill is closely related to a package of bills that were passed by both houses in September this year, led by the OPGGS Amendment (National Regulator) Bill 2011. These bills established the National Offshore Petroleum Safety and Environmental Management Authority, or NOPSEMA, as a national regulator for the offshore petroleum industry. When it begins operating on 1 January 2012, NOPSEMA will largely take over roles previously held by the state and Northern Territory 'designated authorities' with regard to the structural integrity of facilities, environmental management and the day-to-day regulation of offshore petroleum operations.

Amongst the powers given to NOPSEMA by the national regulator bill is the power to issue directions to offshore petroleum titleholders in relation to general operations and also remedial actions for the purpose of restoring any damage to the environment within the title area. The significant incident directions bill before the House will extend this power so that, in the event of a significant offshore petroleum incident occurring within the title area that has caused or might cause an escape of petroleum, NOPSEMA will be able to issue directions that require the titleholder to take remedial actions either within or outside the title area.

As the bill before the House concerns matters closely related to the national regulator package of bills, the committee elected to invite submissions from organisations who had participated in the previous inquiries into those bills by the House of Representatives Standing Committee on Agriculture, Forestry and Fisheries and the Senate Economics Legislation Committee. The committee received two brief submissions: one from the Department of Resources, Energy and Tourism and the other from the Western Australian Department of Mines and Petroleum. The Western Australian submission expressed general support for the intent of the bill; however, it suggested that it may be more appropriate for the direction-giving power to be given to the Commonwealth minister rather than NOPSEMA. It also suggested that, given the significance of offshore petroleum operations to Western Australia's economy and environment, consideration should be given to legislating mandatory consultation with WA in relation to any significant incident directions or, at a minimum, notification once a direction has been issued. The Department of Resources, Energy and Tourism was invited by the committee to respond to the Western Australian concerns. The committee agreed with the department's contention that there is a sufficient level of accountability between NOPSEMA and the Commonwealth minister for the direction-giving power to remain with NOPSEMA. The committee notes that NOPSEMA will have a high level of expertise and understanding of the key regulatory issues that it is being established to oversee, making it ideally placed to issue any significant incident directions that may be required. The committee agreed with Western Australia that the relevant state or territory authorities should be, at a minimum,
notified when a significant incident direction has been issued. However, given the importance of a timely response to any such incidents, the committee agreed with the federal department that it would be unwise to formally legislate any consultation or notification processes in the OPGGS Act. The committee suggests that such processes should instead be incorporated into NOPSEMA's internal operating practices.

The committee considers that the Offshore Petroleum and Greenhouse Gas Storage Amendment (Significant Incident Directions) Bill is an important part of the regulatory reforms that were initiated following the Montara Commission of Inquiry. As demonstrated by the 2009 Montara incident off north-west Australia and the more recent Deepwater Horizon incident off the United States, offshore petroleum incidents have the potential to affect very large areas of offshore waters and coastlines, with major economic and environmental consequences. The committee therefore recommends passage of the bill through the House without amendments.

Minerals Resource Rent Tax Bill 2011
Minerals Resource Rent Tax (Impostion—General) Bill 2011
Minerals Resource Rent Tax (Impostion—Excise) Bill 2011
Minerals Resource Rent Tax Assessment Amendment Bill 2011
Minerals Resource Rent Tax (Impostion—General) Bill 2011

Petroleum Resource Rent Tax (Impostion—Customs) Bill 2011
Petroleum Resource Rent Tax (Impostion—Excise) Bill 2011
Tax Laws Amendment (Stronger, Fairer, Simpler and Other Measures) Bill 2011
Superannuation Guarantee (Administration) Amendment Bill 2011
Second Reading
Cognate debate.
Debate resumed on the motion:
That these bills be now read a second time.

Mr TONY SMITH (Casey) (16:02): I began my remarks on the mining tax legislation in the minute or two just prior to members' statements earlier this day. At that point I was recalling the long and winding road of this mining tax that began about 18 months ago. It began, as I said, when the Treasurer, Mr Swan, finally, after six months of consideration, released the Henry review into taxation just days before the budget. At that point he announced that the government would have a mining tax. All honourable members, many members of the public and those listening today will recall that the government, after announcing this measure, sought through the then Prime Minister, the member for Griffith, to attack the mining companies who had the temerity to criticise this very bad tax proposal. We all remember how the then Prime Minister, the member for Griffith, criticised our most successful mining companies on the basis of their levels of foreign ownership. As we all recall, the mining tax eventually was the subject of much negotiation. The government had to concede they had got some of the details wrong, but they would not concede the essential point that you would think they...
would know in their hearts and that is that this is a very bad tax proposal that will damage investment, damage jobs and harm our mining industry—one of the great strengths of the Australian economy.

We now come here to this House to debate this package of bills. As the member for Higgins outlined a couple of hours ago, these proposals and this mining tax went before the House of Representatives Standing Committee on Economics. The process in that committee alone says so much about how the government has fumbled and stumbled at every turn in trying to implement this bad tax. Submissions were open and closed within a three-day period. There were two half days of hearings but, unfortunately, it would not have mattered what evidence went before that committee as the Labor members of that committee—the majority—had made up their mind that no matter what the evidence was they would support the imposition of this bad tax.

As I was saying prior to question time, it will not only create a black hole for the mining industry but also create a black hole for the budget. The shadow Treasurer, in speaking on these bills on behalf of the coalition a few weeks ago, made points about the government's chaotic process and how that of itself has caused a lack of certainty. Those points have also been made by many people other than those on this side of the House. If those opposite do not want to listen to those of us on this side of the House, at least listen to some of the witnesses who, in that short period of time, had the opportunity to come before the various committees and make the point about the government's approach. In fact, they should listen to the comments of Yasser El-Ansary of the Institute of Chartered Accountants in Australia—an esteemed body that calls it as it sees it on issues of tax design, tax administration and tax policy generally. He recently said:

The government's approach to consultation and policy design in respect of the new resource tax arrangements during the course of 2010 can only be described as abysmal.

... ... ...

If there was an international prize for the best worst policy consultation process in a sophisticated open market economy, Australia's efforts during the course of 2010 would win hands down.

He went on to say:

But while the consultation process around the original resource super profits tax announced in early May 2010 was bad, the subsequent consultation process that involved striking a deal behind closed doors with three key mining groups in July 2010 was even worse. It would not be unreasonable to say that that represented a low point in Australia's economic and political history. It is a low water mark which most Australians would prefer not to see repeated in our lifetime. I think you would be hard pressed to find anyone to support the view that that is a good way to make public policy decisions.

The government have heard that and they have ignored that. They have decided to push on, for one simple reason: they want to collect some revenue. We have heard the Treasurer and the Assistant Treasurer talking about the revenue they wish to collect and the fact that they have linked that to expenditure on a number of levels. I will address the government's approach on that in some detail because it does tell the story of this government and its fiscal incompetence and irresponsibility in so many ways.

An important point that others have made in this debate is the issue of sovereign risk. The shadow Treasurer made this point in some detail in his contribution in the House. Clearly, the government is looking at a key performing industry, namely the mining sector, and setting out to hamper it. It is an important sector in Australia and it gives
Australia an important comparative economic advantage. I will not take the time of the House to recite all of the important statistics that the shadow Treasurer and others on our side of the House have rightly used to illustrate that important fact but, needless to say, in this highly competitive sector Australia competes with a number of countries, including Brazil, Chile and Canada. We compete for investment right through those industries. The government’s approach to this issue and the actions it has taken in seeking to introduce this tax has very much undermined confidence in the policy architecture of Australia. The signal has been sent that this government will chop and change.

The signal of uncertainty has been sent, and again I would refer honourable members to the comments of those within the industry. I will quote the CEO of AngloGold Ashanti, who said at a Commonwealth Business Forum in Perth in October that Australia is one of the top sovereign risk countries in the world on the basis of government policy and its demonstrated behaviour in terms of taxation policy and inconsistency in policy. Those are the words of a key player in the industry. That has not deterred the government one iota. For those members opposite who are debating these bills this day, I urge them to think about the comments of those who are experts within the industry.

Indeed, the CEO of the Minerals Council of Australia, Mr Mitch Hook, explained in his testimony to the parliamentary inquiry just a few days ago that the mining tax has already eroded the investment climate in Australia by increasing the perception of sovereign risk. He cited the Fraser Institute in Canada, which is an independent think tank that surveys more than 400 CEOs around the world. It looks at 51 jurisdictions of resource-rich nations down to the state or provincial level. What has gone on up to this point with the debate over the MRRT has been enough—without the bills even being passed—to drop Australia from 18th out of 51 to 31st out of 51 in what the Fraser Institute calls the Policy Potential Index.

The Chamber of Minerals and Energy of Western Australia expressed similar concerns. I quote: Uncertainty around implementation and administration of the new measures increases the risk premium international investors demand from Australian investment.

And I could go on. In the final minutes that I have remaining, I would like to address the issue of the fiscal irresponsibility of what the government is doing. As I outlined a few minutes ago, the government says that it wants to take the additional revenue from its badly conceived tax and fund a number of things that it has linked within the budget. As the shadow Treasurer has pointed out, even on the figures the government has produced, this opens up a black hole within the budget. Also, should there be a reduction in the forecast revenue, there is no reduction planned by the government in the spending which it has handcuffed to the revenue it expects to get. What that clearly does is open the budget up to a black hole in the future that this government does not care one jot about.

This very issue was raised during the inquiry of the House of Representatives Standing Committee on Economics. Let me just say that it was obvious from the testimony of the Treasury officials that this was a government decision and one the government had to answer for. The government is putting in place programs in perpetuity, relying on a revenue base that will move around and wobble. But we all know that our record terms of trade, whilst welcome, will not continue forever and a day.
The government has, every step of the way in the last 18 months, shown why it cannot manage the budget and why it cannot manage the economy. This is a bad proposal from a bad government, and it deserves to be rejected.

Dr LEIGH (Fraser) (16:15): The legislation before the House today deals with the imposition of a profits based tax on Australian minerals. In predicting the impact of this tax on the mining industry it is useful to look back into history, to the history of the petroleum resource rent tax. Back in 1987, the then Hawke government proposed that the offshore oil and gas industry shift from a royalty regime to a profits based regime. There was outrage from the industry. Industry members took out front-page ads. They said a profits based tax was anticapitalist and, predictably, those on the coalition benches supported them.

Over the last couple of decades, we have seen a boom in precisely that sector. As the economists told us, going back to the theory of Brown taxation, a profits based tax was good for that sector. Under the old crude oil levy and royalties, the Bass Strait partners were going to shut several of their oil fields and not develop further gas fields. Under the PRRT, there is more than 20 years of oil production and 30 years of gas production remaining in Bass Strait. As the Minister for Trade, who was then an adviser to the Hawke government, has pointed out, history is now set to repeat. The coalition are railing predictably against the minerals resource rent tax.

There is another sense in which the coalition are going through groundhog day all over again. The revenue from the minerals resource rent tax will go to fund an increase in superannuation. It was again a Labor government, back in 1992, who put in place the superannuation guarantee levy, guaranteeing nine per cent superannuation for all Australians, ensuring that Australians would be able to retire with dignity. What did those opposite say at the time? Well, the member for Mackellar said that there would be firings and that businesses would be regulated out of existence. But now of course we know that, under compulsory superannuation, Australians have more retirement savings that see them better able to face retirement.

But we on this side of the House believe that nine per cent is not enough. It is certainly not enough for new members elected in this place, who receive 15 per cent superannuation. We believe we need to increase the superannuation contribution to 12 per cent. Yet again—another groundhog day moment—those opposite are saying, 'No, you can't do it.' They are saying no to the profits based tax and no to the increase in superannuation.

The minerals resource rent tax we are putting in place today is a more modest tax than the successful petroleum resource rent tax. While the PRRT has a 40 per cent rate, this one, when you take into account the automatic deduction, has a 22.5 per cent rate. It does not kick in until you make an annual profit of $50 million. So when we are talking about small miners, it is worth bearing in mind that we are talking about people making some very large profits indeed.

In the House of Representatives Standing Committee on Economics inquiry into this package of bills, the representatives from the Council of Small Business Australia made it quite clear that $50 million in profit was well above what their members would expect to earn. It has been the product of a careful consultation process, including a Policy Transition Group—led by Don Argus and the resource minister—and the Resource Tax Implementation Group.
It is important to recognise the context in which we are putting this change in place. Before the last mining boom, Australians got $1 in every $3 of mining profits, through royalties and resource charges. By the end of that boom, it was down to $1 in $7. Profits were over $80 billion higher in 2008-09 than they had been in 1999-2000, yet the government only collected an additional $9 billion in revenue.

A profits based tax is a fair tax. Because it is a rent tax, it ensures that the burden does not fall on workers or communities. It falls instead on the owners of the mining companies. The incidence of a minerals tax is different from the incidence of a company tax.

Many international policymakers understand this. In fact, it is not just those of us on the progressive side of politics who get it. I draw the House's attention to Sarah Palin's time as Governor of Alaska. During that period, Sarah Palin introduced a petroleum profits tax. It is unusual that those on the opposite side of the House are further to the right of Sarah Palin. Sarah Palin wants a profits based tax; those on the other side of the House want to stick with the old, outdated, unfair royalties regime.

The Minerals Council of Australia get this. In their November 2008 submission to the Henry tax review, they argued for a shift from a royalty based system to a profits based system. They did so because they knew that would be a more efficient way of taxing the minerals that are the birthright of all Australians. It has been widely recognised across the political spectrum up until this nay-saying Leader of the Opposition came in.

A profits based tax is the right thing to do. It is an equitable tax, but it is also a more efficient tax. The revenue from this tax will go to fund important investments for all Australians. It will fund a company tax cut for all companies, down to 29 per cent; a new tax break for small businesses; and investment into the regions, through the Regional Infrastructure Fund and the Regional Development Australia Fund. It will simplify the personal tax system with a standard deduction of $500, increasing to $1,000 from 2013. It will support a boost to superannuation for 8.4 million Australians. It will support expanded superannuation concessions for 3½ million low-income earners. So all of this revenue is going to put in place the building blocks for Australia's future prosperity, but we know that, being 'Mr No', the Leader of the Opposition will set in place repealing it. He has already said to the Australian people he will repeal the minerals resource rent tax. He said he will stop the NBN. He said he is going to stop these because it is absolutely critical to stop them.

It is difficult to see how some of these things can be stopped in their tracks, but what is curious over recent weeks is there is one reform that the Leader of the Opposition will not repeal, and that reform is the increase in the superannuation contributions, rising from nine to 12 per cent. It is a particularly surprising reform to be saying that you are not going to repeal, given that the rate is increasing gradually from now until 2020. But the Leader of the Opposition has said, 'I'll vote against it in this place but, if I'm elected in 2013, I'll support all of the incremental increases up to 2020.'

It is good that the Leader of the Opposition has come to his senses on at least one Labor policy reform. But the problem for him is that he now has to pay for that reform. We know the opposition have some serious financial problems. They went to the last election $11 billion short in their costings—they are now $70 billion short in...
their costings. That means, when Australians are looking at what the Leader of the Opposition has on the table, they should be aware that there is $70 billion worth of slash and burn still sitting secret. They should be aware that there is $70 billion worth of additional savings the coalition has to find. That is on top of the 12,000 public sector jobs which are going to be slashed out of towns like Canberra, Darwin and Townsville.

If the Leader of the Opposition is going to repeal any law, the one that he really needs to repeal is the law of mathematics—the law that says that he has to make his books balance, the law that says that if he is going to support a spending measure, he needs a tax measure to back that up. But, of course, he is unwilling to do that. The only bit of this package that he says he will support in government is the spending measure, the superannuation side of it; not the taxing measure, the minerals resource tax. We know why the opposition are in such a deep hole. They are no to reform, no to economists. They do not like what economists have to say. They go out and attack them, but they are yes to special interests. There is no special interest that does not get a hearing from the opposition. If you are willing to make a case for cutting a hole out of a piece of legislation, the opposition would be happy to bring your case to the parliament. Theirs is a policy of no special interest left behind.

We see the opposition coming into this place and making the sovereign risk argument. I am reminded of the old rule in high school debating which is that, when you have got two teams, the first team to mention the Nazis automatically loses. There are some arguments in high school debating that, when they come out of your mouth, we know you have run out of any sensible argument to make. That is true of the sovereign risk argument as well. Those opposite cannot work out a good reason for opposing a profits based tax. They know the PRRT model has worked well. They know there is no rational reason for opposing this tax, so they reach deep down and pull out the sovereign risk argument. They say that doom and disaster will rain down upon Australia if we are to tax mining on a profits basis rather than on a royalty basis.

You can tell the lie from that simply by looking at minerals investment in Australia. It has never been higher. Investment in this sector is at record highs, but, for those opposite, no scare campaign should be left unturned. They are willing to go anywhere and run any scare campaign, no matter how unbelievable.

Those opposite are the Colonel de Groot of Australian politics: they are willing to slash, wreck and break. They are willing to come in here and do anything they can in order to break down good constructive reform. We saw this last week during the visit of the President of the United States. There was brief moment where the Leader of the Opposition had a chance to look prime ministerial, but he was not able to take it. He was not able to step out of his day-to-day attack, attack, attack mode and just for a moment focus on what is in the interests of Australia.

The Leader of the Opposition is always more interested in tearing down the Labor Party than he is in building up Australia. His political interests are what get him out of bed each morning. There used to be a proud tradition in the Liberal and National Parties of Australia of noblesse oblige, but today the coalition are all noblesse and no oblige. They are willing to back away from reforms that will help low-income earners in Australia—reforms that will help small businesses in Australia and reforms that will put fair
taxation in place for the minerals that are the birthright of all Australians. That revenue will ensure that older Australians can retire in dignity, that they can retire with 12 per cent superannuation, which will ensure that they are able to do the things they have wanted to spend their lives doing. They will be able to enjoy taking that grey nomad trip around Australia. They will be able to enjoy appropriate living standards.

We are going to be funding this out of an extremely efficient tax—a tax which, contrary to what some came before our House economics committee and argued, will be paid overwhelmingly by large miners. That is what Treasury said to us. That is what the Minerals Council of Australia said to us. Those opposite are willing to believe the claims of Fortescue, a company that has never paid a cent of company tax, has consistently changed its position on the minerals resource rent tax and has been willing to run arguments in its self-interest rather than in the national interest. Those opposite should be very careful of this sort of special interest pleading. They should be aware that Australians have a long memory, that Australians are watching to see which political parties make decisions based on the long-term interest of Australians and which political parties focus on the right thing to do—that is, moving to a profits based mining tax, boosting the retirement incomes of Australians and cutting the company tax rate. I commend the package of bills to the House.

Mrs BRONWYN BISHOP (Mackellar) (16:30): In rising to speak to this package of bills, I will make some preliminary remarks regarding the imposition of the new MRRT itself but make specific reference to the Superannuation Guarantee (Administration) Amendment Bill 2011, which is also a part of this package, and the misleading of the parliament by the minister responsible for the bills with his second reading speech and subsequent actions.

It is purported that this whole package of legislation sets out to raise $11 billion in tax but proposes to spend $14 billion of tax. In reality, it will raise only $8 billion because the agreement between the now Prime Minister and the heads of BHP Billiton, Rio Tinto and Xstrata—after her assassination of the former Prime Minister—has in fact meant that $3 billion which is being raised by state governments, quite properly, in royalty payments will be refunded by the government to the companies paying those royalty payments. In other words, a tax which has been purported to be brought in to enable certain benefits to be given to people in fact results in a further debt being incurred by this government in that its expenditure is once more greater than the income it brings in.

It was most interesting that when those discussions took place between BHP, Rio Tinto, Xstrata and the Prime Minister, Ms Gillard said that she would settle this question of the minerals tax—which had become such a burdensome question for the former Prime Minister, Mr Rudd—and came out of those decisions and said, 'It has now all been fixed.' But, of course, it has left the smaller miners in the very difficult position of them in fact carrying the burden of the money that has to be raised or that will be raised by the tax. There has been a paper put out which shows that the amount of tax paid over the next five years by those large companies—that is, BHP, Rio Tinto and Xstrata—will in fact be nil. But, for the smaller companies, the MRRT that will be raised is from nought to 46 per cent over those same five years.

I think people get a bit confused when they hear it said by the government that the mining companies need to pay tax, implying
that somehow they do not. Indeed, in respect of one particular company where there was evidence given in the Senate and it was disclosed that no corporate tax had been paid in the start-up period for that company, they had in fact paid royalty taxes of something between $450 million and $500 million a year in that period—so, clearly, not being in the position of having paid no tax; it simply was bearing another name.

Then we come to the question of the Superannuation Guarantee (Administration) Amendment Bill. The minister responsible, the Assistant Treasurer, Mr Shorten, in his second reading speech—and this is the tabling speech and therefore part of the official record—said:

And this bill abolishes the superannuation guarantee age limit.

It simply does not do that. In fact, all it does is implement the government's policy that it took to the last election. It said that it would raise the age from 70 to 75, being the age where the employer can elect whether or not to pay superannuation entitlements. We, on the other hand, said that was not good enough and, in the promise that we made to the electorate in the lead-up to that election, said that we would abolish that age limit for employees in the paid workforce altogether. So, in accordance with that promise, I brought in in February of this year a private member's bill which would abolish that age discrimination.

The minister, having said in his tabling speech that the bill would abolish the superannuation guarantee age limit, misled people in his press conference and then in the parliament by saying that they were doing it. I then raised with the Speaker the question of whether or not the minister could come back into the chamber and correct the record or whether or not he would consider it as a prima facie case of contempt and refer it to the Privileges Committee. After question time on that day, the minister in fact came back into the chamber and said he wished to make a personal explanation and he said:

The member for Mackellar seems to be confused. I was not confused at all; he was. He continued:

The government is firmly committed to abolishing the Superannuation Guarantee age limit for all Australian workers. My second reading speech for the Superannuation Guarantee (Administration) Amendment Bill yesterday states that the bill will lift the SG limit to 75.

That is exactly what I had said—it does not abolish it. He then went on to say that various people had convinced him of the need to abolish it and that he would introduce some amendments to his own bill. I find that particularly curious, because the only way that he can amend his own bill is to introduce a bill in exactly the same terms as the one that I brought in as a private member's bill in February. By the time we got to May to have the second reading debate and a vote on my bill, the government moved heaven and earth to stop that bill having a second reading debate, saying that it should be voted down. I appealed to the then minister and to the crossbenchers for them to give the bill a second reading and to give a commitment during the consideration in detail that they would bring in an appropriations bill to allow the legislation to function.

The Speaker was asked to rule on whether or not the private member's bill was a tax or an appropriation bill. The Speaker accepted the ruling of the clerks, which was that, because my bill would enlarge the class of persons to whom the superannuation guarantee charge would apply, it was in effect an appropriations bill—it increased a charge. I find it intriguing that the minister said that he will introduce an amendment to his own bill when he might be caught by
section 55 of the Constitution, which says that a bill dealing with a tax can only deal with a single item—that tax. The bill increases the superannuation guarantee that must be paid from nine per cent to up to 12 per cent in 2019. There are plenty of arguments about whether or not the minister will be caught by section 55 and therefore will have to perhaps withdraw the bill and bring it in in another form.

The reason that I have gone into this amount of detail is because it shows that the minister is simply not across his brief in this area. He simply does not understand the way in which the law operates or the way in which it can be amended. The government has shown all along, including in speeches during the debate on my private member's bill, that it has no concern about mature age workers who remain in the workforce having the right to be paid in exactly the same way as anybody else of any other age. In attempting to pretend that the bill he had brought in removed that age discrimination simply shows that he is not competent in this area and that he does not care, either. He was just busy making a political point, trying to say, 'We do care after all.' I am afraid that the people who are concerned about these issues see through that.

I would point out once again that there are at least 100 employees in the Public Service, of whom the government is the employer—and the government is supposed to be the model employer—who are not paid the superannuation guarantee. Therefore, for the minister to say that the government is championing this cause when it is within their power to, right at this moment, pay those employees in the Public Service who are between the ages of 70 and 75 their superannuation entitlements shows once again his falsity and cynicism. He wants to pretend that he is concerned and yet the way in which he presents legislation and argues for it shows that he does not care at all. I challenge the minister, Mr Shorten, to seek to have those public servants between the age of 70 to 75 who are in the employ of the Commonwealth right now to be paid their superannuation entitlements. There needs to be no amendment to legislation for that to be done.

Instead of amending his bill, to put the question beyond any doubt he should withdraw the bill and bring it back in an appropriate form—such as in the same form of the private member's bill that I presented to this House. He would also need to bring in legislation to increase the superannuation payments from now until 2019 as a separate bill so that there could be no question of the legislation being subject to a challenge in the High Court at some stage. As I said earlier, there is plenty of precedent for this to occur. Other bills have been withdrawn and re-presented to avoid a challenge some time in the future. It would be prudent for the minister to recognise that he has made a mess of it and to bring it back in a form such that the age limit of 75 is abolished altogether, which was the coalition's promise before the election and which remains the coalition promise. The legislation brought in and the tabling speech shows that the intention was never to match the coalition's policy but simply to try and portray the government as doing so without actually removing the discrimination.

Going back to my initial point about the whole package of bills—the package that the coalition has said that it will repeal—the idea that you can tax a nation into prosperity is an idea that will never come to fruition. When you put a greater tax burden on people, you lower prosperity, not heighten it. This legislation was originally designed to raise $11 billion. It will in fact raise only $8 billion and spend $14 billion. That shows that this government has a serious problem in
the way that it formulates policy and then tries to put it into place with legislation. This whole package of bills highlights once again that this is neither a competent nor a straightforward government. It says that it has the ability to share prosperity across the land by introducing a new tax. In fact, what that is going to do is disadvantage a very productive sector in the mining industry, which does not deserve to be penalised in this way.

Ms SMYTH (La Trobe) (16:44): The things that have already been achieved by this government in this parliament will see the transformation of our country. We have seen historic initiatives such as paid parental leave, the establishment of a national broadband network and health reforms which modernise our health system and make it more accessible and more responsive to the needs of Australians. We have put a price on carbon, we have introduced the Carbon Farming Initiative and we have committed ourselves to a clean energy future with clean energy jobs.

Today I take great pleasure in speaking in favour of new measures in this package of bills before us, the Minerals Resource Rent Tax Bill 2011 and related bills, which will ensure that all Australians share in the benefits of the mineral wealth of our country. It is a historic measure and it follows a range of other very significant reforms that this government has already put in place in a relatively short time. And it is a Labor initiative. It is fundamentally about sharing the benefits of the mining boom for the long-term benefit of the many, not simply the short-term gain of the very, very few.

The minerals resource rent tax demonstrates very clearly this government's determination to ensure that those people share in the prosperity that our country is presently experiencing through the mining boom. The MRRT will support the superannuation savings of some of our lowest paid workers. Funds raised through the MRRT will be used to boost superannuation for around 8.4 million Australians. It will also mean expanded superannuation concessions for around 3.5 million low-income earners and about 275,000 people aged over 50. The benefits of those concessions will be available to around 26,900 people in my electorate who, according to ABS statistics, earn less than $37,000 per year. All of this means, for example, that a 30-year-old worker on average weekly earnings will retire with an extra $100,000 in savings.

That is very significant to people living in my electorate of La Trobe. The average age of people living in my electorate is currently 36.2 years, according to the Australian Bureau of Statistics. A substantial part of my electorate takes in Melbourne's south-east growth corridor, with new families moving each week to the local government areas of Casey and Cardinia. So the figure that I have just quoted will be extremely relevant to parents of young families in my electorate when they retire. That is why the minerals resource rent tax is so important to my electorate and to me as their representative. It will make a real difference to so many people living in La Trobe, particularly to their financial situation on retirement, their independence on retirement and the circumstances of their families.

The average annual salary for workers in La Trobe is around $43,900, according to ABS statistics for 2008-09. To put that figure in perspective, the average annual salary for 2008-09 of people in the Leader of the Opposition's electorate of Warringah was around $73,000 a year and the average
annual salary of people in the shadow Treasurer's electorate of North Sydney was $62,000. So an increase in superannuation from nine per cent to 12 per cent is clearly going to be a very important source of savings for a huge number of people in my electorate who are on low wages.

That is exactly what the Hawke-Keating government had in mind when it started the superannuation system in this country. It was a Labor initiative from the beginning and we are progressing it now. And it was opposed then by the coalition, just as the initiatives that we are talking about today are being opposed by the coalition. Indeed, as we have heard today from the Assistant Treasurer, the present Leader of the Opposition made some remarks about compulsory superannuation at the time. On 25 September 1995 he said:

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

That has been the view firmly held for some time by the Leader of the Opposition about the prospect of retirement savings for average Australians, like the substantial number of working people in my electorate who will enormously benefit from the increase this government is proposing should flow from the MRRT. Why is it that those opposite would prefer to stand up for big mining companies than for people on low or average incomes? Why would they prefer to go in to bat for the few who are currently making an extraordinary amount of money from Australia's mineral wealth than for the many families and workers who stand to benefit from the legislation before us today?

I think the people in my electorate should know that the coalition, through their opposition to the minerals resource rent tax, are going in to bat for Rio Tinto, which had a first-half profit of US$7.6 billion. That is an increase of 30 per cent on the previous year. The coalition, in opposing the minerals resource rent tax, are going in to bat for BHP Billiton, which recorded a profit of $22.48 billion for the year ending 30 June 2011. That is an 86 per cent jump in profits. The coalition, in speaking out against the minerals resource rent tax, are standing up for Fortescue Metals Group, which has seen its net profit increase by 76 per cent to $985 million. They are also standing up for Xstrata, which had an operating profit of $4.25 billion, some 31 per cent higher than that previously recorded by it.

So, while the Labor government lines up with families to ensure as many Australians as possible can take advantage of the mining boom, the Leader of the Opposition and the member for North Sydney are going in to bat for mining companies with record profits measured in the billions. And that is not all: many of these same mining companies that the Leader of the Opposition and the member for North Sydney have gone in to bat for have already agreed that they should pay more! And it is to their credit that they do so. The Liberal and National parties' position is illogical, unnecessary and comes at the expense of ordinary working families and small businesses like those in my electorate.

As a member of this government I am standing up for people in my electorate whose average salary is around $44,000 a year. I am standing up for their superannuation, their retirement savings and their futures. I am standing up for the some 53,600 working people in La Trobe who stand to benefit from the superannuation increase that will flow from the minerals resource rent tax.

Under the government's proposals, local small business owners in my electorate will be able to write off every asset they buy valued below $6,500 and the first $5,000 of any motor vehicle, yet this is being opposed by the coalition, who seem absolutely determined to sell out the people that they
perpetually claim to represent. As a result of the benefits flowing from the MRRT, Australian businesses stand to benefit from a company tax cut. All of these measures in relation to small business and company tax stand to support people and businesses in our patchwork economy who may not be travelling as well as those in the mining sector. We want to ensure that those in small business and companies throughout Australia remain strong and continue to support jobs and growth in our economy. Yet again, this is being opposed by the coalition.

This government is standing up for better infrastructure in mining communities, which should see some reward, some direct benefit, from mining activity on their doorstep. It seems that individual members of the coalition might quietly think that this is a good idea. The Leader of the Nationals recently made some very interesting remarks about mining operations. In a speech to the Transport Australia Summit and Expo on 28 September, he spoke about the concerns of many Australians to ensure:

… the mining boom would leave behind a legacy of stronger country communities with permanently improved services and enduring populations.

The Leader of the Nationals went on to tell us what he really thought about mining companies, their contributions and their impact on local communities, thus far. He said:

I share the disappointment about how few mining companies contribute to the areas they invade …

It is a somewhat curious choice of words. Could these be the same mining companies that the coalition is arguing should not be subject to the MRRT? The Leader of the Nationals said it was a tax which would ensure 'the mining boom would leave behind a legacy of stronger communities'. Are these the same mining companies that the Liberals and Nationals would prefer to see profit at the expense of local families and small businesses in my electorate of La Trobe? Indeed, they are. They are the same mining companies that are making extraordinary profits. If the Leader of the Nationals is genuine about supporting local communities, he ought to have a word to the Leader of the Opposition and the shadow Treasurer to tell them to stop putting the interests of the very wealthy—the very few—ahead of the interests of ordinary Australian wage-earners and small businesses.

I am proud to be speaking in favour of these bills today. In doing so I am standing up for residents and small businesses in my own electorate, residents and small business owners who do not earn billions of dollars and who understand that all Australians should share in our nation's wealth. They are local residents whom the Liberals and Nationals simply do not care about. It is time that all Australians—not just a few big mining companies—benefited from the resources boom and shared in our country's enormous mineral wealth.

The initiatives of this government, reflected in the bills before us, offer an opportunity for all to benefit. They will strengthen our economy, they will assist in building up national savings, they will support small business and they will support infrastructure investment in mining communities and investment in our regions. These opportunities could have been seized during the Howard government's years in office, to ensure that the benefits of the mining boom at that time were experienced by all Australians.

Reflecting on the remarks of the Leader of the Nationals, it is a wonder they did not take the opportunity at that time. Now it is clear that it was not simply a case of the Howard government failing to act. It was not simply that they did not think these kinds of
measures might be a good idea. It is clear that the coalition has always intended that big miners should have the exclusive benefit of Australia's mineral wealth. Australians know how important the mining industry is but they also know that we can only dig up Australia's natural resources once. That is why Labor believes in the mining tax—to ensure that all Australians, not just the very profitable mining companies, can benefit from the mining boom.

We understand that many Australians do not currently feel the benefits of the boom. We understand that many businesses and households are doing it tough. Mining is important but we have to make sure that we have a future beyond the mining boom and that we share the benefits for future generations. The coalition opposes the mining tax because it will always put the limited interests of big business before the interests of Australians who are doing it tough. It is once again acting for vested interests and for the very few.

It really is time that the coalition sets out its plan for ensuring that all Australians benefit from the rich mineral resources that our country has found itself the beneficiary of. The coalition must explain why the Liberals are supporting tax breaks worth billions of dollars for mining companies but do not support tax breaks for small businesses in Berwick, Belgrave, Boronia or Ferntree Gully in my electorate. The coalition needs to explain why it is standing up for billionaire mining magnates but ignoring the retirement savings and the day-to-day challenges of families and residents in Pakenham, Berwick Clyde North, Emerald, Belgrave, Cockatoo and Boronia. All that the coalition has been able to articulate in its rebuttal to this package of bills before us today is that somehow it suspects there is likely to be a risk to investment in Australia as a result of the proposals the bills contain.

It is useful to consider part of the proposed investment that is currently being contemplated by a range of the mining companies that I have already mentioned today. It is ludicrous that the coalition suggests there will be damage to mining investment in this country as a result of the MRRT. We know that a number of major projects have already been entered into since the announcement of the package of bills that is before us today. We also know that Australia is clearly experiencing a very significant increase in mining investment.

Since the government announced its mining tax reforms, for instance, mining investment has increased from some $35 billion last year to $47 billion this year, with an expected $82 billion in the 2011-12 period. Mining investment is not going to slow down. The employment that is generated through mining investment is not going to slow down. This is about ensuring that companies which are profitable pay their fair share and that all Australians derive the benefits from resources which can only be dug up once and which we need to make the best use of for our future generations.

Mr RANDALL (Canning) (17:00): I am pleased to speak on the Minerals Resource Rent Tax Bill 2011 and related bills. I am amused by the title 'minerals resource rent tax'; it is a benign name for an evil tax. As the Leader of the Opposition has said, this government has not seen a tax that it did not like and that it did not want to hike. This government has brought in a tax that is a taxation of envy, where the states are the envious parties. This is a jingoistic tax. The opposition has seen the Labor Party, the Greens and the Independents talking about these evil foreigners that invest in our country! They take their dues after having invested billions of dollars in this country. This is a tax that will destroy jobs.
We have heard so much from the government—the Labor Party—about why this is a good tax. I will talk very quickly in the small amount of time we have to talk on these 11 bills. Remember, there were 19 bills related to the carbon tax and we had 15 minutes to debate them. And now we have 15 minutes for 11 bills. I just want, generally, to flesh out some of the details, particularly as they affect my electorate of Canning. As a proud member from Western Australia I can say that the state of Western Australia will be affected very much by this minerals tax.

This is a tax that was thought up by Ken Henry, the head of the taxation inquiry. He wrote 130 or more recommendations in his review. Just 2½ of those were taken up by the Treasurer, Wayne Swan, who decided to sell it to the then Prime Minister, Kevin Rudd. He fell in a huge hole over this. This, along with the carbon tax, was the reason his demise was so swift and the execution so brutal. Along came the night of the long knives, and we had the new Prime Minister, Julia Gillard, who decided to do a deal with three miners: BHP Billiton, Xstrata and Rio Tinto. It is such a secret that nobody is allowed to know the details of this fantastic deal that has been done with the three multinationals! So much for multinationals being evil! But the deal left out the Australian investors—the small- and mid-cap investors. They are going to be the ones who will pay so much more than anyone else.

AMEC, the Association of Mining and Exploration Companies, which represents the explorers—the mid-caps and the juniors—see this as a gravely unfair tax. As we have heard so often lately, this is a tax that will see the larger companies being able to write off much of their infrastructure and investment, yet the mid-caps and the juniors, who are endeavouring to raise money, will not have the same opportunity so they will be paying the higher rate of tax.

Let us focus on the fact that Australia is not the only place with a wealth of minerals. Africa, South America and many other parts of the world have a plethora of minerals. I have mentioned in this place before that Chile has BHP Billiton's largest copper mine in the world, Escondida. Chile has a mining tax that is something like 26 per cent negotiable. How much are we going to tax the same sorts of companies? Up to 44 per cent. So where will those companies go with their money? If you have some money and you want to invest in a mining, exploration and production unit, will you go to Australia and pay 44 per cent or go to Chile and negotiate around 26 per cent? It is a no-brainer. Canada is rubbing its hands with glee. They are saying, 'Come our way. We'll accommodate you at a sensible tax regime.' Companies will go overseas.

The fact is that this is happening now. There is already a slow burn. We heard the Treasurer in question time today talking about the reinvestment in Olympic Dam. That is a massive investment and a huge mine; of course they are not going to wind it down. They will eventually get their resource, but will they do another Olympic Dam under this sort of taxation regime? Of course not. They will find an Olympic Dam in Namibia, Zambia or somewhere else in the world which will not do the same damage to them as they begin to mine.

For some bizarre reason, the Labor Party thinks that if you put a hole in the ground and dig away you will make a massive amount of money. This is risk capital. I have had contact from a whole range of people in my state of Western Australia who feel very concerned. For example, there is a group representing the magnetite miners. As compared to hematite, magnetite is very
difficult to process. It is a very common mineral. You can dig it out of the ground but it needs to undergo a fair bit of processing. The miners are asking for recognition of this. They went to the Treasurer, the resources minister and everyone else and put a good case to them but they were snubbed. They even went to the Independents, over the last few days, who feigned some interest in helping to bring some justice to this argument. But the Independents were always going to be bought off. They were always going to do a deal with the government so that they could square up with their opponents in the National Party in this place. Goodness knows what deal has been done to get their vote! I think this is a bit tawdry and unseemly, because we found out from the Australian newspaper on 3 November about the member for New England:

Mr Windsor sold his adjacent family farm, Cintra, to Whitehaven in February last year for $4.625 million and now leases it back from the miner.

While seemingly content to allow his land to be torn up for coal, Mr Windsor has seized on coal-seam gas as an environmental evil which could also save his political skin.

So much for sincerity and genuine behaviour on this!

This mining tax, at the moment, is meant only to operate on coal and iron ore, but the Greens representative in this place—the member for Melbourne—has been talking about this being extended to gold. I have one of the largest goldmines in Australia in my electorate, at Boddington. They extract 800,000 ounces a year. How do you think they are feeling about reinvesting a massive amount of money in expansions at Boddington?

Other gold projects around Australia are also very concerned about their future. In fact, they are now looking again at Africa as a place to go and do deals. So I say to the crossbenchers, including Mr Oakeshott: let us hope that the 30 pieces of silver which, dare I say it, materialise once you are not in this place—whether they come from the ambassador for somewhere in the world or someone else—does you some good and salves your conscience about trying to ram this shocking tax through the House.

In the last few days, although the government have said that the MRRT will be quarantined to coal and iron ore, we have heard that the Greens, who we know are the green tail wagging the dog, want the tax extended to uranium mining. The Prime Minister said only three months ago that the Labor Party would not countenance selling uranium to India. What does she stand for? She changes her mind on everything; we are not sure what she stands for. She was part of the Socialist Left as a student and hated the United States of America, yet when Barack Obama was here she fawned all over him. Despite the fact that the Prime Minister said she would not sell uranium to India, she hobnobs with the Indians at every opportunity and stared down the Left of her party to say that she is going to sell uranium to India. Now out come the Greens to say, 'No, we need a minerals resource rent tax on uranium.' Where is this going to end up? It is like when the Prime Minister said before the last election that there would be no carbon tax under a government she led. Will this Prime Minister say that, after the next election, there will be no extension of the minerals resource rent tax to the mining of any other mineral? Who would believe her?

This tax causes massive sovereign risk. Premier Barnett from my state of Western Australia is very concerned. He has renewed his attack on the federal government, saying that in China concerns are being raised to him about sovereign risk. Mr Barnett said that this tax is 'the worst piece of public
policy’. An article on AAP on 26 October this year said:

Mr Barnett said the concern was about a new tax when projects were already in construction or planned and upfront investment had already been made.

This is a retrospective tax, in other words. The article went on to report that Mr Barnett had said:

“For the first time in my 20 years in politics, I have heard the term ‘sovereign risk’ raised in an Australian context.”

The premier said that at the very least, the higher cost and lower grade magnetite iron ore projects should be exempt from the MRRT. But they are not listening to Premier Barnett, who is a successful Premier. Already some of the magnetite projects have lost their backers, and we know that the miners are having extreme difficulty raising funds for new projects. So an unseemly deal has been done with the crossbenchers, and this is going to have a rebounding effect for generations to come.

The Treasury modelling which we keep hearing about is rubbery at best. Recently, Mr Forrest—who is now an evil man because he has a successful mine!—said that he no longer trusts the advice of Treasury to be fair and impartial and that, with their modelling, Treasury are essentially backing whatever the government asks them to come up with. Today the basis used by this Treasury modelling and the money that it will collect is under extreme scrutiny. It is said that it will collect $11 billion, but we now know that all that is under question. The government have already committed to putting $14 billion into superannuation. Business is very concerned about this because, while the government say that the increase in superannuation to 12 per cent will come from the minerals resource rent tax, small businesses—and people in the Labor Party have never had anything to do with trying to run a small business—will be the ones who have to come up with the balance of money to help increase superannuation to 12 per cent. Business said, 'If you're going to force us to pay this extra superannuation, the one per cent you are going to give us as a concession in company tax will do nothing, because we will be paying more in superannuation to our workers.' This measure should be consulted on and agreed to rather than rammed down people's throats.

Between 2012 and 2014, Treasury, with its rubbery figures, says that my state of WA will generate $7 billion for the MRRT. But guess what: Western Australia will only receive $400 million back in those years. This is less than 6c in every dollar that Western Australia will hand over to the federal government. Then they will come looking for us again, because what people on the government benches fail to realise is that mineral resources are not owned by all Australians but by the state in which they found. That is just a fact of life. There is this great myth that mineral resources are owned by all Australians; but, if a mineral resource is found in—for example—New South Wales, it belongs to the people of New South Wales. I say to my colleague the member for Franklin, who is sitting across the table there: if you dig up a goldmine or a tin mine down in Tasmania, the people of Tasmania will get the royalties. The trouble is that they do not have many there and they are not allowed to dig them up because the Greens will not allow them to put a spade in the ground. A state such as Tasmania cannot get much in the way of minerals—they are hamstrung by the Green-Labor alliance—but in Western Australia we actually do things: we dig minerals out of the ground, we sell them for a good price, we get royalties and we build ports and roads so that they can be shipped out.
However, the Labor Party are saying that they want to get more out of mining. I will tell you, Labor Party, how you get more out of mining: if you sit down and reach an agreement, and some of those in the industry say that they do have the ability to pay more, you do it in a fairer way—that is, through a company tax. A company tax will make sure that the proceeds of mining are more fairly distributed than they would be by the Labor Party's minerals resource rent tax.

This tax will hurt my electorate of Canning in a big way because, based on Australian Bureau of Statistics figures, I have the second highest number of fly-in fly-out and drive-in drive-out workers of any metropolitan federal electorate in WA. All those workers know—and we see them regularly flying over the top of my house, every five minutes, going off to the mines—that this tax is going to hurt them because it is going to stop investment in their industries and spread worry to other mining industries. But, even in the mining sector in Western Australia, where money is being invested either for expansion or start-up, they are very nervous about the sovereign risk this brings to their jobs, their future jobs and the job opportunities for their families. Let us finish on the fact that Mark Cutifani from AngloGold said that Australia is now a sovereign risk country, worse than South Africa. It is a shame. (Time expired)

Debate adjourned.

**Tax Laws Amendment (2011 Measures No. 8) Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Mr HOCKEY** (North Sydney) (17:15): I rise to speak on the Tax Laws Amendment (2011 Measures No. 8) Bill 2011. This bill, along with the Pay As You Go Withholding Non-compliance Tax Bill 2011, was referred to the House of Representatives Standing Committee on Economics on 13 October. The report of that committee was released on 3 November. The House of Reps Standing Committee on Economics addressed substantial issues within the package of bills, including a recommendation that the government delete schedule 3 of the tax laws amendment bill and associated provisions. It is in fact a rare moment that a government controlled committee would advise against the government's own bill, but that tends to be the trend with hastily prepared bills.

The bill before the House has four schedules. Two of these, schedules 1 and 4, are sensible changes relating to the provision of the commissioner's discretion for primary production elections and consequent amendments relating to the taxation of gaseous fuels. The coalition view both these schedules as reasonable, and I can state at the outset that we will be supporting those schedules.

The other two schedules, schedules 2 and 3, seek to clarify the taxing point on the petroleum resource rent tax, as well as to implement further obligations on company directors in relation to noncompliance with PAYG withholding and the superannuation guarantee obligations. The coalition have reservations in relation to both schedules 2 and 3 and will be seeking to remove them from this bill for reasons that I will outline to the House shortly. I understand the government is removing one of those schedules, but, if both are not removed, we will be voting against this bill.

As stated earlier, the House of Representatives economics committee recommended that the government remove schedule 3, and I understand the government will be moving that amendment. I note the decision was made late last week by the
government to follow the advice of the committee to remove schedule 3. We agree with that, but we obviously have different reasons from the government's for that. I can also foreshadow that the coalition will be moving an amendment to omit schedule 2 from the bill.

The first schedule seeks to provide the Commissioner of Taxation with discretion to disregard particular events that would otherwise trigger assessments of income for primary production trusts. The second schedule, as I said, amends the PRRT to provide statutory reinforcement on how the taxing point is determined for the purposes of the tax. The third schedule aims to strengthen directors' obligations to cause their company to comply with its pay-as-you-go withholding and superannuation guarantee obligations through extending the director penalty regime to make directors personally liable for their company's unpaid superannuation guarantee amounts—which I am sure is something that the Assistant Treasurer himself came up with, given he is so anti business—and, in some instances, making directors and their associates liable to pay PAYG withholding non-compliance tax where the company has failed to pay amounts withheld to the commissioner. The fourth schedule of the bill makes minor amendments to the tax arrangements for gaseous fuels to ensure the legislation applies as intended and that excessive compliance costs are not imposed on industry.

I am particularly going to look today at schedule 2 and also refer to schedule 3. The changes outlined in schedule 2 seek to provide statutory reinforcement in relation to the taxing point and the way it is determined for the purposes of the PRRT. These proposed changes will have retrospective application to 1 July 1990. The bill's explanatory memorandum states: The amendments apply retrospectively to remove any doubt about the long-established operation of the PRRT.

They do not impose any new tax burden, as the amendments merely clarify and confirm the current application of the PRRT, consistent with the policy intent.

The coalition have long had reservations on the implementation of retrospective legislation that potentially creates a disadvantage, and we oppose this attempt to retrospectively amend a taxation law. The government try to justify the retrospection on the grounds that the amendment simply confirms, in their view, the long-established operation of the legislation. The coalition notes that submissions received by the House committee on economics from a range of bodies all oppose the retrospectivity of the changes put forward. These bodies include the Business Council of Australia, the Law Council of Australia, the Institute of Chartered Accountants in Australia, the Corporate Tax Association and the Tax Institute.

The Corporate Tax Association's submission to the Senate committee now inquiring into this bill addresses the government's claim that the bill merely clarifies the law. I quote:

Intention can be an elusive concept, and is often in the eye of the beholder. Assurances regarding intention are generally no more than unsubstantiated assertions or wishful thinking, and should be vigorously tested—particularly where they are made by the revenue authority as is the case here.

Contrary to the disclaimer provided by the government that no new tax burden will be created by this legislation, the government is in fact desperately trying everything it can to pre-empt the outcome of a case that is currently before the full bench of the Federal Court. It fears this court decision will create a significant hole in its taxation receipts.
Earlier this month, the full Federal Court of Australia heard an appeal by Esso Australia Resources in relation to the PRRT. The appeal is against a Federal Court judgment that was given on 13 April this year. The Commissioner of Taxation, the other party in this litigation, won that case. The case is about one of the central concepts of the taxing point of the PRRT. This is the point at which the petroleum project's assessable receipts are calculated for the levying of the tax. Given its fundamental importance, you can understand that there could be different opinions about how to interpret the legislative words used to define this concept.

Under our system of law, a company has the right to appeal against an unfavourable court judgment, even if the judgment is significant to the government's budget position. It should be entirely irrelevant in the whole debate. This is the way it should be, despite what the other side of the argument thinks about the validity or otherwise of the point to be appealed. If schedule 2 of this bill is enacted, the right to proceed in the courts will effectively have been removed.

The House should be aware that the commissioner, not long before the appeal was due to be heard, applied to the full court to have the appeal adjourned. The ATO argued that, because it was highly likely this bill before the House would be passed, the appeal would be 'a pointless and wasteful exercise'. We see that as a rather ironic statement by the Commissioner of Taxation: as if waste was ever a consideration of this government, let alone a wasteful exercise! The court unanimously gave the ATO's adjournment application short shrift—and rather appropriately so. I quote from the court's judgment to reject the ATO's adjournment application:

... there is much to be said for the view that it is not appropriate for a Court to take into account as a controlling factor the prospect of a substantive legislative amendment which would accrue for the benefit of one party.

Of course, if the government had been serious in trying to prevent wasteful spending on this appeal, it could have acted much more quickly. The government announced the measure at the time of the budget. So the government had the opportunity to introduce this amendment well before the appeal was to be heard earlier this month. That would have saved some legal costs. But the government sat on its hands. It could have drafted this one-page amendment and tried to have it passed, but it did nothing.

On 19 July, when the date was set for the appeal, the commissioner informed the court of the government's proposal to amend the PRRT. But the government did nothing to bring the measure forward. They did nothing until they put the bill into the House on 13 October. This is a government that pretends to be concerned about costs yet it did absolutely nothing to prevent them being incurred—or the heartache, I might add.

This schedule is retrospective to 1990. The schedule should be omitted because it is seeking to pre-empt an appeal to a superior court in Australia. The court is the appropriate forum in which the matter of legitimate dispute about statutory interpretation should be decided. Despite the retrospective operation in schedule 2, the House Standing Committee on Economics has concluded—in a majority report only—that the schedule should remain. The committee also appears to have thought it significant that the schedule reflect how Esso Australia has been lodging its tax returns and paying tax. The point is based on the committee's total misunderstanding of how many conservative or risk-averse taxpayers manage taxation disputes.
A conservative taxpayer will prepare their return in conformity with the commissioner's view about how a particular matter should be treated. The taxpayer will take this approach even though they disagree with the commissioner. A conservative taxpayer will pay the tax, including the amount that relates to the matter they disagree with, but will then lodge an objection. The objection is the means by which the matter in dispute is brought to the commissioner's attention. I might add that it is pretty hard to bring issues to his attention. The objection and appeal process is the statutory mechanism by which tax disputes are resolved. This conservative approach should not be seen as compromising the validity of a taxpayer's view about the specific matter they want to dispute.

Finally, I observe that there is an unhappy trend developing in relation to retrospective tax legislation. Since the introduction of this bill, the Assistant Treasurer has announced the government's intention to amend the tax law affecting international transactions, amendments that will also be retrospective. The proposed amendments would take effect from July 2004. This will, of course, continue to damage Australia's sovereign reputation, because retrospective legislation creates uncertainty. Investors will be reluctant to invest in a country where the tax system is uncertain and the government and the taxation commissioner have a habit of looking at issues retrospectively.

This brings me to schedule 3. The government will now need to respond to the House of Representatives report on this package of bills and specifically about schedule 3. If it is to be excluded, the coalition will obviously support that amendment. Schedule 3 was originally announced in this year's budget. The budget describes the measure as:

- tax compliance countering phoenix activities by company directors.
- The stated aim was to:
- counter fraudulent phoenix activity, which involves a company intentionally accumulating debts to improve cash flow or wealth and then liquidating to avoid paying the debt.
- Phoenix activities are actions by directors to strip out assets to a new company with the intention of liquidating the old company, which is left with net debts. Some directors have tried to use this corporate veil to protect themselves against any personal liability for the old company's debts. The directors then run the old business through the new company. The old operation rises up from the ashes. Treasury's discussion paper on this topic in 2009 noted:
  - Defining ... what constitutes phoenix activity is inherently difficult.
  - ASIC sees the key distinction hinging on intent. Some directors deliberately structure the company's operations so as to avoid its obligations. The ATO's definition of 'phoenix activity' is similar, because it emphasises evasion, which is also based on intent. It is defined as:
  - ... the evasion of tax through the deliberate, systematic and sometimes cyclic liquidation of related corporate trading entities.
- I do not believe that anybody would object to changes which render directors liable for the obligations of deliberate phoenix companies. However, schedule 3 of this bill is a sweeping change to deal with a relatively small number of criminally-minded individuals. The possibility is very real that innocent directors will be caught in the net. It could be, for example, that directors who have innocently misunderstood the complex superannuation law, or who have inadequate management systems in place, will potentially be exposed to personal liability for the superannuation guarantee payments.
The issue of independent contractors versus employees could also cause significant difficulties. This bill exposes directors to personal liability for payments in respect of people who have been treated as contractors for a long period of time but who later are found to be employees, and where the company has not or cannot make the superannuation guarantee payments. This exposure is not restricted to circumstances where the company and the punitive contractors have not been dealing at arm's length or have a relationship that is based on a nod and a wink.

In practice, the borderline between a company's employees and its contractors can be very blurred. Determining whether a person is an employee for the purposes of the superannuation guarantee can be a difficult and technical issue. In the recent Roy Morgan case the full Federal Court had to examine whether interviewers were independent contractors or employees of Roy Morgan for superannuation guarantee purposes. Despite being hired by Roy Morgan as independent contractors, the court found that they were employees. Roy Morgan was thus liable for the superannuation guarantee for the individuals concerned.

It is extremely harsh to make all directors automatically personally liable for superannuation debts without affording the director any grace period to remedy the matter. It is harsh to do so where there is no intent involved in the underpayment of entitlements.

There were some other measures in schedule 3 which also caused difficulty. One measure dealt with speeding up the process that the commissioner could follow in starting court action to recover director penalties when the amounts were unpaid and unreported three months after the due delay. That would have been another assistant treasurer intervention. The coalition would have opposed the proposed new recovery methods because they were not restricted to directors and companies that have engaged in phoenix activities.

The other measure would make directors and their associates liable for a pay-as-you-go withholding non-compliance tax. The coalition would have opposed this measure because it would impose a liability on a new director as well as pre-existing directors where liabilities of the company have not been discharged within 14 days of becoming a director. The measures should only apply to liabilities of the company that arose subsequent to the person becoming a director. So the coalition supports the removal of schedule 3 from this legislation and will seek to move to remove it in the instance that the government fails to do so.

The other two schedules in the bill—schedules 1 and 4—are not contentious. The coalition welcomes the changes in schedule 1 in this bill. They will make improvements to the laws relating to primary production trusts. Under current taxation laws primary production trusts can defer taxation liabilities on profits from the sale of livestock in years where they have been affected by drought, flood, fire or disease. However, if any beneficiary of a trust dies then this tax liability cannot continue to be deferred. In effect, this means that a primary production trust can be liable for a large and unexpected tax liability in the event of an untimely death.

A tax liability is triggered on the death of any beneficiary of the trust, regardless of whether the deceased beneficiary is presently entitled to the income from the deferral. To the coalition this clearly appears to be an unfair implementation of tax law. The death of a beneficiary can sometimes be that of a
mother, a son or a close relative, any of which would trigger a potentially large tax liability. This outcome seems to serve no public policy interest but compounds personal grief. The government has introduced this change to give the commissioner more discretion to waive the tax liability in these circumstances. On this occasion, the coalition welcomes the government's understanding on this issue and supports the change.

Schedule 4 contains minor consequential amendments to the taxation arrangements for gaseous fuels. The changes seek to ensure that the legislation relating to the taxation of gaseous fuels operates as intended, and that it does not impose excessive compliance costs on industry. The point of contrast from the changes contained in schedule 2 is that the changes in schedule 4 do not have retrospective application. These amendments apply from 1 December 2011. The gaseous fuels are liquefied petroleum gas, liquefied natural gas and compressed natural gas.

The minor changes to the taxation arrangements for these gaseous fuels include ensuring that excise duty does not apply to compressed natural gas for transport use where it is manufactured in a home review unit or units that collectively have no commercial capacity, ensuring entitlements to fuel tax credits are available to distributors of liquefied petroleum gases in a wider range of circumstances and ensuring that the content of liquefied petroleum gases are prescribed in regulations only. So the coalition supports the changes contained within schedule 4 of this bill.

So to be perfectly clear in the presence of the Assistant Treasurer, we do support schedules 1 and 4. We are strongly opposed to schedules 2 and 3, and if wisdom does not prevail in the government—and I fear that it will not—then we will seek to amend this legislation to remove schedules 2 and 3. And if those schedules are not removed then we will oppose this bill. Otherwise, the rest of the bill has our strong support.

Mr BILLSON (Dunkley) (17:36): I rise to support the contribution of the member for North Sydney, the opposition's shadow Treasurer. He has very eloquently outlined the key issues at play here with the various schedules of this omnibus tax laws amendment bill. I will start with the last one first. The shadow Treasurer has quite rightly identified that there is some virtue to this amendment, and the good thing about it is that it will apply prospectively, so there will not be some middle-of-the-night change to tax laws with retrospective application that may expose particular taxpayers to a liability they never anticipated, certainly never factored in and for which there has certainly been no legal obligation to pay.

The amendment touches on a couple of areas such as the off-road use of LPG—for those who are listening, these are things such as forklifts that operate in factories and the like which quite rightly are getting the consideration of a non-transport use of LPG—and also as it relates to compressed natural gas. It might come as a surprise to you, Madam Deputy Speaker, but in Aspendale Gardens in the great state of Victoria, probably about a year and half ago, there was an opening of the first publicly available CNG filling station. For those with an interest in transition fuels that are more environmentally friendly, I am a big fan of CNG and, as the parliament knows, I have been a long-time, big advocate of LPG. Here was a compressed natural gas filling facility not of the kind ordinarily operating in Australia where fleet vehicles may have had access to it.

In fact, not far from your electorate, Madam Deputy Speaker Vamvakinou, the
Melbourne city council received a grant from the previous Howard government to have a CNG filling station in its depot to support the garbage collection fleet where there were dedicated CNG vehicles operating in the city of Melbourne, coming back to base and being filled with CNG. That has been the normal course of events and a number of light commercial and heavy commercial vehicle manufacturers offer compressed natural gas systems for their vehicles. What was new in this case was that this was a publicly available CNG filling station, reflecting that a number of suppliers, including Mercedes Benz and others, now have light commercials that can be operated on CNG that needed somewhere to fill up.

On that occasion—and it was a very nice occasion; I think the member for Isaacs was there as well—the proprietors of that public CNG filling station showed me a home CNG compression unit. This would allow you, I or anybody else to purchase technology that would draw gas from the gas mains and to have it compressed and injected into a vehicle so that you could actually fill up your car at home. One of the issues that did cross my mind at that point was just how excise would operate when people were drawing gas from the household main system that would be firing up their hot water services and keeping them all toasty warm on a cold Melbourne night. They would also tap into that supply to fuel their vehicles. This bill deals with that and gives some encouragement to those who would invest in that domestic CNG filling capability that they will not be subject to excise. That is another reason why the coalition is supportive of schedule 4.

The other area we are very interested in and supportive of the government’s actions on relates to the discretion the tax commissioner would gain related to certain trust structures where a change in the composition of the trust would trigger certain taxable events, such as a new trust member or one leaving the trust. As the shadow Treasurer indicated, an untimely death might trigger capital gains tax liabilities and the like. We think that the opportunity for the tax commissioner to exercise a discretion as it relates to those taxable events is a very good idea. I am personally aware of some circumstances where an untimely death has created an enormous tax liability that none of the family members had anticipated and that only compounded their personal grief.

There was no great public policy or tax policy justification for triggering that liability but it was one that they were faced with that added to the hardship of the loss of a loved family member. Those family farm enterprises felt unforeseen and very harsh consequences from a strict interpretation of the law. The opposition actually highlighted that this was a shortcoming of the taxation law and administration and proposed a change of this nature, and I am pleased that the Assistant Treasurer, not only having chosen well with his wife, a lovely person who I was pleased to meet the other day, has also chosen well in picking up this opposition suggestion. I commend him for doing that.

It does highlight, though, a policy initiative that the coalition has proposed—that is, the need to appoint a small business and family enterprise family ombudsman for a range of reasons: in dispute mediation and for a proper strong voice to be heard within the halls of power, something that you could never suggest happens at the moment with the current government; they seem to have this horrible disposition of hostility and combative ness towards small business and family enterprises.

Mr Shorten interjecting—
Mr BILLSON: The Assistant Treasurer is illustrating the point quite well at the moment of just how hostile the government's attitude is to small business and family enterprises. Here is an example of where the coalition had led the way, has shone the light on a problem with government administration that dealt with small business and family enterprises. Something has been done about it.

As to other problems, Madam Deputy Speaker, I am sure you are highly alert to some of the communication responsibilities, where a broadcaster, a family trust or others might hold a radio broadcasting licence and the untimely death of one of the family members would be a trigger event to impose new local news content. Do you remember when we had that sort of 'vanillarisation' of radio services down the east coast and there was some concern about a loss of local content and news services being beamed in from places afar into local regional markets? There was a trigger event that if a radio licence was sold then the new owners would have certain obligations on them for local news collection, local content and the like. Sadly, one of those trigger events was like what we are describing here, where if the their licence was owned by a family trust and one of the members passed away it was treated as if it were a sale. So, compounding the grief of a loved one being lost to the family that owned that radio licence, they then had to restructure their radio station purely because a family member had passed away. It was not because of the sale but just because of the change in the composition—again, highlighting why the coalition's excellent policy to appoint a small business and family enterprise ombudsman would have alerted people to the family enterprise context of that policy.

We think that is a good thing, and perhaps the government will also follow the lead of the coalition and embrace yet another good idea that has come out of the small business portfolio, dare I suggest, Assistant Treasurer. The Department of Prime Minister and Cabinet actually said that the coalition's small business policy would promote and support small business and encourage entrepreneurship, and they gave it a big tick. My encouragement to the government was, 'We know that you do not have a great feel for small business and family enterprise so just copy the coalition's policy.' That has happened before and it is happening here. I hope, in the interests of small business, it happens again, because they really need someone on their side. They cannot look to government benches for that kind of support. So we are happy to keep providing some insights on what can happen.

On the two provisions of the bill that are quite contentious, the shadow Treasurer outlined a quite remarkable effort to retrospectively change the nature of the tax law as it related to Bass Strait petroleum, even though it is currently the subject of court proceedings. Taxpayers, who are disputing the tax commissioner's interpretation, have been paying their asserted tax liability that the tax commissioner has put forward whilst they contest the interpretation of the tax laws. The shadow Treasurer quite rightly points out the difficulty that taxpayers face when they have a dispute with the tax commissioner. They are expected, particularly for small businesses, to pay the liability that has been calculated and deemed to apply and then they may contest it. If you do not, you show great courage because interest compounds on that tax liability. It is almost a no-brainer that you should pay first and then contest later. Somehow, some interpret that as an
admission that the tax law has been appropriately administered.

This is another example where the tax office's assessment of tax liability has been hotly contested for two decades. This is no way resolving it by coming in at the 11th hour on well-advanced court proceedings to try and reframe the law and then apply it retrospectively. There is no virtue in that whatsoever. It runs against all the grains of good public policy and good legislative formulation. I can understand why the Assistant Treasurer is hanging his head. It is not his finest moment when he is trying to retrospectively change the way the law is operating. He should let this thing run its course, and I commend to him the coalition's position in that regard.

The last point that we should talk about relates to the reach of a director's liability. I must say, at the urging of the Assistant Treasurer, I will praise him for seeing the wisdom in withdrawing the schedule. What was said to have been an effort to crack down on phoenix structures actually has much broader reach. Directors, with no suggestion that the companies they are involved with have been involved with phoenix liabilities, may be subject to these provisions. If directors, who are exercising all of their responsibilities quite appropriately, find that somewhere within the organisation something had not been done right with the PAYG or the superannuation contributions, they would personally be liable. There is no effort required to substantiate the phoenix-like status of the company and that being the motive for that action. There is no legal obligation to prove that the directors had somehow not been properly discharging their obligations or knowingly conspired to see an inappropriate PAYG or superannuation payment arrangement. There is nothing like that whatsoever in schedule 3, which was poorly drafted. The House Economics Committee identified that many of the submissions to the inquiry into this bill reiterated that point. I think it is wise and sensible that the government has chosen to withdraw schedule 3.

It does point to yet another opportunity that the government has to embrace a coalition policy. Madam Deputy Speaker Vamvakinou, you would be aware that the government has promised much from an arrangement where employers, if they choose, could make superannuation contribution payments to Medicare. Medicare would then oversee the distribution of those payments to the particular funds that their employees were members of. That has been spectacularly unsuccessful because the idea has been so poorly executed. It has been spectacularly unsuccessful because most businesses do not wake up in the morning thinking that they need to have a relationship with Medicare. Yet that is the presumption that sits behind the government's policy formulation.

The coalition on the other hand has been advocating that that role be through the Australian Taxation Office where you could combine the PAYG contributions and the superannuation guarantee responsibilities into a single payment to the tax office. Then the tax office could make that distribution. That makes sense because it is the tax office that is charged to enforce their recovery, not Medicare. Medicare under the government's arrangements would receive this payment and do the transactional gymnastics to take that payment and spread it out across the funds. If those payments were not right or they were not coming in in a timely way, there would be nothing they could do about it. Compounding the problem is that most businesses do not have any kind of relationship with Medicare and would not even think to contact them for some service.
of the kind that is being considered in superannuation clearing terms. If there were something not quite right, Medicare could not do anything about it anyway.

The government should embrace the coalition's proposition of having these payments handled through the tax office. You would then have all the right mechanisms connected and the relationships that business understands working to the advantage, not only of the business in reducing their transaction costs in making superannuation payments, but also in the event the business was not upholding their responsibilities for those payments. The tax office would be the Johnny or the Jeanette on the spot seeing that those payments were not coming in and would have all the tools necessary to ensure that those payments were made in a timely way. That is a far more sensible way to go than what was originally envisaged in schedule 3, which sought to impose some new liability on directors. Notwithstanding that those directors did not have any involvement, knowledge of, or had failed in some way to carry out their responsibilities, they were somehow going to be personally liable.

It is another example of a good coalition policy. The only criticism that has come from the government is that it would be too successful. Too many businesses would be involved and somehow that would put added demands on that process. It has been a long time since I have heard a criticism of a policy being at risk of being too successful and too effective in achieving its objectives. That is another area where I think the government could embrace the coalition's position in recognising the Assistant Treasurer's decision to withdraw schedule 3.

Mr BUCHHOLZ (Wright) (17:51): I rise to speak on the Tax Laws Amendment (2011 Measures No. 8) Bill 2011. Certain schedules in the bill make changes to taxation laws. Schedule 1 gives the commissioner discretion in certain circumstances to disregard events that would otherwise trigger the assessment of certain incomes on primary production costs. We support that part of the schedule. It is not contentious. Schedule 2 speaks to making a retrospective change to the taxing point of the petroleum resource rent tax and schedule 3 makes directors personally liable for the unpaid superannuation of employees and PAYG withholding tax. Schedule 4 enacts consequential amendments regarding the tax on gaseous fuels, which we support and which is not in contention. I would like to address each of these schedules and the proposed changes one by one.

Schedule 1 relates to the commissioner's discretion pertaining to certain income on primary production trust. This schedule returns the laws to the position prior to the introduction of the Income Tax Assessment Act 1997. Specifically, it relates to section 385-E, 385-F and 385-G of the act, which, among other things, allows primary production trust and deferred taxation liabilities from the profit of the sale of livestock in years where they have been affected by drought, flood, fire and disease. Under the current laws, if any beneficiary of a trust dies, then this tax liability cannot continue to be deferred. In effect, this means that the primary production trust can be liable for a large and unexpected tax liability in the event of an untimely death. In fact, tax liability is triggered on the death of any beneficiary of the trust, regardless of whether or not the deceased beneficiary is presently entitled to the income from the deferral. This would seem to me to serve no public interest and only compound personal grief in a time of need. Under the previous 1936 Income Tax Assessment Act, the Commissioner of Taxation had discretion over whether a death
would trigger a tax liability or not. The change to remove the discretion was made as part of a general limiting of discretion, but led to unforeseen and harsh consequences for family farm enterprises. Consequently, this change to the taxation law was proposed by the opposition to correct this. It is my understanding the government has accepted it as a sensible change, recognising there is low financial impact, and we commend the government for that.

Schedule 2 relates to the taxing point for the petroleum resource rent tax, or PRRT. This tax is a profit-based tax which is levied on petroleum projects in Commonwealth waters, except the North West Shelf project. Under the changes developed in conjunction with the mineral resource rent tax, the current PRRT regime was proposed to be extended to all Australian onshore and offshore oil and gas projects, including the North West Shelf. However, the legislation does not deal with that change; rather it is a technical change supposedly clarifying the taxation point of the existing PRRT regime—that is, petroleum recovered in Commonwealth waters excluding the North West Shelf project. More specifically, this change will have application only to the Bass Strait ExxonMobil project, which BHP is partnering. In fact, the taxation point, along with other matters, has been challenged in the courts by Exxon for many years since the Bass Strait project was brought into the PRRT regime in 1990-91.

The schedule gives effect to an announcement by the Treasurer in the federal budget on 10 May 2011 and is specifically directed at curtailing ongoing litigation between the Australian Taxation Office and Esso Australia Resources, a wholly owned subsidiary of ExxonMobil Australia. This litigation was the subject of a recent Federal Court decision, Esso Australia Resources Pty Ltd v the Commissioner of Taxation [2011] FCA 360 on 13 April 2011, and is the subject of an ongoing appeal. In light of all this dubious history, I am amused that the government has variously claimed that the PRRT is working well and is well understood. In fact, here we are in relation to one of the major offshore projects coming under the PRRT and yet the government has been in litigation for more than 20 years on issues such as the appropriate definition of the taxing point. As a result, I cannot help but conclude that this part of the bill seeks to undercut the court proceedings currently underway. It enables potentially two things: either the government's views prevail—in which case this amendment will not be necessary—or the government loses its argument in court—in which case this is retrospective tax legislation going back more than 20 years on the current prevailing tax laws.

In light of this background, this schedule should be opposed or amended for the following reasons: it seeks to retrospectively alter tax law to a 1990 act, reaching back over 20 years, and it targets one taxpayer who is currently in litigation with the Australian Taxation Office and the government as to the correct interpretation of the tax law as it stood at the time of relevant investment decisions. Tax laws which retrospectively disadvantage taxpayers—in this case going back to 1990—are highly unfair. The following are some comments from industry representatives to the House’s economics committee on this matter. The comments from the Business Council of Australia’s submission to the House of Representatives Standing Committee on Economics included:

… the BCA has been unable to identify a precedent for the introduction of retrospective tax law where there is an ongoing dispute between government and an individual taxpayer involving a debate as to the meaning of the law.
...  ...  ...

For this reason the BCA is asking the committee to recommend to parliament that it reject the retrospective elements of the bill.

There are additional comments from the Tax Institute of Australia in its submission to the same committee. They said:

In our view …

The Government will amend the tax law to provide greater certainty around how the taxing point is calculated for the purposes of the Petroleum Resource Rent Tax (PRRT), with effect from 1 July 1990. This measure will confirm existing application of the PRRT in relation to the taxing point and will provide greater certainty for PRRT taxpayers.

...  ...  ...

The amendments will provide further statutory support for the Court's judgment, and will be consistent with the established application of the PRRT law.

Additional comments come from the Institute of Chartered Accountants in Australia along the lines of:

As our written submission to this inquiry has highlighted, the institute is apprehensive that the risk presented to Australia is a governance framework from a failure to strictly adhere to the longstanding doctrine of separation of powers between the legislature and the judiciary. The government should not be allowed by the parliament to retrospectively amend PRRT laws dating back 21 years and should not be encouraged to usurp the role of the judiciary by amending tax laws part way through a major litigation that is seeking to test certain key concepts embedded in the PRRT regime. If the government is determined to introduce retrospective tax laws, it should at very least wait for the finalisation of this long-running litigation before deciding on an appropriate course of action in respect of the relevant issues.

The economics committee and parliament must consider the implications of the passage of this bill. It appears that the parliament is being asked to intervene in what is a longstanding legal case as it comes to the stage of a final appeal. This intervention by the parliament will in effect prevent such an appeal. This would appear to be creating a grave precedent and should be resisted at all points. Both the matters raised have the potential to create substantial uncertainty in the business environment, with repercussions for investor perceptions of the investment climate in Australia.

Schedule 3 covers the Pay As You Go Withholding Non-compliance Tax Bill 2011 regarding directors being personally liable for unpaid superannuation and PAYG withholding tax. This schedule proposes the following changes to tax law: making directors personally liable for unpaid superannuation guarantee amounts—not to mention, directors are already liable for unpaid PAYG withholding amounts; allowing the commissioner to estimate unpaid superannuation guarantee amounts—not to mention, they can already estimate unpaid PAYG withholding amounts; allowing the commissioner to estimate unpaid superannuation guarantee amounts—not to mention, they can already estimate unpaid PAYG withholding amounts; allowing the commissioner, once a company's unreported and unpaid debts regarding superannuation guarantee and PAYG withholding are over three months old, to immediately commence proceedings to recover the penalty; giving the commissioner discretion to reduce PAYG withholding credits where a company has failed to pay PAYG withholding amounts; where a director or an associate is entitled to claim a withholding tax credit and the company associated with that credit has not paid its PAYG entitlement in full to the ATO, then the ATO may levy a withholding non-compliance tax on the director or associate—up to the value of the credit being claimed—to recover the amount of unpaid PAYG.

The final three measures in this schedule target ‘phoenix’ activity and the personal use by directors of PAYG entitlements. Phoenix
activity is typically associated with directors who transfer the assets of an indebted company into a new company of which they are also directors. The directors then place the initial company into administration or liquidation with no assets to pay creditors, meanwhile continuing the business using the new company structure. This schedule also targets companies which fail in their obligations to pay superannuation guarantee and PAYG withholding amounts.

Let me make this point very clear upfront: we absolutely support the right of every employee to be paid their rightful entitlements regarding employee superannuation contributions, or any other obligations under law an employer has. However, the Australian Institute of Company Directors in their report to the committee, outlined serious reservations about this schedule, believing the legislation has been drafted far too broadly. The implication of this was highlighted in Minister Shorten’s own media release on 13 October where he said:

The ATO estimates that there are approximately 6,000 phoenix companies in Australia. This equates to approximately 7,500-9,000 company directors who will have personal liabilities under this legislation.

In fact, the legislation applies to around 1.2 million company directors in Australia; it throws a far broader net. It also applies the same penalties to new directors for events that occurred in a company prior to their appointment. But specifically I would like to highlight feedback from the submission of the Australian Institute of Company Directors which states:

1. The Bill applies to ALL directors of Australian companies, not just to directors of companies suspect of phoenix activity;
2. The Bill makes directors personally liable for the company's unpaid superannuation guarantee amounts—regardless of the directors' culpability;
3. The Bill makes directors liable for actions of the company, regardless of the circumstances in which the breach occurred (i.e. even when the company's breach is inadvertent);
4. The Bill makes new directors, that is, directors who have joined a company after a breach has occurred, personally liable for the actions of others and for which they were in no way responsible.

As a result, the AICD concludes and subsequently suggests limiting the application of the personal liability of directors to companies where phoenix activity has taken place and limiting the liability of directors to matters that occurred after their appointment.

Schedule 4, regarding consequential amendments to tax on gaseous fuel, seeks to clarify the treatment of LPG, LNG and CNG following the introduction of the taxation of alternative fuels legislative package which received Royal Assent on 29 June 2011. In particular, the changes confirm excise does not apply to CNG for transport use manufactured in a home refuelling unit on a non-commercial scale and fuel tax credits are available to distributors of LPG in a wider range of circumstances. Given these changes offer a reduced tax burden in each case, they are non-controversial and therefore the coalition supports this clarification.

In conclusion, as a result of this background and subsequent analysis, the coalition supports the changes in schedules 1 and 4. However, schedules 2 and 3 raise a number of issues that require greater prudence. There is nothing conclusive in the bill that has taken my mind nor convinced me that this bill will deject or dampen the entrepreneurial activities of repeat phoenix operators. This bill throws a wide net that will affect every employer in the country. I repeat it will affect every business that is currently struggling with layers and layers of compliance, which in my electorate is one of
Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (18:06): Firstly, I would like to thank the members who have contributed to this debate. Schedule 1 to the Tax Laws Amendment (2011 Measures No. 8) Bill 2011 allows the Commissioner of Taxation discretion to disregard certain events that would otherwise trigger the assessment of certain income for a primary production trust in the year of the event. The amendments ensure that elections to spread or defer income made by primary production trusts do not automatically end upon the happening of a disentitling event. These include when a beneficiary becomes insolvent or leaves Australia permanently. This broadly restores the position that existed prior to the Tax Laws Improvement Project in 1997, where a commissioner's discretion existed in the income tax laws. Schedule 1 secures a favourable position for taxpayers, as the amendments apply from the 2005-06 income year.

Schedule 2 to this bill clarifies the intended operation of the petroleum resource rent tax. Specifically, these amendments reinforce the long-established interpretation, recently affirmed by the Federal Court, of how the taxing point is determined for the purposes of the petroleum resource rent tax. The amendments put beyond doubt that the final intended use of a substance must be taken into account in determining where in a production chain a marketable petroleum commodity is produced. This in turn is used in determining the location of the taxing point within a petroleum operation. Passage of these amendments will provide current and future PRRT taxpayers with certainty as to how the petroleum resource rent tax applies in their specific projects. This is particularly important because from 1 July 2012 the petroleum resource rent tax will be extended to cover all Australian oil and gas projects, including, for the first time, those located onshore, as well as the North West Shelf project.

I wish to foreshadow government amendments to remove schedule 3 from the bill. Removal of schedule 3 would allow further consultation on this measure without delaying passage of the bill, because the amendments contained in schedules 2 and 4 require urgent passage. After listening to recent feedback from stakeholders and after the hard work of the member for Parramatta, it has become evident that some further modifications may be required to ensure that the proposed amendments do not affect company directors inappropriately in certain circumstances. The government remains committed to implementing amendments to protect workers' entitlements and ensure that company directors take their tax obligations seriously, and we wish to discourage phoenix operators and will reintroduce this measure early in 2012 after further and final consultation.

Schedule 4 to this bill makes minor consequential amendments to the taxation of gaseous fuels. The minor amendments have been developed with the benefit of extensive consultation with the gaseous fuels industry. The minor changes ensure that the home manufacture of compressed natural gas with domestically rated equipment does not impose excise obligations even where there is some business use. The changes also clarify both the requirements for LPG notices and the fuel tax credit arrangements.
for the unlicensed supply of packaged LPG. The minor changes ensure that the taxation arrangements for gaseous fuels do not have any unintended impacts and minimise industry compliance costs. The measures contained in schedule 4 to the bill will apply from 1 December 2011. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (18:11): I present a supplementary explanatory memorandum to the bill. I ask leave of the House to move government amendments (1) and (2) as circulated together.

Leave granted.

Mr SHORTEN: I move government amendments (1) and (2):

(1) Clause 2, page 2 (table items 3, 4, 5 and 6), omit the table items.

(2) Schedule 3, page 8 (line 1) to page 40 (line 16), omit the Schedule.

In response to a recommendation from the House of Representatives Standing Committee on Economics, the government has decided to remove schedule 3 to this bill, together with the Pay As You Go Withholding Non-compliance Tax Bill 2011. In their report of 3 November 2011, the committee recommended that the schedule be deleted so that more consultation could be devoted towards identifying additional defences that allow innocent directors to avoid exposure to the director penalty regime. I have asked Treasury to undertake further consultation to explore further defences. The government intends to bring these amendments back into the parliament in the next available sittings next year.

Mr HOCKEY (North Sydney) (18:12): Hooray! The coalition called on the government to remove schedule 3 from this bill, and they are doing so. I congratulate the members for Casey, Higgins and Wright on their outstanding work in the committee, getting rid of this flawed schedule of the bill. It is a far-reaching change. It may be that directors who have innocently misunderstood the complex superannuation law or have inadequate management systems in place will potentially be exposed to liability for the superannuation guarantee. The issue of independent contractors versus employees could also cause difficulties, as this schedule of the bill exposes directors to personal liability for superannuation guarantee payments in respect of people who may have been treated as contractors for a long period of time. So the government was using a sledgehammer to crack a nut, and thankfully the nut has rebelled and they are removing this schedule from the bill. We support this amendment.

Question agreed to.

Mr HOCKEY: by leave—I move amendments (1) and (2) in my name:

(1) Clause 2, page 2 (before line 1), table item 2, omit ―Schedules 1 and 2‖, substitute ―Schedule 1‖.

(2) Schedule 2, page 6 (line 1) to page 7 (line 2), omit the Schedule.

As previously stated, the coalition strongly opposes this attempt by the government to retrospectively change the tax law. It is extraordinary that there is a case before the full bench of the Federal Court at the moment on this particular issue and the government is trying to introduce retrospective legislation to validate its position before the court, which effectively denies individuals the chance to take the
Commissioner of Taxation to court and see the matter through to a final conclusion. This means that individuals are denied the right to challenge an interpretation of the tax laws by the Commissioner of Taxation without this government introducing retrospectivity. It is for these reasons that the coalition seeks the removal of schedule 2 from this bill.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (18:15): In response to the opposition's proposed amendment to remove schedule 2 of the bill related to the PRRT taxing point, the government does not support removing schedule 2 from the bill. The PRRT has been operating this way for over 20 years. We are simply making sure that the PRRT continues to operate like it has since 1990. ExxonMobil's Bass Strait project came into the PRRT regime four years after it started, so it was clear how it would operate. This actually saved ExxonMobil significant costs at the time, at the cost of $700 million of foregone revenue to the government. There was an express agreement at the time that the kinds of deductions being pursued through the courts now, more than 20 years later, would not be deductible. They did not start legal proceedings until 2004, but they want tax they have paid since 1990 repaid to them. I can assure you from my dealings with ExxonMobil that it would not necessarily notice all of the money it got back because it is a very successful company all around the world.

This legislation will provide clarity to taxpayers and avoid potential time-consuming court cases in the future. The House of Representatives Standing Committee on Economics found:

… the committee believes that it is appropriate for the Parliament to affirm the policy intent of legislation as implemented in the Bills.

Leaving this to the courts would create risk and uncertainty for taxpayers. Thus, this schedule should not be removed.

Question put:
That the amendments (Mr Hockey's) be agreed to.

The House divided. [18:21]

(The Speaker—Mr Harry Jenkins)

Ayes ...................... 70
Noes ...................... 73
Majority ................. 3

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, Ji
BROADBENT, RE
CHESTER, D
COBB, JK
CROOK, AJ
ENTSCHE, WG
FORREST, JA
GAMBARO, T
GRIGGS, NL
HAWKE, AG
HUNT, GA
JENSEN, DG
KEENAN, M
LAMING, A
MACFARLANE, IE
MARKUS, LE
MCCORMACK, MF
MORRISON, SJ
NEVILLE, PC
O’DWYER, KM
PYNE, CM
RANDALL, DJ
ROBERT, SR
RUDDOCK, PM
SCOTT, BC
SIMPKINS, LXL
SMITH, ADH
SOUTHCOTT, AJ
TEHAN, DT
TUDGE, AE
VAN MANEN, AJ
WASHER, MJ

Andrews, Kj
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Coultton, M
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Hartseyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Slipper, PN
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG
The House divided. [18:26]

(The Speaker—Mr Harry Jenkins)

Ayes ...................... 73
Noes ...................... 70
Majority ................. 3

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Chester, D
Cobb, JK
Collins, JM
Crean, SJ
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Cheeseman, DL
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Katter, RC
King, CF
Livermore,KF
Macklin, JL
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Wilkie, AD
Zappia, A

The Speaker: The question now is that this bill, as amended, be agreed to.

Question put.

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Chester, D
Cobb, JK
Collins, JM
Crean, SJ
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Cheeseman, DL
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Katter, RC
King, CF
Livermore,KF
Macklin, JL
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Wilkie, AD
Zappia, A
Mr SHORTEN: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**Customs Amendment (Military End-Use) Bill 2011**

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

**Third Reading**

Mr SHORTEN: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**Minerals Resource Rent Tax Bill 2011**

**Minerals Resource Rent Tax (Consequential Amendments and Transitional Provisions) Bill 2011**

**Minerals Resource Rent Tax (Imposition—General) Bill 2011**

**Minerals Resource Rent Tax (Imposition—Customs) Bill 2011**

**Minerals Resource Rent Tax (Imposition—Excise) Bill 2011**

**Petroleum Resource Rent Tax Assessment Amendment Bill 2011**

**Petroleum Resource Rent Tax (Imposition—General) Bill 2011**

**Petroleum Resource Rent Tax (Imposition—Customs) Bill 2011**

**Petroleum Resource Rent Tax (Imposition—Excise) Bill 2011**
Mr NEUMANN (Blair) (18:31): I speak in support of all of these bills. I particularly want to mention the Minerals Resource Rent Tax Bill 2011. This is very important legislation, not just for this country but particularly for my home state of Queensland.

We are absolutely determined to make sure that the benefits of the mining boom so squandered by the coalition during the first mining boom, such a short time ago, will be extended across the length and breadth of this country so that all Australians can share in the benefit. We want to make sure that the most profitable mining companies will pay their fair share of tax. We want to make sure that we, as has been described on numerous occasions, a stronger, fairer, simpler taxation system, and we want to make sure that there are significant benefits to Australian small business, Australian households, Australian families and Australian individuals, by virtue of the minerals boom that we are experiencing across this country.

This MRRT legislation will provide good return on the wealth of Australia, which belongs to all Australians, for all Australians. The benefits under this legislation will be many. They include a company tax cut for all companies to 29 per cent on 1 July 2013; a new tax break for up to 2.7 million small businesses from 1 July 2012; investments in our regions, particularly in my home state of Queensland, through the Regional Infrastructure Fund and Regional Development Australia Fund; and a simplified personal tax for 6.4 million Australians, with a $500 standard deduction from 1 July 2012, and a $1,000 deduction from 1 July 2013. Of course, we will also help five million Australians by rewarding them with personal savings: a 50 per cent tax discount and up to $500 of interest income from 1 July 2012, increasing to $1,000 of interest income from 1 July 2013; a boost to superannuation for 8.4 million Australians—the first increase to take place from 1 July 2013; and expanded superannuation concessions for 3.5 million low-income earners and about 275,000 people over 50 years of age from 1 July 2012.

I listed those out because I wanted those who might be listening to recognise the economic consequences and the consequences to the financial budgets of Australians, not just presently but into the future and in their retirement. This is a fair and just piece of legislation that I think will make a difference.

The MRRT will apply to all new and existing iron ore and coal projects at a rate of 30 per cent An extraction allowance of 25 per cent reduces the effective rate of the MRRT to 22.5 per cent. This will make a difference. The design features reduce compliance costs for small miners, including a low-profit offset reducing the MRRT liability to nil for companies with an annual MRRT profit of $50 million or less. The offset phases out between $50 million and $100 million of MRRT profit.
This legislation has had a long and convoluted history. There has been a lot of community consultation and consultation with miners, including, on 1 October 2010, the Policy Transition Group, led by Don Argus and Minister Martin Ferguson, who commenced the consultation process.

This is important legislation for a number of reasons. It will have a big consequence for my community. For instance, over 43,500 people living in Ipswich and Somerset in the electorate of Blair will benefit from the rise in compulsory superannuation from nine to 12 per cent. That is what the Treasury data shows.

Those opposite opposed superannuation when it was initially brought in as compulsory under the Hawke-Keating government. Some extraordinary things were said about superannuation. Until very recently the opposition took the same attitude to superannuation as their predecessors back in the days of Peacock and Howard. In the early nineties, the idea of compulsory superannuation was denounced by the opposition. The business lobby were their allies and comrades in the battle. They described compulsory superannuation as a 'company killer' and they said that unemployment would rise and the economy would be deleteriously affected. They used all kinds of jeremiad in relation to superannuation. But we know that this will make a big difference. We have at March 2011 about $1.36 trillion invested in the superannuation industry—and there are market fluctuations; it goes up and down—and this has secured our future and provides security for the benefit of Australians across the country. This rise in superannuation will make a big difference in my community, and I look forward to the day when it comes in. It will also apply to electorates held by those opposite. Their attitude to this aspect is interesting. As I said, they opposed it fiercely and ferociously, but it will have a big impact in their electorates.

Small business will also benefit from the small business changes that I outlined: 10,700 small businesses in the Ipswich and Somerset region in the electorate of Blair will benefit from those changes. The small business changes will make a big difference, but those opposite who parade, preen and pose as champions of small business are opposing what we are doing in the MRRT. I want all small business operators to understand that.

I think those opposite, particularly members in South-East Queensland from the LNP, should hang their heads in shame because they are beneficiaries. I decided to do a bit of research and find out how the changes we are making through the MRRT will benefit small business. As I said 10,700 small businesses will benefit in my electorate of Blair, but also other electorates in South-East Queensland such as Longman, 13,300 businesses; Dickson, 14,800 businesses; Groom, 17,400 businesses; Wright, 18,500 businesses; Fisher, 19,900 businesses; Ryan, 20,200 businesses; Fadden, 23,100; and Fairfax, 23,100 businesses. Those opposite are opposing the small business write-offs that I have outlined already which will help the small business operators in their electorate. They have got the gall to come into this place and say they support small business when they are opposing the very reforms which would make a difference in the lives of small business operators in the state of Queensland.

They claim that the minerals resource sector is paying their fair share of tax when they know very well that there is person after person, company after company which have been cited during this debate to indicate that they are prepared to pay this tax and that this arrangement has been undertaken through
consultation. They know we can only dig up the resources of this country once, but those opposite will claim and have claimed that the mining companies pay their fair share. But the public think otherwise, and I am sure that in their heart of hearts those opposite also know that that is not the case.

I mentioned the minerals resources rent tax and what an impact it will have in my home state of Queensland. The view of those opposite on regional development and regional infrastructure was to engage in what the Australian National Audit Office described in a 1,200-page report as—and I will use my words and the words of Minister Albanese—regional rorts. We set up a process whereby Regional Development Australia would be carried out in a more meritorious, transparent and accountable process. Regional Development Australia is an investment—and we are doing this under the minerals resources rent tax—of about a billion dollars over five years, funding a diverse range of economic and community infrastructure projects across Australia. Five hundred and seventy-three million dollars is contingent on the passage of the minerals resources rent tax.

In my electorate we were fortunate enough to get $2 million in the first round of the Regional Development Australia Fund for the Somerset Civic Centre, which replaced the Lyceum Hall that had burnt down. It will be a 350-seat centre. It will have a stage, backstage areas, dressing rooms, multifunction rooms and amenities. It is important in the terribly flood affected area of Esk. Those opposite opposed the funding for this. They also opposed so many other areas of regional development which have been funded by this government, including things like the Better Regions funding and the Regional and Local Community Infrastructure funding, which have made a difference not just in Ipswich with the Robelle Domain Parklands but with the refurbishment of the Ipswich Civic Centre, the creation of the corporate centre at Ipswich and the rugby league stadium in North Ipswich. They also opposed the flood levy, which was necessary to rebuild communities like Ipswich and Somerset.

Those opposite have also opposed in this legislation the source funding for the Regional Infrastructure Fund which comprises about $6 billion in funding targeted at states like Queensland and Western Australia, which face large infrastructure demands, and $5.6 billion of that funding is contingent on the passage of the minerals resources rent tax. Those members opposite from Queensland in the LNP and those from Western Australia in the coalition should hang their heads in shame in opposing this legislation. We have provided in our commitments funding to so many terrific projects. I was pleased to hear Minister Albanese talking about that today in answer to a question I put in relation to the Blacksoil interchange and commit to it.

The Blacksoil interchange is the intersection of the Warrego Highway and the Brisbane Valley Highway. It is one of what the mayors of South-East Queensland describe as the 'Magnificent 7' projects that they urged both sides of politics to fund before the 2010 election. It is a $70 million project. The state Labor government in Queensland committed $16 million and it sought $54 million from us. My LNP opponent last election committed zero, zilch, nil—not a dollar was committed. Notwithstanding the fact that the member for Groom and I had discussions—in fact we debated with the mayors of South-East Queensland at a forum in Ipswich at Walloon and at Haigslea in relation to this issue before and during the
last election—not a cent was committed by those opposite to this vital project.

Recently we have had the mayors and councils from South-East Queensland here in Canberra urging infrastructure in South-East Queensland, urging the opposition to support the Blacksoil interchange upgrade. Indeed they have, by opposing this legislation, opposed the funding for the Blacksoil interchange, which is the most important interchange and intersection in South-East Queensland, according to the Council of South East Queensland Mayors. At the last federal election, on the first day of the election campaign, we had mayors from South-East Queensland standing at the Blacksoil interchange, urging both sides of politics to fund it. The coalition, by opposing this legislation, opposes the Blacksoil interchange upgrade. But why should we be surprised about that? For three elections in a row, the coalition opposed a project which was supported by the Liberal Lord Mayor of Brisbane, Campbell Newman—the alternative Premier of Queensland—supported by the coalition at a state level, supported by all the councillors in South-East Queensland, supported by the state Labor government and supported by this side of politics. I refer to the Ipswich motorway upgrade. They took a policy to the last election saying they would stop construction on the Ipswich motorway, putting at risk 10,000 jobs. That is their idea of infrastructure.

I want everyone from Queensland to know that the coalition's opposition to the MRRT stops regional infrastructure and road funding in South-East Queensland that we are going to deliver under the MRRT legislation. Their opposition to the Ipswich motorway and the Blacksoil interchange and their failure for 12 years when sitting on this side of the House to support infrastructure in South-East Queensland is indicative of their attitude to roads, rail and ports. Indeed, we have increased by 70 per cent the funding to road infrastructure in Queensland.

Those opposite, the LNP members from Queensland, should hang their heads in shame for this opposition to the MRRT, because they know that the mayors from South-East Queensland support this. The only mayor I know in South-East Queensland who holds a Labor Party membership ticket is the Mayor of Ipswich, Paul Pisasale. All the others are on that side of politics. But they all support what we are doing, particularly in relation to the Blacksoil interchange, the Ipswich motorway and the other infrastructure across Queensland. But those opposite oppose it. They fail on infrastructure and they should hang their heads in shame. They should be supporting the MRRT legislation. It is important for Queensland. It is important for electorates across South-East Queensland in particular.

Mr BALDWIN (Paterson) (18:46): It is said that Australia's wealth grew on the sheep's back. Well, I can tell you that the Hunter's wealth grew on the miner's back. Today I rise to address the Minerals Resource Rent Tax Bill 2011 and associated bills, to give the Hunter a voice. This tax, when coupled with the Labor-Green carbon tax, will cripple the Hunter Valley economy, cost the jobs of thousands of local people, lower investment confidence and cut the retirement savings of those who rely on their superannuation. Yet my Labor colleagues in the region are not voicing the real fears of their constituents.

As I stand here today, I feel a sense of deja vu. A year ago I stood here to warn the Rudd Labor government about the consequences a resources tax would bring. The Australian public shared those fears and, as the polls began to slide, Prime Minister
Rudd was replaced with Prime Minister Gillard by the faceless men of the unions and the ALP. And here we are again. The policy is slightly different, but the consequences remain the same. But what more should we expect? Labor has always believed in tax and spend, tax and spend. And now we have the minerals resource rent tax—a 22½ per cent tax on miners who invest their money in Australia in good faith, gave local people jobs, supported local business and poured billions of dollars in to the Australian economy.

I was recently at a function here in parliament where a senior representative of a foreign owned airline said that introducing a passenger movement charge in their country would be thought of and seen as adding a tax on its biggest wealth generator, something that would be a complete anathema to them. The chorus that came back from those in the audience was that this was just what this Labor government is proposing with the MRRT. The Labor government knows this is a bad idea. It knows that, in the long term, jobs and investment will be lost. However, after wasting the former coalition government's surplus of $20 billion and racking up a multibillion-dollar debt for this country through infamous programs such as the school halls rip-off and the insulation fiasco, this government is desperate. It will do anything to claw back money in the short term, regardless of the consequences for Australian people.

The coalition is determined to warn the Gillard Labor government about the dire consequences it will face if this tax is approved. We recognise that the resource sector is just too important to jeopardise. When companies make investment decisions, a significant equation about where to invest is a nation's sovereign risk. Under the Gillard government, Australia now has a very real sovereign risk problem. Members on the other side do not understand this. However it is their government's increasing regulatory burden, its original dumped plan to nationalise 40 per cent of the mining industry, the carbon tax and now this proposed MRRT that put future investment at risk. They need to understand that Australia is not the only resources game in town. Global corporations can choose to move offshore and invest in places like Brazil, Mongolia and Africa, which have friendlier tax regimes. Once the investment goes elsewhere, so will the jobs and we will not get them back.

The resource sector employs half a million Australians. It is one of the most productive parts of the national economy and was our salvation during the global financial crisis. It was also pivotal in rebuilding after the recession of the 1990s. We absolutely cannot afford to have our mining industry be the victim of yet another tax-and-spend Labor government. Last year Xstrata gave a start-up commitment in excess of $130 million of infrastructure through Xstrata rail in New South Wales, and the potential is there for further investment of more than $4 billion over the next three years. Why would a government want to do anything that puts Australia at a global competitive disadvantage and puts both this or further such investment at risk?

Those opposite say that Labor is the party of the workers. Why would the government want to introduce policies that threaten the livelihoods of our miners in the Hunter? There are 17,000 people directly employed in the coalmining industry in the Hunter and there are thousands more jobs indirectly reliant on those positions. That includes jobs at Newcastle Port, where 97 million tonnes of coal was exported in 2010. It includes 400 employees and 16 apprentices at Port Waratah Coal Services. As these figures show, the mining export industry is one of
the Hunter's key businesses and would cripple the local economy if it were to fold. The reliance of the Hunter on the resource sector is an easy relationship to see. So, at a time when the cost of living is at an all-time high, you would think that our region's elected representatives would be fighting to attract jobs to the Hunter. In fact, it is quite the opposite. Hunter Labor MPs have backed the party line rather than local jobs. Sharon Grierson in Newcastle, Jill Hall in Shortland, Greg Combet in Charlton and Joel Fitzgibbon in Hunter all live in the Hunter amongst the thousands whose jobs and livelihoods depend on the continued success of mining. They know all too well how reliant our economy is on this sector. For example, Xstrata, which operates 10 mines in the Hunter Valley, has alone contributed $14.6 billion in goods and services, port and rail, wages and royalties since 2002. At the same time as Hunter Labor MPs are preparing to wipe out local mining jobs, they are doing very little to create new jobs.

A major hit on the profits of our miners is a hit on the funds available for investment in research and development. It is our own mining companies which are investing in research and technology to help bring about that innovation. This helps enable Australia's best scientists to work on developing alternative, cleaner technologies that will lead to a healthier environment. Those companies which first obtain cleaner technologies will be those that continue to prosper as we move away from a reliance on coal towards an alternative energy source. We cannot afford disincentives to investing in research and development—and a major cut in profits is certainly that.

A major cut in profits will also erode the funds available for community engagement, and I have personally seen the great things that are being achieved in coal communities. I have met several times with William Cant and John Richardson, joint owners of a family-run mine in East Maitland, Bloomfield Colliery. Bloomfield employs about 500 people in the Hunter Valley, with many more reliant on its operations, based on the multiplier effects, such as businesses in Tomago, Thornton and Beresfield. However, it is not only families and small businesses that rely on Bloomfield. Local charity organisations also rely on its support to operate. The Bloomfield Group Foundation was set up in 2006 to fund community based programs which benefit the Hunter Valley. Those causes have included the Red Cross Breakfast Club, Hunter New England Health's Neonatal Intensive Care Unit, Maitland Cancer Council's Relay for Life, Singleton Legacy and Samaritans, to name just a few.

It is not just Bloomfield Colliery giving back. Over the past decade, mining companies have made moves towards social responsibility, and community engagement programs are often included under the terms of the exploration licences. At the Doyles Creek mine, just outside Singleton, five per cent of all pre-tax profits will be directed into the community foundation. The foundation will provide $40,000 per year for three years to help the Westpac Rescue Helicopter Service. Hunter Valley Operations, owned by Coal and Allied, contributed $1½ million in community development funds last year and the same in 2009.

This year Xstrata and their partners have committed over $6.65 million to their Corporate Social Involvement Program in New South Wales. This included total contributions to community organisations of over $2 million. Organisation recipients included Lifeline's Hunter Support Program and the Maitland neighbourhood centre, and a further $2.5 million went to education groups such as the Hunter Valley Training
Company. They also provided over half a million dollars to a range of environmental programs and groups working to protect and preserve our nation's unique fauna and flora such as the Hunter Central Rivers Catchment Management Authority and the Koala Research Centre. And where would the Indigenous Youth Leadership Program, the Hunter Medical Research Institute or the John Hunter Children's Hospital Neonatal Unit be without the almost $1 million committed to them in this year alone?

There are similar programs being run right across the Hunter Valley. If the profits of our mines are eroded, the ability of those mines to contribute directly to local communities will also be eroded. This will be yet another devastating effect of Labor's minerals resource rent tax, especially when combined with the effects of the Labor-Greens carbon tax. We all want our miners to contribute to the Australian landscape, so let us do it through further partnerships and positive community projects. Let us not put a huge tax on profits which will strip competitiveness, cost jobs and ultimately end up in Labor's coffers. We cannot trust Prime Minister Gillard with the money generated through yet another great big new tax.

The Prime Minister has said that a small fraction of the money raised by the MRRT will go into local roads. Forgive me if I don't get too excited! At the last election the coalition pledged $71 million to upgrade local roads to make them safer and reduce travel times, including $20 million for Main Road 301 between Raymond Terrace and Dungog, $20 million for the Lakes Way, $20 million to build passing lanes on the Bucketts Way, $6 million for the much-needed Nelson Bay to Fingal Bay bypass and $5 million for Main Road 7778. Had the coalition been elected, works would already be underway. I can say this with certainty because the former coalition government honoured each and every roads commitment I made under its tenure. However, Labor was elected, so I wrote straightaway to the Prime Minister urging her to fund the desperately needed works in my electorate. I never received a response. So when I hear Labor promising road upgrades in coal communities, I am beyond sceptical. I do not believe it for a second.

The Gillard Labor government would have you believe that miners are big, dirty, evil people that take from Australia and give nothing back—and that is simply ludicrous. I remember a media release from the member for Newcastle, Sharon Grierson, which read:

More importantly, this agreement will allow the Gillard Government to pass on the benefits of the mining boom to the rest of Australia.

And the member for Hunter, Joel Fitzgibbon, stood in this House and asked how the government plans to 'spread the benefits' of the mining industry across Australia. It sounds like they have been reading from the same song sheet.

For the benefit of those Labor members who do not seem to understand how the economy works, allow me to provide some real answers. The benefits of the mining boom have been and are currently being felt by the Australian public. Just ask any one of the thousands of families whose breadwinner works in our mines or related industries such as rail, at our harbours, in vehicle rental, in diesel motor repairs—and the list goes on. They could also ask the state and territory governments, which have been deeply reliant on coal royalties.

Make no mistake, our mining companies are already paying billions of dollars to governments in Australia. In fact, the premiers of New South Wales and Western Australia have recently signalled their
intention to raise coal royalties. But here is the kicker: under Labor's minerals resource rent tax, these royalties will not be paid by the mines. It sounds odd but it is true, because at the same time as Prime Minister Gillard is telling the public that miners need to pay more tax she has also agreed to pick up the tab for the state royalty increases. I will repeat that in case anyone thinks I have made a mistake. Under the deal struck by Prime Minister Gillard, the federal government will cover the cost of state government increases in coal royalties. Labor has pledged to return some of the royalties by giving companies a tax offset against the minerals resource rent tax. Australia's prosperity is at stake. We all know Labor cannot be trusted with the economy. Not so long ago Wayne Swan, when questioned on local radio, could not even remember the last time Labor delivered a surplus in one of its budgets. For your knowledge, it was more than 21 years ago. My esteemed colleague, Wyatt Roy MP, has never seen a Labor surplus in his entire lifetime.

It is no wonder Labor wants to sell out Australian jobs, investment, income and superannuation funds for a bit of cash. It is desperate to save face. With such a ludicrous policy, you have to ask yourself why? Apart from needling the money, because Labor has wasted billions of dollars, the ALP jumped into bed with the Greens and is now desperate to hold on to government. This presents an even scarier scenario for Australia. Just months ago, it was the Greens asking for 50 per cent of mining profits. Who is to say what the Greens will try do next against the mining industry in the Senate? If you listen to the Prime Minister, there will be no changes. But this is the same woman who stood before the Australian public just five days before the election and promised there would be no carbon tax. We now have a carbon tax; forgive me if I do not take her at her word.

These bills will hit the Australian resource sector with a double blow that will cripple our economy. As Labor looks for short-term gain to appease the Greens and to claw back some of its wasted funds, the coalition is focused on the economic future and prosperity of our nation, jobs for local people and security for retirees. I urge the Gillard government to think about the people it represents, not the party interest. Therefore, I and my colleagues will be rejecting this bill.

In the moments left to me I note that today the member for Hunter put out a press release saying that without the mineral resource tax projects like the $1.7 billion Hunter Expressway would be in jeopardy. He was the person, when they were elected into government in 2007, who opposed funding for that road. That road is already funded. It is funded through the forward estimates and work is well and truly underway. We see here direct misleading and misrepresentation by the member for Hunter, who simply does not even understand these bills, where the funds are coming from or where they are going.

Mr STEPHEN JONES (Throsby) (19:01): On 22 August this year a company well known to yourself, Madam Deputy Speaker Bird—BlueScope—announced to the stock exchange and to the Australian public that it intended to restructure its operations at Port Kembla and elsewhere at Western Port, the net result of which would be a loss of upwards of 1,000 jobs and the exiting of the company from the export steel market.

In advising the stock exchange and the Australian public of this decision that company cited the enormous increase in input costs, particularly from coal and iron ore, and the great difficulty it
was having in competing with imported steel due to the rapid increase in the value of the Australian dollar. It was an announcement that followed about three days after its former parent, BHP, now BHP Billiton, announced to the Australian public and to the stock exchange that it was about to post a record profit of around $24 billion.

In that one week in August the debate around this issue—the debate around the mineral resources rent tax—was crystallised in the minds of people in our electorates in the Illawarra, Madam Deputy Speaker, and also, I think, of the broader Australian public. What you saw in this one announcement was the fact that we have a booming resources sector—a resources sector that is making a lot of money for the companies that are operating in the resources sector. Some of that money is flowing through to others within the community, particularly those who are working in or around the mining industry, but that money and success are not flowing evenly to the rest of the economy. In fact in some sectors, and particularly the manufacturing sector, the success of the mining industry and the enormous prices that it is able to command for the raw materials of coal and iron ore is having an enormous impact on the ability of manufacturers to compete domestically and in their international markets.

The legislation that we have before the House will not address all of those issues, but does go to the very heart of the issue that we here in the 43rd parliament have an obligation to ensure that we can spread the benefits of this wondrous gift that we have—our natural resources—and that we can spread the benefits of the mining boom both here today and well into the future so that we ensure that when the great bounty is no longer attracting the prices that it currently attracts, and when those mineral resources are depleted, there is something left for the rest of Australia and for future generations to enjoy.

It is for these reasons that I am very pleased to be speaking in the House today on this important package of legislation. It will enable the government, on behalf of the Australian people, to obtain a fairer return on our non-renewable resources and to support growth across the entire economy.

This is a good measure. It is good for our economy and it is good for all Australians. It makes good economic sense because as a resource-rich country we have for many years now been talking about the mining boom, the wealth it is generating and how Australia can manage that to maximise the benefits of that extraordinary wealth. But I would have to say that all tiers of government have not done as well as they could have in ensuring that we manage that boom responsibly and into the future.

Our good fortune from our resource riches has been a feature of Australia's social and economic life since we began to develop as a nation. Indeed, many economic historians argue that we largely owe our development as a nation to the very first mining boom that we experienced in the 1850s—the gold rush that started in Victoria in 1851.

That first great mining boom saw the populations of Melbourne, Ballarat and Bendigo swell rapidly as working men from around the country, and then later from around the world, threw in their existing jobs to go and try their luck in the goldfields. Indeed, one of my forebears travelled around the world from Denmark—from Schleswig-Holstein—to try his luck in the goldfields during that period. Before the 1851 gold rush, wages were low and employment was hard to find in areas outside of agriculture. But within a matter of months after the discovery of gold in the Victorian town of Clunes wages had already risen by one-third.
During the various periods of the development of the gold and mining industry in Australia, the discovery and exploitation of gold was largely in the hands of individual prospectors. It was not until the enormous scale of the resource discovery had been ascertained that it started to become industrialised.

The former New South Wales statistician who wrote a seminal work in Australian Labor history, Timothy A Coghlan, in his four volumes of *Labour and Industry in Australia*, talked about the effects of the gold rush on the industrial relations and the economic history of Australia. He talked about how once the swift and easy gains of the early period of gold discovery were over gold mining became an industry and much of the glamour went out of gold prospecting. He also talked about how the gold rush became more streamlined and how working people were concerned to ensure that their new higher standards of living were maintained.

I quote directly from his second volume of this seminal history, where he says:

From 1851 to 1862 Australian society had undergone violent changes. The diffusion of wealth, the rapid changes of fortune, had overthrown all the old ideas of class stability; the influx of population had entirely obliterated bond labour as an economic factor in the country, and the change in the constitution and the wide extension of the franchise had prepared the stage for the entrance of democracy. It is the gradual and somewhat timid appearance of democracy which is chronicled in the period now under review.

The swift and easy gains of the gold period had gone. After 1861 the El Dorado dreams of that era gradually faded from men's minds, and, although large discoveries of gold were made in the sixties and afterwards, the impulse towards gold-seeking never again became the dominating passion among any large part of the community.

You can well imagine that those gold seekers of the early 1850s thought that this was a boom that would never end. They thought that the rivers of gold, the great luck that they were then enjoying, would continue to flow, if not for decades then perhaps for the century to come. Of course, that was not to happen.

I argue that there are great parallels between the gold rush enjoyed in Victoria in the 1850s and the resources boom that we are now encountering here in Australia in 2011. It is important that we in this generation ensure that we learn from the mistakes and do not repeat them, and that we learn from the good things that occurred during the development of the gold rush and the gold industry in Australia in the 1850s. We need to do this because we all know that we can only dig these resources up once. There needs to be a lasting benefit from what this generation is currently doing.

That is why this government is so focused on delivering on its commitment to spread the benefits of the mining boom to all Australians. That is why Labor believes in the mining tax—to ensure that all Australians can benefit from the mining boom and not just the very profitable mining companies. The mining tax will mean that the Gillard government can use the revenue gained from the tax on extranormal profits to boost superannuation savings for our lowest paid workers.

Our overall superannuation reforms will mean that a 30-year-old worker on average earnings will retire with an extra $100,000 of savings. They also mean that we will be able to give a big tax cut to 2.7 million small businesses, many of them struggling in our patchwork economy. They mean that we can give a business tax cut to all Australian businesses, including those that are not in the mining boom fast lane of our economy.
Perhaps even more importantly than each of these initiatives, the revenue gained from the MRRT will enable us to invest in infrastructure in our great mining communities and elsewhere, in electorates such as yours and mine, Madam Deputy Speaker, to ensure some of those long-hoped-for and much-needed large-scale infrastructure projects can move from the dream to the plan and to the reality.

There have been many claims, including the claims now made by the member for Paterson in this debate, that somehow this tax is going to lead to the death of the mining industry. It is not a claim that is given any credibility inside the industry itself and coming from mining districts such as yours and mine, Madam Deputy Speaker Bird, where recently we attended the expansion of a mine in your electorate and witnessed and have heard stories about the expansion of a mine by the same company in my electorate. These are mines that were mothballed a few years ago and are now being brought into new, renewed and energised production, including the installation of new longwalls because the proprietors of those mines know that there is a strong and robust demand for the excellent, high-quality coking coal that resides in the foothills of the Illawarra. That is a demand that will exist and persist despite this tax and will persist for many years to come.

Indeed, since the government announced its mining tax reforms, mining investments have skyrocketed from $35 billion last year to $47 billion this year and are expected to grow again between 2011 and 2012 to $82 billion. These figures are not disputed by the industry. I took the opportunity during the recent inquiry into this legislation by the Economics Committee of this House to put these questions to representatives of the mining industry, and they confirmed the fact that, far from there being a flight of capital, there is a rich, strong and exciting pipeline of investment into the resources sector that will not be persuaded because the Australian government, on behalf of the Australian people, has decided to put in place legislation which will give the Australian people a greater share in the wonderful returns from these resources that are owned by all Australians.

This is good legislation. It is Labor legislation. It is the sort of legislation that you would expect Labor governments to introduce. Many on the other side of the House might deride a Labor member for standing in this House and making that statement, but it is actually one that I am proud of. I am a proud member of the Australian Labor Party, which is able to bring legislation into this House which helps redistribute the wealth that is generated from these resources that are owned by all Australians and put that money to better use. And what better use could there be for that money than to build a new Australia through fantastic infrastructure projects, to ensure that Australians have a decent retirement income by assisting them with their superannuation and to provide tax cuts to literally hundreds of thousands of businesses throughout Australia? It is great legislation. I commend it to the House.

Mr HAWKE (Mitchell) (19:14): It is a great privilege to follow the member for Throsby, who is a good, old-fashioned socialist in this chamber, and I think he gave a good, old-fashioned socialist speech. He is dead wrong about a lot of things but he is right about one thing; this is definitely Labor legislation—we can all tell that. At least he speaks honestly about the redistribution of wealth that is the primary goal and objective of this government.

There is something I want to dispute in his claim about the mining boom being similar
to the gold rush. The gold rush was a very different era. When a currency was backed by gold, people used to get pick axes and choose the relatively scarce metal, gold, which is why it became the base for currencies all around the world. Today mining is a very highly technical and complex industry which requires great risk of enormous amounts of capital to extract minerals from deep within the earth's surface, refine them and turn them into useful products. It is not guaranteed of making a return.

Every time we hear a Labor member enter this place and talk about spreading the benefits, sharing the wealth and redistributing the income from this risky activity, I often think that they are not really interested in sharing the risk or sharing the danger associated with these ventures. A lot of mining ventures fail. I do not see Labor members jumping up to say that they will put their hands into their pockets to share the risk of failed ventures in this country or in any other country. That is why redistribution of other people's wealth earned by people who are willing to put up their own capital—shareholders, investors, people who are willing to put together ventures—is their business and there has to be a profit at the end of it. That is the best system that human beings have devised to order their economies and to order their societies.

The notion that the member for Throsby talked about of redistributing the wealth of successful people, essentially, to everybody else on a basis of 'you've been successful' will do exactly what has happened to every country in Europe that has followed that path, whether it be Italy, Greece or others. Socialism heads us to a point where people stop creating, stop innovating and stop investing. They stop digging things out of the earth and refining them at great risk to their own capital and investment because it would not be profitable.

That is what this legislation proposes. It is Labor legislation, of course, as the member for Throsby pointed out, because it is completely unclear what it is about. We have seen so many versions of the proposed minerals resource rent tax that it is very difficult to understand what the government is actually going to do. That is a bad way to handle government. Constantly this government provides legislation which their own backbenchers and frontbenchers cannot explain to ordinary people about how it will function and what it will do, how it will work and when it will kick in, what are the rates and who is going to pay it. We still do not know today.

In fact, going back to that concept of risk and return, the original proposal that was floated by this government for the minerals resource rent tax tried to make the Australian taxpayer a shareholder in every mining venture. That was the way the first minerals resource rent tax draft legislation worked. The Australian taxpayer would have had a stake in every venture and, if it failed, the government would have been liable. They quickly realised that would not be a good idea. The government backed out of that part of the draft legislation very, very quickly as they had made a big error. Why? They do not want to share the risk and they do not want to share the difficulty of mining. They just want to share in the benefits of wealth created and earned by other people and the risk taken by those people.

Mining companies in Australia today pay enormous amounts of taxes. They pay royalties, they pay employment taxes and they pay all the different rates of corporation and other taxes that have to be paid by legal entities in Australia. They pay quite a lot of tax and they probably pay more tax than
every single member of this parliament put together. They pay a lot and contribute a lot to our society.

Of course, when you impose a new tax, you are looking for a revenue stream for the government to ensure that it can do worthy things. It is not a great idea to put in place taxes such as the minerals resource rent tax and all of its related measures which collects, in our view, $11 billion and has $14 billion in expenditure. That is a great concern for us, and I do not see that we have a big problem in opposing this legislation. The government constantly tells us that we are ‘no’ sayers. When your own modelling and figures show that you are going to pull in $11 billion and send out $14 billion, that you are not going to have any loss of investment and everything is going to be dandy, it makes taxation sound like a noble concept that everybody loves and supports, that we all want to see more of and that we want to be taxed more. It is coming on the back of an economy-wide carbon tax applied to every sector and every industry, including mining and large unknown effects on mining, so you start to wonder about this government’s addiction to taxing because its expenditure is out of control. This tax will send more money out the door than it will raise. It is a very unusual measure at an unusual time.

Looking at this particular version of this legislation, I do not think tax experts or other people understand. Ken Henry’s original proposal was very complex and was not well understood by tax experts. So I do not think any member in this place has a great chance of fully appreciating how this tax works, although we have done our best. When you look at some of the detail of this legislation there is an intrinsic problem with having tax revenue from this legislation linked to volatile commodity prices. The member for Throsby was wrong about a lot of things but he was right in saying that the gold rush came to an end. This minerals boom, although it is not automatic to make a profit out of mining, will come to an end. Commodity prices have been volatile over the past few decades. They do rise and fall and they are capable of rising and falling almost at any moment.

The member for Melbourne just walked in and I know that the Greens often talk about our carbon emissions and reducing them. The biggest thing that reduced our carbon emissions worldwide was the GFC and resultant collapse in demand that came from that. It is the same with commodity prices. Our commodity prices can simply collapse from economic downturn or lack of demand for economic activity. If you think about what is coming up in Europe and other places, there could be a big drop in demand for our commodities. Having this revenue linked to that volatile and unstable notion of commodity prices is a recipe for further government problems and endeavours to try and fix down the track. Never mind a patchwork economy; we tend to get a patchwork approach to legislation. We put out a draft where every taxpayer is a shareholder in every mining venture and then we come back and say: ‘Oh gosh, that’s not a good idea. Now we are going to lower the rate, send all the money out the door, including more than we are raising, and link it to the volatile commodity prices.’ These are things you would not necessarily do if you had to design them.

We are worried about budget deficits. The government has never delivered a surplus. It promises that it will deliver a surplus, but this tax will lose us more revenue. It has also provided a platform for state premiers, who have essentially seen the Treasurer coming and have raised their royalties right before this legislation is passed by this parliament, knowing full well that we as a Commonwealth will be required to
compensate the states for those royalty increases, which are now in the order of $3 billion. It is not some technicality, but this is the very real consequence of failing to understand what you were doing and failing to do it properly. Three billion is a lot of money in anyone's language.

I want to address some other concerns here. The government is making much out of its great notion of redistribution of wealth earned by productive people in society to people who have not taken part in the risk of those ventures—people who would not want any part of that risk and who if there were losses would run a million miles, saying, 'No, that was the failure of the corporation.' The government has also talked about how it is raising the superannuation of every Australian. The minerals resource rent tax came out of the Henry review, which of course recommended—and I think Ken Henry was right to say—that nine per cent is about right at the moment. That is what he found in his review. So the government is keen to adopt a recommendation to increase revenue, although we know that it will not, yet it is keen to run away from another recommendation of Ken Henry, which is that nine per cent is about right in the current climate and there is no need to put it up to 12 per cent.

Our estimates show that the government cannot fund the increase to 12 per cent from this revenue completely. The cost of initiatives we worked out for increasing compulsory super to 12 per cent was $16.8 billion. The company tax cut would be $13.2 billion—this is for the 2012-13 to the 2020-21 period. The Regional Infrastructure Fund will cost $6 billion; the small business instant write-off and simplified depreciation, $8.2 billion; refund of super contributions for low-income earners, $6.6 billion; and 50,000 concessional contribution cap balances under $500 would be $6.8 billion. The total is about $57.6 billion in expenditure, all things that the government would laud as noble, worthy and outstanding things. The problem is that the revenue comes to $38.5 billion over the same period, assuming high commodity prices. As a famous lady once said, 'It's very easy to do that when you are spending other people's money.' It is easy to throw around $57.6 billion and say: 'Isn't that worthy? What a great initiative. We will tax the mining sector. They deserve to be taxed.' I know that the member for Melbourne is about to say that gold should be taxed, even though gold has underpinned currencies and still does today. Considering its price, it is still relied upon as a safe haven for investors and for people of capital in times when currencies are so inflated and devalued by socialist governments, which continue to devalue paper money through largesse and foolish policies.

When we go back to the revenue shortfall, we really do have a serious problem with this legislation and what it will cost us in the future. What will happen by committing to expenditure on the forward estimates—and our revenue is already a shortfall—if there is a commodity price drop? From where will this shortfall be raised? How will we produce budget surpluses if there is already a shortfall in the revenue projections over that period? The government is silent on this. Why? Because that has been its approach to government through every piece of legislation. How will the carbon tax affect families and households? You cannot get an answer about the modelling and the assumptions. You cannot get an answer on the modelling and assumptions of the minerals resource rent tax. In question time today, we heard from the government that it is not willing to tell us about the assumptions, that it is on the website, but of course we know that it is not on the website. The remodelled versions and the
assumptions it makes are not available to the opposition. These are billion dollar questions that are not being answered.

This policy process is poor. I think the government has in a rush realised that its original minerals resource rent tax was a kind of boutique and bizarre form of taxation. It was an experiment that was proposed by Ken Henry but which has not been tried or tested in any jurisdiction around the world and which has a whole range of risks, including making the Australian taxpayer a shareholder in every single mining venture. We have seen the government run away from that quickly to what we regard as a process of picking winners and losers in the mining sector. It deals just with the big players by saying, 'If you're comfortable with this, if you're happy to pay this rate of tax, then we'll set the benchmark higher for every future mining venture to compete with you, but we will take your advice as big miners yourself.' It is a poor way of doing public policy and of doing legislation and one that will not produce the outcome that it is seeking.

We know that the mining sector is already paying a lot of tax. It is paying all of the legal taxes in Australia today. This contention from the Labor Party or the Greens that somehow this sector has evaded taxes is a complete nonsense. This contention that it has been a drain on the economy or that it is against the ordinary person is a total nonsense. The employment and the infrastructure that has been generated by these major projects is immense. The Special Minister of State, the minister at the table, will tell you that in WA most of these ventures have to build their own infrastructure, whether it be rail or road or port upgrades. They have to build it into the investment risk, to the capital required to be generated to complete their tasks, especially in WA. They are doing it themselves. If they waited for government it would never happen. If they waited for this government it would never happen. These are all the reasons why I oppose this tax. Mainly, as the member for Throsby said, this is just a pure redistribution of people's income on a completely unfair basis from a government that is desperate for revenue, and it has become desperate for revenue because it is addicted to spending. There is a better way than raising taxes and levying charges on all of our most profitable sectors, and that is by reducing expenditure and restricting excessive government spending and waste.

Mr BANDT (Melbourne) (19:29): We are living through one of the biggest commodity booms in Australia's economic history. The mining industry has grown from four per cent of GDP in 2004 to approximately nine per cent today. Commodity prices have surged and there is an enormous investment pipeline that will continue to drive the giant profits currently being made by the mining corporations.

Until recently much has been said about the positive impacts of the mining boom, but there has been less focus on the impacts on the rest of the economy. It is worthwhile to start by remembering some facts. Fact No. 1: the Australian mining industry is largely overseas owned. In 2009-10, mining profits were $51 billion, of which 83 per cent, or $42 billion, went to overseas investors. Over the next 10 years, mining pre-tax profits are likely to be around $600 billion. At present levels of ownership, around $500 billion will end up in the hands of overseas owners. Fact No. 2: while mineral prices have boomed, mining employment has not. Mining is one of the smallest sectoral employers in the country. According to the ABS, out of a workforce of over 11 million, only 217,100 are employed in mining. Fact No. 3, mining companies do not pay much tax. The average rate of corporate tax paid by the mining
industry in 2008-09 was 13.9 per cent, substantially below the company tax rate of 30 per cent.

Despite these facts, the miners have liked to portray themselves as big taxpayers, big employers and big money spinners for Australian shareholders. By and large, until recently, those myths have held sway, but this is changing. With a greater understanding among the public about the negative effects on manufacturing, for example, particularly in the wake of the recent announcement by BlueScope Steel to cut over 1,000 jobs, people understand that the high exchange rate associated with the mining boom, while making imports cheaper, is hurting trade exposed industries such as tourism, manufacturing and education that are competing in international markets. They know that our high mortgage rates are in large part caused by the mining boom, as the Reserve Bank seeks to keep down inflationary pressures with higher interest rates.

People also know that, while mining investment does create some jobs, there are problems associated with the fly-in fly-out culture of the workforce. People know that a largely overseas owned sector is moving to import many workers and procure many of its materials from overseas and, at the same time, is sending large profits there. That is why, despite an unprecedented campaign of opposition from the mining industry and the ongoing chorus of negativity from the opposition, the Australian people are strongly supportive of a superprofits tax on the mining industry.

The Australian Greens are at one with the Australian people on this issue. We want to see a mining boom tax that will ensure that the big mining companies are made to pay their fair share of the profits made through the digging up and sale of Australians' mineral wealth. These are minerals that we all own but we only get to dig up and sell once. Unfortunately this mining tax is not that tax. Instead what we have before the parliament is a watered down, mining giant approved compromise. It is limited in scope, there are problems with its design and it will sell the Australian people short when compared to the original Treasury endorsed proposal.

The Australian Greens supported the original mining tax proposed by Treasury. That tax was designed to set us up for generations to come. It would have covered a broad range of minerals, including gold, and raised substantial revenue for the Australian people. Like the IMF and the OECD, we question whether this tax can do the job that is needed. We would have liked to have seen some of the revenue going towards a sovereign wealth fund to relieve some of the pressure on the rest of the economy from the mining boom and to invest in the future. We would also be spending the revenues from the current proposal differently.

We support the principle of an increase in superannuation. In fact, we think it is just the first step in superannuation reform and we need to be looking at what other changes we can make to improve retirement incomes for our workforce. We also need to look at the equity implications of providing, in effect, a tax break to people on higher incomes and providing it to them disproportionately. Whilst the Greens support a cut to the company tax rate for small business, we think it could be larger. In fact, we want small business to get a five per cent tax break and larger companies to continue to pay the current rate of company tax.

We note that the government has not introduced its tax cut for big business as part of this package of bills which includes the Minerals Resource Rent Tax Bill. But we
remain concerned that the government has adopted an open-chequebook approach to refunding state royalties, a decision that should never have been made. So we have some big questions, but we also recognise that this mining tax is better than the opposition's proposal, which is to have nothing. Our focus is on improving, not blocking, this tax. We want to get something in place that can be built on into the future.

Contrast this with the approach of the opposition. They have joined with the big tax evaders and foreign miners in saying no to any tax. They joined the millionaires' revolt; the Rolex revolutionaries like Twiggy Forrest and Gina Rinehart crying poor on the streets of Perth while being some of the richest people in this country. It takes one's breath away to think about what these jokers believe they can get away with. And how will the Opposition fund their commitments, including their superannuation pledge, without the mining tax? What jobs and services will they cut to offset a budget black hole that looks to be expanding towards $100 billion? The Leader of the Opposition's claim to any sort of credibility on the economy is rapidly eroding. He will not even get behind a sovereign wealth fund, unlike others on his front bench.

The Australian Greens went to the election saying that we would support this proposal before us now even though we believed that it represents a cave-in of $20-odd million by the mining industry which saved them having to pay $100 billion in taxation over the next decade—and that is $100 billion that every one of us and every member of the Australian public is going to have to find and make up. We said we would support it because something is better than nothing. We have also been saying very clearly to anyone who would listen that any further changes to be made to the tax in order to gain the support of other members of this place would have to be revenue neutral, that the Greens would not automatically support a further watering down of this tax. We find it astonishing to learn today that now the government has formed the view that, for companies that earn up to $75 million profit, the money that would have gone to revenue and could have gone to schools and hospitals is now better staying in the companies' pockets—that is, the government has made the decision today that it is far better that a mining company that earns between $50 million and $75 million profit in a year should get to keep that rather than pay their fair share of contribution. We do not agree with that, and as a result of that decision our support for this bill, and my vote in particular, has moved from the yes camp into the undecided camp, because this is a further watering down—something that we have said that we would not accept.

But, as I said, the Australian Greens are seeking to improve this bill. In particular, we believe there is no reason why gold should be excluded from the tax, and later in the debate I will be moving amendments to return gold to the bill in accordance with the original Ken Henry proposal. Australia is the world's second biggest goldminer after China and we have 13 per cent of the world's gold resources. In 2010 the industry produced 266 tonnes, or 8.5 million ounces, of gold. This was a 17 per cent jump on 2009 output, as mining companies have capitalised on record gold prices. Like those sectors subject to this bill, the gold industry is making enormous superprofits. In fact, gold currently has many of the same characteristics which iron ore and coal have exhibited in recent years, so there is no legitimate economic reason for its exclusion. Most notably, the gold price is on a sustained upward trajectory, reacting to ongoing global anxiety, and goldminers' profits are surging with the higher price. Market experts do not believe current high
Gold prices are a bubble, and these superprofits are very likely to be sustained. The Australian gold market is dominated by five large players, all of which, with the notable exception of Newcrest Mining, are largely overseas owned. So currently profits from gold are mainly returned to overseas shareholders.

The Australian Greens recently commissioned a study of the estimated revenue impact of excluding gold from the mining tax, and the results were startling. Using ABARES's forecast of gold export earnings and a notional gold price of approximately $1,500 an ounce, the study found that the value of gold exports would be as high as 17 per cent of the combined value of iron ore and coal exports. This represents an incredible loss to the revenue base of the mining tax. The study estimated that, if gold is included in this bill, the revenues from gold could be as much as $840 million over the forward estimates period and $1.8 billion over the next ten years. This would be a big boost to revenues, especially when compared to the Treasury estimates of total mining tax revenue of $11.1 billion over the forward estimates.

Of course, these revenues could have been much higher if the government had not abandoned the original resource super profits tax in the face of a $20-odd million campaign from some of the richest people in Australia and overseas. But, of course, we know the opposition would not even have collected one cent. Given these facts, it seems incredible to the Australian Greens that gold will be excluded from this tax, and that is why we will move to put gold back in later in the debate. Members in this place will have opportunity to show where they stand on Australia's economy. Do they support miners contributing a fair share or not? Do they think gold miners should be able to send all their superprofits overseas or not? Let the Australian people see where they stand.

Gold is not the only mineral that is excluded from the mining tax. Recently the Prime Minister said she thinks we should sell uranium to India. This is despite India's failure to sign the nuclear nonproliferation treaty and its nuclear weapons stand-off with Pakistan, and it is despite the recent nuclear disaster at the Fukushima nuclear power plant in Japan. The Australian Greens oppose this move by the Prime Minister. We continue to believe that we should end all uranium mining. Uranium is not safe. It is dangerous and should be kept in the ground. However, if the government, as it is obviously intending to do, allows continuation of uranium mining and potentially its expansion—if that is going to be the reality—then we ask the question: why shouldn't uranium miners pay this tax? Why, at the very least, should the profits from this toxic trade not be taxed at a reasonable rate? Should not BHP and others contribute a fair share of the profits they are making from Olympic Dam and other uranium mines? At the end of the day, a failure to include uranium in this is just another leg-up to uranium-mining companies. They will get away with what companies mining iron ore or coal cannot. The answer is again a lack of courage. All
too often we see a willingness in this place to let mining giants get their way and get to determine Australian legislation and public policy.

Members in this place share an enormous responsibility that we must exercise with great care. It is incumbent upon us to balance competing sectional interests to make decisions that are in the interests of all Australians and of generations of Australians to come. That is why we must take this opportunity now to put in place measures that can fairly and sustainably share the bounty of the mining boom. To not do so will mean we squander an enormous opportunity—an opportunity that potentially comes once in a lifetime. We will be allowing these big mining companies to continue to send profits offshore at the expense of the rest of the economy, and we will be robbing future generations of the opportunity to share in this country's mineral wealth.

We need to know that these opportunities may come only once in a lifetime, and we must be prepared for the future. We must take the fruits of this boom and invest in health, education, science and infrastructure. We must ensure that the boom does not destroy the rest of the economy. And we must build an economy that is sustainable and fair. That is why, subject to what happens over the next couple of days, we intend to improve this bill rather than block it, and it is why we will move to include gold and uranium within the tax on miners' superprofits. It is the fair thing to do and it is the right thing to do.

Mrs GRIGGS (Solomon) (19:44): I rise to speak against the Minerals Resource Rent Tax Bill 2011 and associated bills. As already stated by a number of my colleagues, the coalition is opposing the mining tax. The process from which this new minerals resource rent tax and the expanded petroleum resources rent tax evolved is deeply flawed and by no means broadly representative of key stakeholders. Industry and state and territory governments were all excluded from consultation. In fact, this bill arises from secretive and largely non-transparent meetings devoid of depth, balance and practices cognisant of responsible government. The Prime Minister and Treasurer, to be fair, did hold meetings with senior representatives from three big mining companies in Australia: Xstrata, BHP Billiton and Rio Tinto. This engagement amounts to representation of less than one per cent of the total players within the space.

The coalition believes rather than adding additional burdens to the mining sector there should be support for international competition. The coalition recognises that in a global economy the movement of capital to countries with the greatest rate of return is relatively easy. Buyers buying commodities have alternatives. From an Australian perspective, should we fail to recognise the wealth of mineral resources globally then we lack vision. Other countries have and are developing mining sectors that could well rival our own. Development within Asia's great economies makes clear the level of investment we are currently seeing within the sector. From a Northern Territory perspective, the impact of this tax is not significant in the short term, as commodities which the tax is based on—for example, iron ore and coal—are not significant activities in mining within the Northern Territory. However, with a potential for competitive disadvantage resulting from the introduction of this tax, future exploration and associated benefits to the Northern Territory will most certainly be impacted. I reiterate comments made by my colleagues earlier in this debate.

The Gillard-Greens government is no friend of the broad Australian mining sector.
It is no friend of the broader populace of Australia and it is no friend of the Australian economy. As a nation we should be developing and playing to our strengths. It is no secret Australia is a world leader in mining, yet this Labor government wants to drag our vibrant mining sector down and damage the foundations of our economic vibrancy by introducing taxes that our competitors will not be paying. Such is the impact of the mining and resource sector the average Australian would more than likely confirm that it is certainly one of Australia’s greatest assets. Indeed, they would probably say that this sector is one of our biggest strengths. This being the case, why is it that this Labor government fails to see and acknowledge the significance of the Australian mining and resources sector as one of Australia’s greatest strengths? Instead, the Labor-Greens government has sought to impose two new taxes on this booming sector.

Firstly, we had the carbon tax, about which prior to the election the Prime Minister said, ‘There will be no carbon tax under a government I lead.’ Fourteen or so months on, we all witnessed Australia’s betrayal. Despite the promise and despite deep community resistance, Australia now has a carbon tax. Secondly, we have the mining tax, which is not disparate to the carbon tax legislation. It is evident that this legislation has been rushed. It is reckless in its lack of transparency and is easily the worst piece of policy ever put forward by this government since the original mooting of the resource superprofits tax. There is no doubt in my mind this mining tax is a tax grab, pure and simple.

The Australian credit card has been maxed out by this government. We are on borrowed time. In an attempt to make the minimum payments, the government is looking at ways to get some quick and easy money. What happened to the huge surplus, Australia’s Future Fund, left in place by the Howard government? It was squandered. We all know that this Labor-Greens government spent that surplus and much more. This mining tax will do nothing for investment. In fact, this tax will—to use a mining aphorism—undermine the resources cash cow and discourage investment. As many of my colleagues have pointed out, this is a tax that targets mid-tier miners. It is a highly discriminatory tax. The general view is that this tax is another bungled policy proposal by this incompetent government. It further demonstrates the core philosophy of this government: spend, spend, spend; borrow, borrow, borrow; and tax, tax, tax. That is what this government stands for: spend, tax, spend, borrow, then tax again, spend some more, borrow, spend and tax. There is no doubt that the biggest flaw in the mining tax results from its hasty inception—all without consideration as to the economic and potential sovereign risk to Australia.

As I stated earlier, the involvement of the bigger mining companies BHP Billiton, RIO Tinto and Xstrata as the only consultation within the mining sector in developing this tax is not representative of the broader sector. It can be perceived that this limited consultation facilitates a push by the big three for their advantage—an advantage not representative of the small-to-medium miners. It is these miners who have been completely ignored.

The shadow minister for energy and resources has already advised this House that, despite more than a year passing since the first resources tax was proposed, the wider industry is still facing uncertainty and the threat of being disadvantaged relative to our international competitors. Uncertainty and disadvantage are unacceptable impacts for Australia's sovereign risk profile and our international competitiveness. It is
concerning that the big three miners have manoeuvred to gain benefits for themselves that smaller miners do not have access to. For example, the introduction of a market valuation system to calculate applicable deductions provides a significant tax shield for the big three, a benefit that the smaller and mid-tier miners cannot access. Smaller companies will suffer under increased compliance burdens consistent with the new governance.

The Henry tax review recommended lower tax burdens for smaller mining ventures. Clearly, the review identified a measure needed to help start-up ventures grow and prosper and to keep mining ventures, in their decline phase, alive longer. In its place, smaller and mid-tier mining ventures will pay a higher effective tax rate under this proposal. According to research released on 3 November 2011 by BDO, a highly respected research company, the mining tax liability on, for example, Rio Tinto, was calculated for the first five years as follows: year 1, zero; year 2, zero; year 3, zero; year 4, zero; and—wait for it—year 5, zero! BDO also calculated the mining tax liability for BHP Billiton. No surprises here: year 1, zero; year 2, zero; year 3, zero; year 4, zero; and year 5—you guessed it—a big fat zero. To provide a balance and in contrast to the big three mining companies, a small emerging miner who is making revenue of between $600 million and $700 million can expect the mining tax revenue for the same five-year period to be: year 1, zero; year 2, $49 million; year 3, $107 million; year 4, $96 million; and year 5, $68 million. From a point of clarity, this demonstrates that this tax is targeted at small, emerging miners.

In reviewing the mining tax we, the coalition, believe the constitutional validity of this tax requires some serious questioning. It is well known from his review that Ken Henry said that the federal government chose not to seek advice on the constitutional validity of this tax before announcing it. Without legal clarification, there is a real prospect that this clumsy piece of legislation may not be lawful under section 114 of the Constitution. As a tax on a resource at the point of extraction, it could potentially constitute a tax on state property, as prohibited under section 114.

As evidenced already within this 43rd parliament, the government has form when it comes to High Court challenges—case in point: the Malaysia people-swap decision. The very real potential exists that the government could be heading back to the High Court over this piece of legislation, alongside the cigarette plain packaging legislation it pushed through. Strong economic conditions require investment, and investors require a return on investment. This bill will not maintain strong economic conditions; it will do exactly the opposite.

The Henry tax review recommended that a national profit based resource rent tax should replace state and territory royalties and that the federal government should negotiate the federal-state implications of such a move. This was completely ignored. The government's decision that there be no consultation on the implications of the mining tax is quite worrying. The implications across the country in terms of state revenues are real. Resource royalties in WA are 20 per cent of that state government's revenue streams. Further, resource revenues in Queensland amount to nine per cent of state government revenues, and in the Northern Territory resource royalties amount to six per cent of the Territory government's revenues.

This bill will damage Australia's capacity to draw foreign investment. Increased sovereign risk brought on as a result of the retrospective nature of the tax, and the large
rise in taxation comparative to the overseas sources of investment, will no doubt cause foreign investors to reconsider their positions and think twice before entering the Australian market, particularly where there are other rich resource avenues available. The mining tax is divisive, as I have already said. The government has wedged the three big miners against the remaining 99 or so per cent of mining and resource sector.

We on this side of the House know the real reason why the federal Labor government is introducing this mining tax legislation. Australia is asset rich but the government is cash poor. In fact, it is in debt to the tune of around $100 billion and that debt is growing each day. The government is unable to fund the nation’s vital infrastructure projects through the usual channels due to this massive national debt. Every single day, this government borrows over $100 million. This country has never in its history been in more debt than it is now. The government cannot meet its obligations to the Australian people. Massive overspending—for example, on pink batts and school halls—is a result of poor policy. Poor governance and incompetence are the reason the coffers are dry, and that is why this government is determined to introduce this mining tax.

It is time the government stopped. It needs to step back and reassess. A start-from-scratch approach is absolutely appropriate. Development of genuine tax reform to give Australians lower, fairer and simpler taxes through an open and transparent process is warranted. The parliament should stop the mining tax from going ahead and force the government to start again. It needs to reverse its credit card mentality and get its spending under control.

One of the most concerning outcomes of this legislation is the implications for our structural deficit. The mining tax will help the government create the illusion—smoke and mirrors, if you like—of an early surplus in 2012-13. The reality, however, is less impressive. It will leave the budget worse off from 2013-14 onwards. If Treasury projections for mining tax revenue to 2020 are an indication, as released under freedom of information laws, the figures indicate that Treasury expects revenue to reduce over time. The revenue will be not only downward trending but also volatile. For the first year since the mining tax was announced, predicted revenue outcomes have fluctuated from $7.7 billion to $24 billion. If Treasury forecasts are right, as the revenue from the tax diminishes, costs associated with measures the government has attached to the tax will continue to grow strongly. To quantify this point, if we look at the cost for the proposed increase in compulsory superannuation, for example, an increase in compulsory superannuation contributions to 12 per cent is expected to see a cost rise in the order of $3.6 billion in 2019-20. For the same year, Treasury projections reveal revenue from the mining tax at $3 billion.

The Senate inquiry into the mining tax has conservatively estimated that over the next decade the net cost to the budget will be $20 billion. As already stated, the coalition does not support this legislation. The mining tax remains a tax based on an exclusive deal negotiated with the three largest miners, who were given privileged access, and there was no consideration of our local, emerging miners. This tax is divisive to the country, it distorts the national economy, it diminishes our international competitiveness, and I will not support a tax that will drive investment offshore to countries that are now offering our miners incentives, not taxes.

Debate interrupted.
MOTIONS

Srebrenica Remembrance

Mr DANBY (Melbourne Ports) (19:59): I move:

That this House notes that:

(1) on 11 July 1995, the Bosnian town of Srebrenica which was at that time proclaimed a Protected Zone by a United Nations Security Council Resolution of 16 April 1993, fell into the hands of the Army of Republika Srpska, led by General Ratko Mladic and under the direction of the then President of the Republika Srpska, Radovan Karadzic;

(2) from 12 July 1995, the Army and the Police of Republika Srpska separated men aged 16 to approximately 60 or 70 from their families;

(3) Bosnian Serb forces killed over 7,000 Bosnian Muslim men following the takeover of Srebrenica in July 1995;

(4) all the executions systematically targeted Bosnian Muslim men of military age, regardless of whether they were civilians or soldiers;

(5) the acts committed at Srebrenica were committed with the specific intent to destroy in part, the group of Muslims of Bosnia and Herzegovina;

(6) these were acts of genocide, committed by members of the Army of Republika Srpska in and around Srebrenica from about 13 July 1995;

(7) these findings have been confirmed by the International Court of Justice and the International Criminal Tribunal for the former Yugoslavia through final and binding judgments; and

(8) the House should recognise 11 July as Srebrenica Remembrance Day in memorial of the genocide at Srebrenica in July 1995.

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

Mr Tony Smith: I second the motion.

Mr DANBY: On 16 April 1993 the United Nations Security Council passed resolution 819, which stated that 'all parties and others concerned treat Srebrenica and its surroundings as a safe area which should be free from any armed attack or any hostile act'. The first group of United Nations Protection Force, UNPROFOR, arrived in Srebrenica on the 18 April 1993. Two years later, on 11 July 1995, Srebrenica fell to the hands of the army of Republika Srpska, led by General Ratko Mladic and under the direction of the then President of the Republika Srpska, Radovan Karadzic. What followed was an attempt at the elimination of generations of Bosnian men and boys. A genocide was perpetrated. The Geneva Conventions were broken. Families were destroyed and generations were lost.

Between 12 July and 16 July, the army and police separated men aged between 16 to approximately 60 or 70 from their families. The Mladic forces executed 8,000 men and boys and forcefully deported 25,000 women, children and elderly. These men, women, children and elderly had sought refuge and safety under the protection of the United Nations. The events of that day should never be forgotten. The Srebrenica massacre was the worst war crime to take place in Europe since the end of the Second World War. I want to read an eyewitness account of the events that day by a woman named Zumra Shekhomerovic. Zumra lived in Srebrenica and helped shelter refugees before the town was taken over. She bore witness to Dutch troops being captured, Serb troops posing in UN uniforms, and General Ratko Mladic promising no harm would come to the inhabitants of Srebrenica. This is her testimony:

They were separating boys from 12 years of age and old men to 77 years of age. When our turn came, two of our neighbors were separated in front of us. They separated many from my family, and [people] from my area, I know many of those by name and surname, those that were separated. And now it was our turn.
We came, as we were approaching, there was a checkpoint, and at the checkpoint stood armed Chetniks [Serbs]. And [one] said to my husband, as we were coming from above, 'You come this way' and to me, 'You go on!' …

... … …

His hand was on my shoulder, trembling. … It seems to me that every moment I feel it here on my left shoulder and that hot whisper of his that was reaching my ear as he told me not to worry, that everything will be all right. [He said] to tell, when I come to Tuzla [Bosnia], to tell my son that he sends his warmest regards and to tell him to listen to me. And when I talk to my daughter, who is in Slovenia, by phone to tell her that her daddy has been missing her very much and that he cannot wait until the moment he will see her. … But he never lived to see that moment. These were his last words. They separated him and I stayed mute, I could not talk. …

How I walked to the trucks, believe me, I don’t know. I don’t know how I climbed the truck or came by [the] truck. I don’t know what I stood on to climb up [onto the truck]. I passed, and he stayed with his black jacket which he held in his hand. I could see him for another 10 yards while the truck went around the transporter, and afterwards another truck parked in the way. I never saw him again and don’t know what happened to him. I regret so much that I did not say, 'Don’t take him,' that I didn’t scream or shout for help. Maybe it would be easier to live now.

I just left silently, and could not speak, while my tears were flowing like a river …

Srebrenica was the worst atrocity committed in the conflict in Bosnia and Herzegovina between April 1992 and November 1995, during which the army of Republika Srpska policies of ethnic cleansing, with the support of Slobodan Milosevic, led to the displacement of two million people and the massacre of 200,000, not to mention the tens of thousands that were tortured and abused.

The failure of the international community—even the UN—to protect those in Srebrenica is a stain on the international community’s record. Kofi Annan, the former Secretary-General of the United Nations, said on the fifth anniversary of the atrocities at Srebrenica, ‘The tragedy of Srebrenica will forever haunt the history of the United Nations.’

Nothing can fill the holes in the lives of families who lost loved ones on the 11 July. But it is their memories that must sustain us and instil in us the determination to educate future generations to remember; to pass on our ideals of freedom from fear and freedom from want; of peace and justice; of freedom of religion; and of human rights, as the President of the United States of America spoke about here so eloquently the other day. We must remember that all men and women are created equal and that the doctrine of ‘do unto others as you would have them do unto you’ should be our ethos.

As President Obama said last week when he addressed this parliament, ‘The future belongs to those who stand firm for these ideals.’ At the other extreme of history, that paragon of evil, Adolf Hitler, said on 22 August 1939, on the eve of perpetrating another genocide, ‘Who remembers the Armenians?’, referring to the failure of anyone to react to Turkey’s genocide of 2 million Armenians. It is because he was able to say that in Europe in the 1930s that further tragedies engulfed Europe. If we learn anything from the tragedy of Srebrenica, it is that, if good men and women stand by and do nothing or say nothing, evil will be perpetrated. We must remember.

When I speak to people in my own electorate about these issues, I tell them we must remember all of the horrors and genocides that have been perpetrated since the great Shoah, the great holocaust, of the Second World War, and not just the Second World War but after then: the events that have happened in Rwanda, Srebrenica and in
Sudan, in Dafur. I particularly feel the weight of history very strongly on my shoulders to speak out from this parliament on behalf of events that happened in places like that. Never again should an Adolf Hitler be able to say to people in Srebrenica, in Dafur, in Rwanda, in Armenia: 'Who remembers the Armenians? Who remembers the Rwandans? Who remembers the Bosnians?'

This resolution is what the Russians would call an act of pamyat—memory. It is very important to never forget the legacy of these horrors; not from the point of view of torturing ourselves but to educate future generations that, if people are able to act out of racial prejudice and kill masses of others, this will happen again and again. It is our sacred duty to speak out when we see these kinds of events. We must remember the dead and remember the families they left behind.

Those who perished at Srebrenica must be remembered, and 11 July each year should be recognised as Srebrenica Remembrance Day in memory of those who were lost. I am very pleased that the modern Republic of Serbia is being reintegrated into Europe. We welcome the Serb people with open arms to the international community. We, at the same time, remember the Bosnian people of Srebrenica who were massacred. I am very pleased that this House very bravely, very seriously, joins the congress of the United States and parliaments in Europe in remembering these dreadful and important events.

The DEPUTY SPEAKER (Mr Murphy): Is the member's motion seconded?

Mr TONY SMITH (Casey) (20:10): I second the motion. I appreciate the opportunity to speak on this motion moved by the member for Melbourne Ports to commemorate the terrible massacre of Srebrenica. The 18th century Anglo-Irish conservative philosopher Edmund Burke famously wrote: 'The only thing necessary for the triumph of evil is for good men to do nothing.' And evil was indeed ascendant on those sunny July days 16 years ago when 7,000 unarmed prisoners were slaughtered at Srebrenica during the Bosnian War of the 1990s.

The direct perpetrators of this war crime were military units of the Republika Srpska, the breakaway Bosnian Serb state within the former nation of Yugoslavia. In fact, the commander of those units, General Ratko Mladik, and the former president of the Republika Srpska, Radovan Karadzic, are currently on trial in the Hague for this and other abominations.

But, beyond the writing of yet another chapter in the long bloody saga of man's inhumanity to man, the Srebrenica massacre demonstrates two great verities: one ageless and the other current to our present age. The eternal truth arises from the fact that, in international affairs, just as in physics, a power vacuum will always be filled. The only question is by whom: the benign or the malign? It is an ugly world—a world where wickedness regards weakness with contempt; a world where foulness will exploit feebleness to do a devil's dance on the graves of the innocent.

If the crime of Srebrenica teaches us anything it is that, if the benign lack the will to exert power that is constructive, the malign will surely step into the breach to deploy power that is destructive. We learn that, without strength, the forces of decency will be swamped by indecency. And it was indecency incarnate that broke with all its fury over the 7,000 innocent men and boys who were shot down without mercy.

The atrocity that took place at Srebrenica in July 1995 was horrible enough in its own
right, but the horror was made more acute and more profound by the fact that those killings took place almost literally under the noses of an international force posted to keep the peace where there was no peace to be found. A battalion of Dutch peacekeepers, understrength and underarmed, was unable to halt the mass murderers as they went about their grisly business.

There is little question as to how these war criminals committed this horrendous massacre. The record in that regard has been copiously documented, including by the member for Melbourne Ports. Witnesses have been deposed and forensic evidence has been gathered. Nor is there really any doubt about the why of the Srebrenica slaughter: it was just another dark page in the same bloody saga of bigotry induced bloodbath that has marred the annals of human history.

The real question isn’t why the Serbians murdered unarmed Muslim prisoners; it is why the army of an advanced Western nation was unable to stop it. To understand that we must transport ourselves back a decade and a half in time. This was the era of Francis Fukuyama’s so-called ‘end of history’. The Berlin Wall had fallen six years previously. The Cold War was won and the triumph of the West was supposedly assured. It was a time for optimism. It is true that the social democracies of continental Europe felt there was no longer anything to fear and thus no need to keep up military spending, and the Netherlands were no exception to this trend. The so-called peace dividend was used in the early 1990s to reduce the budget of the Dutch armed forces. In the euphoria of Cold War victory, the Netherlands and other European nations allowed themselves to forget a cardinal Latin adage that has rung true since the legions of Julius Caesar marched into Gaul: ‘If you desire peace, prepare for war.’ As we enter a new period of global instability and international power rivalry, this eternal lesson, retaught so cruelly by the slaughter at Srebrenica, is one we in this place should well and truly heed.

Complementing these ageless truths is another verity that is a product of our current age. It demonstrates, as we have heard, how the United Nations was unable to act decisively in the face of genocide. You see, the Dutch troops whom I previously mentioned were wearing blue helmets during their posting to Srebrenica. They were in the Balkans as part of a UN peacekeeping operation and, as such, they answered to a chain of command that extended all the way to the UN secretariat in New York. So, when out-gunned and out-numbered, the Dutch seeing the killings unfolding before them, tried to call for close air support. These Netherlands troops begged and pleaded for air strikes to target the Serb positions and bring the slaughter to a halt. But air strikes were postponed for hours as the Serbian mass murder operation progressed. When the aircraft finally arrived, it was too little too late. A grand total of two bombs were dropped with a zero deterrent effect. The Dutch battalion were then withdrawn, leaving the local Bosnian Muslim population to the none-too-tender mercies of the advancing Serb forces.

Even more outrageous was the fact that the Srebrenica massacre took place just a year after one of the worst acts of genocide to occur since the Holocaust—and the member for Melbourne Ports referred to this. Between April and July 1994, roughly 800,000 people in Rwanda were hacked, burned and stabbed to death, while another UN force was left hapless and hopeless. And as in Srebrenica, the UN commander in Rwanda, Canadian General Romeo Dallaire, begged for reinforcements and support from UN headquarters in faraway Manhattan. And, as in Srebrenica, he received nothing of the kind. You would think the bloody lessons
of Rwanda might have been absorbed by the high mandarins at UN secretariat. But, tragically, the past of Rwanda turned out to be the prologue for Srebrenica.

The United Nations bureaucracy, unfortunately, was channelling spirit of Tallyrand's famous quip about the post-Waterloo Bourbon monarchy: 'They forgot nothing and they learned nothing.' From early 1992 to mid-1995 the UN tried and failed to bring an end to the Balkans war, a war which killed hundreds of thousands of people in a conflict that knew no rules, a conflict where the laws of war were honoured more in the breech than the observance.

The failure of the UN in Rwanda and the Srebrenica is not contested. As the member for Melbourne Ports outlined, in fact, it is accepted by the United Nations itself. Indeed, on the 10th anniversary—the member for Melbourne Ports mentioned the fifth—of the Srebrenica massacre, then Secretary General Kofi Anan issued a statement, where he said:

... we made serious errors of judgement, rooted in a philosophy of impartiality and non-violence which, however admirable, was unsuited to the conflict in Bosnia. That is why ... the tragedy of Srebrenica will haunt our history forever.

But such mea culpas do not account for much if they are unaccompanied by real reform.

An end to the Balkan slaughter of the 1990s was not brought about by international diplomacy or UN facilitation. The war was finally ended by brute military force. Brute military force brought to bear by a US-led campaign of air attacks under the auspices not of the UN but of NATO. Starting in late August 1995, US and NATO aircraft flew over 3,500 combat sorties against over 330 Serbian targets. The Serbs were bombed into submission, pure and simple. If the UN did not learn from the Rwandan genocide, US President Clinton certainly did. In a speech on the Balkans crisis delivered in November 1995, Clinton said:

We cannot stop all war for all time but we can stop some wars. We cannot save all women and all children but we can save many of them. We can't do everything but we must do what we can.

America's 42nd President learned that, at times, the only way to stop the triumph of evil is for good men to vanquish it through the moral and focused application of armed force. That is the real lesson of Edmund Burke applied to Srebrenica—a lesson we should all seriously ponder.

Mr PERRETT (Moreton) (20:20): I rise to support the motion put forward by the member for Melbourne Ports which utilises the words of the decision of the International Court of Justice. The Moreton electorate is home to many Bosnians who survived the horrors of the war in former Yugoslavia. As former refugees they have resettled to make a new life for their families in Brisbane's southern suburbs, a long way from the violence that shattered their lives in the early 1990s.

Up to 8,000 Bosnian Muslims, mostly men and boys, were slaughtered in the Srebrenica massacre over five days of horror in July 1995. Thousands of women and girls were removed from their homes, raped and assaulted by Serbian soldiers, with lingering life-shattering consequences. Sixteen years after the war the victims are still slowly and methodically being identified through painstaking DNA analysis.

The genocide was carried out by Serbian forces under the command of General Ratko Mladic. The International Court of Justice—and I commend the fine efforts of the judges from that court, especially Air Commodore Retired Kevin Parker QC, whom I recently heard talk in Melbourne about his service—
found Serbia to be in breach of the genocide convention. Although not held directly responsible, they were found to have failed to help bring the accused to justice. General Ratko Mladic was eventually arrested in May this year and extradited to the Hague. It is disgusting that, after the horrors witnessed during World War II, genocide can still be the vile and evil product of modern warfare. What the world agreed should never happen again has happened too many times over, as we have heard tonight. The Srebrenica massacre and widespread genocide in Bosnia-Herzegovina share their place in history among the criminal acts of Pol Pot and the Khmer Rouge in Cambodia, of Saddam Hussein in Kurdistan and of the Hutu extremists in Rwanda.

In Bosnia-Herzegovina more than 200,000 Bosnian Muslims were systematically murdered. The then US Assistant Secretary of State, Richard Holbrooke, called these acts ‘the greatest failure of the West since the 1930s’. In response, NATO forces began bombing Bosnia-Herzegovina on 30 August 1995—and that is not that long ago. This campaign led to the Dayton peace agreement, but for the victims of the genocide it was all too late.

Between 1992 and 1995 Australia welcomed more than 23,000 refugees from the former Yugoslavia. As I have said, many of them settled on Brisbane’s south side, especially in my home suburb of Moorooka. They care for my children and are good citizens; they are my taxi drivers; they are my people. Last month I hosted a barbecue with some of the Bosnians in my electorate. More than 200 people turned out to meet me, their local MP, and the Ambassador of Bosnia and Herzegovina, Dr Damir Arnaut, and to talk about the future and local issues concerning them. I think it says something about the spirit of the Bosnian people that they have been able to leave the atrocities of war behind them and start a new life in Australia, but they are adamant that Srebrenica should not be forgotten. Despite all our best intentions of obtaining a better world, humanity does have a horrible history. We must ensure that the mistakes of the past are never repeated in our future.

In 2009 the European Parliament acknowledged the Srebrenica genocide and also declared 11 July as a commemoration day. As I said earlier, most of the words in the motion put before us today by the member for Melbourne Ports are those of the International Court of Justice about that genocide, the biggest war crime in Europe since World War II. So it is appropriate that this House, a house of democracy, should also recognise 11 July as Srebrenica Remembrance Day, using the very words of the International Court of Justice. They are not words plucked out of the air but words put forward by judges doing a difficult job under difficult circumstances.

It has been 16 years since the atrocities but, even though it might involve digging up the bodies that have been moved two times and bones that have been jumbled up, people are going back and extracting the DNA evidence and, slowly but methodically, tracking down the people who perpetrated these crimes. That is what humanity must do.

I thank the member for Melbourne Ports for bringing this matter to the attention of the parliament and I thank all the speakers for their contributions. I commend the motion to the House.

Mr SLIPPER (Fisher—Deputy Speaker) (20:25): At the outset I want to commend the honourable member for Melbourne Ports for highlighting before the House the tragedy which occurred on 11 July 1995 at Srebrenica in Bosnia-Herzegovina. We are a civilised country and in this nation we have freedom, stability and a way of life that
makes us the envy of people around the world. As was indicated by the honourable member for Moreton, his electorate in particular is multicultural, but Australia is a multicultural nation and we are a country to which people have come from right around the world. They could have selected other places to go to but they selected us, and in Australia we have welded together an Australian nation drawn from peoples from right around the world. I think this is one of the great successes of Australian democracy.

While there have been arguments at times about the proportion and origin of Australia's migrant population, what we have been able to do under successive governments of both political persuasions is to create a modern, vigorous and vibrant multicultural nation where people are accepted from around the world, and of course we expect them to play their part in making this country an even better place. Therefore, as Australians we find it almost unbelievable that the horrible events of 11 July 1995 in Bosnia-Herzegovina could have actually occurred.

Other honourable members have indicated that, on that day, Bosnian-Serb military forces under the command and control of Radovan Karadzic and Ratko Mladic attacked the UN designated safe area of Srebrenica. As a result of these attacks, the Bosnian Muslim inhabitants of that area sought refuge near the UN compound in Potocari or fled in a large column in the direction of Tuzla.

Between 12 and 13 July 1995, many Muslims around the UN compound in Potocari were summarily executed by Bosnian-Serb military personnel, and the remaining refugees, numbering in the thousands, were placed on buses by Bosnian-Serb soldiers and removed from the area. Before they boarded these buses, the Muslim men had been separated from women and children and placed on different buses for removal from the enclave.

The Bosnian Muslims who fled the area in a huge column during the night of 11 July 1995 were attacked by Bosnian-Serb forces and thousands of them surrendered or were captured in the days following their flight. Thousands of them were executed by Bosnian-Serb soldiers at the locations of their capture or surrender and others were transported to other locations.

It is completely unacceptable to us that Bosnians of one ethnic persuasion could possibly act in such a brutal and horrendous manner towards other Bosnians. In fact, I think as Australians we find it doubly difficult to understand how such an event could have occurred. As other honourable members have indicated, this was Europe's worst atrocity since the Second World War. I was pleased that the Serbian parliament passed a landmark resolution apologising for the massacre. The motion, approved by a narrow majority, says that Serbia should have done more to prevent the tragedy. The fact that nearly 8,000 Bosniaks were murdered by Bosnian Serb forces is just completely unacceptable.

Notwithstanding that, it is a positive step that the parliament of Serbia has strongly condemned the crime committed against the Bosnian Muslim population in July 1995. The parliament extended condolences and an apology to the families of the victims because not everything was done to prevent the tragedy.

Let us hope again that we never have a repeat of this appalling atrocity, which makes us all ashamed to be human beings.

Mr HUSIC (Chifley—Government Whip) (20:30): I want to commend the member for Fisher for those words. Much is made of the level of debate and dispute in this place. However, despite this many of us
would not hesitate to agree vigorously that we would prefer vigorous debate with words and ideas. We welcome the fact that the sharpest thing to inject itself into our deliberations might be a smart reference to the standing orders as opposed to the wrong end of a gun barrel.

In recognising this exercise in democratic freedom—the freedom to express ourselves and to exist free from violence—an important choice sits in the background: do we savour this without commenting on matters beyond our borders, believing we should stay silent on issues that do not directly affect us? Or do we recognise that, to benefit from living in this society in the way that we do, from time to time we must also put a spotlight on the suffering and terrible experiences of others?

In my short time in this place I have sought actively to represent Chifley constituents on matters that affect us locally or nationally. Simultaneously, I have recognised the solemn duty that this parliament has to give voice to concerns about the inability of others to live their lives free from mistreatment, persecution and violence. It is why I wished so strongly to speak on the treatment of civilians affected through the terrible civil war in Sri Lanka. It is why I expressed my deep concerns about the persecution of Egypt's Coptic community, speaking up in here and in rallies to show my support to that community. It is why I did not hesitate to condemn the violence visited 10 years ago upon the citizens of the United States on that most awful event, September 11. And it is why I cannot, in all conscience, remain silent on the travesty that occurred over five days back in July 1995 in the town of Srebrenica.

The rounding up and massacre over those five days of between 7,000 and 8,000 Bosnian Muslim men and boys stands as Europe's worst atrocity since World War II. It occurred within a broader conflict that took place in the Balkans in the early nineties, and it exacted a horrendous toll. Estimates on the impact of this conflict vary. It is believed that from April 1992 to December 1995 the war in Bosnia-Herzegovina saw between 100,000 and 200,000 people lose their lives, and resulted in the displacement of between 1.3 and 2 million people. With many in Europe praying that the close of World War II would see the end to such terrible ethnic conflict on that continent, the war in the Balkans came as a bloody shock.

It came as a shock no more so than to the people of the former Yugoslavia itself, which had prided itself on being a multi-ethnic country, made up harmoniously of different religions and cultural traditions. As I said some time ago in this place, friends cared little if you called yourself Croat, Serb or Bosnian—it just mattered that you were friends. As people painfully know war always scars, and the events that occurred in Srebrenica cut deeply.

But what occurred there galvanized the international community to act. One measure the international community took was to indict those considered responsible for this brutality. In 1995, the Army of Republika Srpska's General Ratko Mladic was indicted by the International Criminal Tribunal for the former Yugoslavia for genocide, war crimes and crimes against humanity. As the most senior military representative with command responsibility, he was accused of being ultimately responsible for the Srebrenica massacre.

The ICTY indictment against General Mladic accused him of genocide in nine other municipalities in addition to Srebrenica. Additionally, in February 2007 the International Court of Justice ruled on a...
case concerning the application of the Convention on the Prevention and Punishment of the Crime of Genocide. Direct references to the judgment form the backbone of the resolution brought to the chamber by the member for Melbourne Ports, who I thank for doing this. The references can be traced to paragraphs 288, 290, 292 and 297 of the judgment.

This has not been the first time since the events of 1995 that parliaments have sought to remember what took place in Srebrenica. In 2005, the US House of Representatives carried House Resolution 199 that resolved, among other things, that the thousands of people executed in Srebrenica 'should be solemnly remembered and honoured'. I understand that resolution was passed by a margin of 434 votes in favour, with one vote in opposition. Nearly four years later the European Parliament passed a lengthy resolution that called for 11 July to be recognised as a day of commemoration of the Srebrenica genocide, stating that it:

… is an important step towards peace and stability in the region.

(Time expired)

Mr CRAIG KELLY (Hughes) (20:35): In the summer of 1995, two years after being designated a United Nations safe haven, the Bosnian town of Srebrenica became the scene of one of the worst massacres of the Bosnian war. This was a war that came about as the direct result of the breakup of the former Republic of Yugoslavia. It was a war that was the most devastating conflict in Europe since the end of the Second World War.

This was a war that we saw on our TV screens. Forces under the command of Ratko Mladic attacked UN peacekeepers and took UN troops as hostages. Those who perpetrated this massacre deserve to be condemned and prosecuted.

However, in speaking to this motion moved by the member for Melbourne Ports, we must be careful not to demonise the Serbian nation and the Serbian community. We should also acknowledge that atrocities were committed by all sides in this war and against all sectors of the population of Bosnia-Herzegovina. We should also acknowledge that thousands of Serbs were massacred, expelled from their homes, tortured and raped during these wars within the former Yugoslavia.

We should also realise that to demonise one side of this many-sided civil war will only encourage more hatred and violence throughout the former Yugoslavia and will not provide the needed road to reconciliation. We should also congratulate the modern Serbian nation for coming to terms with these past wrongs and for actively pursuing those guilty of war crimes. As their president, Boris Tadic, said when the last of the major war criminal suspects was only recently arrested:

We have closed a burdensome and gloomy page of our history. We did this for the people of Serbia, for other nations, for the victims and for reconciliation.

The United Nations must also shoulder a large share of responsibility for allowing this massacre to take place, because it occurred under the noses of their troops. In November 1999 the UN released a highly critical report on its performance, stating:

Through error, misjudgment and the inability to recognise the scope of evil confronting us we failed to do our part to save the people of Srebrenica—although, to be fair to the UN, it was the NATO air strikes against the Serbs that finally brought this conflict to an end.

Although it is important that we never forget the events and the history of Srebrenica, we should equally not forget the
events of the entire Bosnian War following the break-up of Yugoslavia, for this raises important lessons that must be learned for any future UN intervention where a major state disintegrates. The events were a genocide, the perpetrators have been brought to justice, and these events should never be forgotten—for the peace of the families of the victims and for our society as a whole. Now should also be the time to encourage and celebrate the newfound friendships between all Bosnian ethnic communities—the Muslims, the Serbs and the Croats—to ensure that the horrors of the Bosnian War are never repeated.

Mr ZAPPIA (Makin) (20:39): I take this opportunity to speak to the motion moved by the member for Melbourne Ports which relates to the atrocities perpetrated against the Bosnian Muslim community at Srebrenica by Srpska forces on 11 July 1995, when over 7,000 Muslim Bosnians were killed. In fact, the figure might even be higher than that. The signing of the Dayton Agreement in Dayton, Ohio, in December 1995 by the presidents of Bosnia and Herzegovina, Croatia and Serbia brought a halt to the fighting, establishing the basic structure of the present-day state. A NATO-led peacekeeping force was then dispatched to Bosnia to enforce that deal. The number of identified victims from the conflict is over 97,000 and recent research estimates that the total number could be up to 110,000 killed and 1.8 million displaced. In fact, I have seen figures which suggest it might be much higher than that.

Each year the Bosnian community of Adelaide holds a service in remembrance of the 1995 events. In recent years I have attended those services, as I did on 11 July this year to mark the 16th anniversary of the Srebrenica massacre. At each of those services those present heard from people who were in Bosnia at the time of the killings and who were able to provide very personal eyewitness accounts of the atrocities committed. Many of the speakers were children at the time. Often overcome by their emotions and their anguish, they told of the cruelty which members of their families or of their town were subjected to by forces under the control of Ratko Mladic. I saw the tears in their eyes as they spoke of the terrible acts of violence perpetrated against them. It is incomprehensible that the atrocities that were recounted by them could have occurred. Yet they were committed—not just once but many times over—whilst the world looked the other way.

It has only been in recent years, as several of the key figures associated with the Srebrenica massacre have been arrested and brought before the International Criminal Tribunal for the former Yugoslavia, that much of the truth about what happened at Srebrenica has come to light. For those who survived, being able to get on with their lives has been very difficult, but they have had no choice but to do so. Of those who fled at the time, some found their way to Australia, and a considerable number of them have settled in my own electorate of Makin. They are good people, scarred but strengthened by events in Bosnia, who have settled remarkably well into their new Australian life. In Adelaide they have established their own community centre in the electorate of the member for Port Adelaide. Only last month, I spoke at length with Muharem and Sabin Bejtjic about life in Bosnia. A week or so later I spoke with Murat and Ferida Hasich, who were attending the school graduation assembly of their granddaughter, Lesha Hasich, at Golden Grove High School. Their son, Sam Hasich, who is the president of the Bosnia-Herzegovina Muslim Society of South Australia, has been a tireless ambassador and voice for Adelaide's Bosnian community.
The atrocities committed against the Bosnian Muslims were the subject of proceedings before the International Court of Justice and the International Criminal Tribunal for the former Yugoslavia. I have read the summary of the judgment handed down by the International Court of Justice on 26 February 2007:

The Court concludes that the acts committed at Srebrenica falling within Article II (a) and (b) of the Convention were committed with the specific intent to destroy in part the group of the Muslims of Bosnia and Herzegovina as such; and accordingly that these were acts of genocide, committed by members of the VRS in and around Srebrenica from about 13 July 1995.

The International Criminal Tribunal for the former Yugoslavia will not undo the wrongs that happened at Srebrenica or erase the memories of those who survived but, in knowing that those who were responsible were brought to account and that the rest of the world now knows the truth, it may provide some comfort for those who suffered.

I want to conclude with a quotation from one of those young people who was at one of the services I referred to earlier. This is part of what Miss Mahira Hasanovic had to say:

I was just a kid when the war started. When the world turned its back on Bosnia. Left us to vanish off the map of this world. I thank god that I was so young and that my memories are only pictures of what happened around me. About the awful times in Potocari, Dubrave and in the refugee tents. But, the biggest imprint of the war is left with me, my father is no longer here, nor will he ever be.

Dr JENSEN (Tangney) (20:44): Srebrenica, Bosnia was the world's first United Nations safe area and was also the site of the worst case of genocide in Europe since World War II. While a Dutch peacekeeping battalion of United Nations forces helplessly looked on, the Bosnian Serb army's brutal takeover in 1995 saw Muslim families separated and over 7,000 Srebranican citizens were systematically murdered. These killings were not committed in battle. They were committed against people who were unarmed and helpless and who had been repeatedly assured that they would not be harmed if they surrendered. The evidence is overwhelming that the executions were committed with the specific intention of destroying the Bosnian Muslim population of the area.

UN peacekeeping forces in Srebrenica were charged with enforcing Security Council Resolution 836, which had pledged to defend areas it declared as safe with 'all necessary means, including the use of force.' But, when it came to enforcing its own resolution, the UN forces offered limited resistance to an overwhelming Serb offensive. UN military and political commanders quickly redefined their primary mission, not as protection forces for the people of Srebrenica, but to ensure the safety of UN forces themselves. Tragically for the citizens of Srebrenica, who took the United Nations at its word for their safety and security, the pledges were never backed up with military resources to ensure that aggression against Srebrenica could be met and defeated. The peacekeepers became observers to genocide rather than protectors of life.

After World War II and the experience of the Holocaust the Allies said, 'Never again.' How short are our memories. President Clinton has acknowledged that the West ignored the signs of the 1994 Rwanda genocide until it was too late. In 1996 and 1997 we failed to act on credible reports that the Rwandan Patriotic Army was engaging in mass slaughter of Hutu refugees.

A change came in 1999 as the Serbs threatened to do in Kosovo what they had
done in Srebrenica. Tony Blair vowed that this time the West would not stand by, citing the Srebrenica experience to illustrate the consequences of Western inaction. NATO's involvement in the successful military action in Kosovo marked a turning point. The following year British troops intervened, again successfully, in Sierra Leone. In March this year another British Prime Minister, David Cameron, successfully rallied wavering US and European armies with a passionate plea, as Colonel Gaddafi massacred civilians in Libya, that: 'Words are not enough and what we will be judged on is our actions.'

The time is long past for Australia to officially declare 11 July as Srebrenica Remembrance Day. With recognition of this day, Australia acknowledges the importance of this event in helping to bring closure for the Bosnian people. Srebrenica Remembrance Day every 11 July will help to inform future generations and guide all Australians to advocate only peaceful foreign relations. At a minimum, the lesson of Srebrenica requires that, when we are put on notice about the possibility of impending violence or massacre, we must not wait for proof beyond a reasonable doubt before acting to prevent it. Such proof, as history shows us, always comes far too late.

Recognising the devastating effects of the July 1995 Srebrenica genocide, this motion allows the opportunity for all Australians to stand with the Bosnian Australian community to honour the memory of those massacred. May the memory of those lost never be forgotten and may we never let events of this significance happen again. Let us ensure that this time we really mean 'never again'.

Mr LAURIE FERGUSON (Werriwa) (20:49): One of the more moving events I had was with a group of approximately 20 Bosnian women, who were participating in a Granville TAFE course, who came into this parliament. During their tour I addressed them about parliament and parliamentary procedures, et cetera, and saw that those women, most of whom had lost their husbands during Srebrenica and other conflicts in Bosnia, had a deep commitment to democracy in this country and to learning about civics. Their wish to be involved politically was truly inspiring.

I want to say at the outset that I have had a very strong connection with the Bosnian community. Yesterday I was at an event at one of their clubs in Bringelly in my electorate. However, when I come to this debate, I come with no enmity towards the Serbian people.

Only in the last week has the President of Serbia, Mr Boris Tadic, visited Bosnia. He made an important commitment that Serbia will, 'never cross the red line of interference in Bosnia's affairs.' He also went on to stress the geographical, cultural, economic and infrastructure ties between the two countries. This, of course, does follow some recognition by Serbia's parliament of the truly horrific massacre in Srebrenica in July of 1995. In 2010 Boris Tadic made the comment that the resolution by the Serbian parliament represented the highest expression of patriotism. Truly, that is worthwhile noting. Whilst they might not have come to a formal use of the word 'genocide', they made an apology for the Serbian people not doing enough to overcome this massacre, and truly there is reconciliation by Serbia.

This was, of course, a very horrific event. We have heard tales of nine-year-old boys being murdered because they would not rape their sisters and of children being bayoneted out of their mother's wombs. We heard from the member for Melbourne Ports earlier in
this debate of the very moving last words between a husband and wife. Of course, there was the guilt of Messrs Ratko Mladic and Radovan Karadzic, and it is very valuable that they are being brought to justice.

The wording of this motion does not come from thin air, as people have noted. It comes from the European Parliament and is based on the decision of the International Court of Justice. It is, indeed, quite proper that we in Australia join the international community in recognising this for what it was. It was genocide, it was the attempt to eliminate people, it was the murder of a lot of people of non-military ages and it was the destruction of families. Whilst the Serbian parliament has come to a very noteworthy and very valued decision, there are those who still wish to deny. In March 2005, during another debate on this matter, Milos Milovanovic, a former commander of the Serbian paramilitary unit the Serbian Guard, representing the Serbian Democratic Party in the Srebrenica Municipal Assembly, made the outrageous remarks that the massacre is a lie, that it is propaganda to paint a bad picture of the Serbian people, that the Muslims are lying and that they are manipulating the numbers and exaggerating what happened. Unfortunately for him, he is up against a variety of very credible international court systems. He is up against the United Nations, he is up against the European Parliament and he is up against the reality of the graves that started to be discovered after 2006 and which, as we know, are still being uncovered today.

I had the opportunity during the Sydney Film Festival this year to see the film Circus Columbia, a very eerie reminder of those days—a Bosnian film which is placed in a small village on the eve of the conflict with a local Croatian militia starting to plan attacks on the local Yugoslav army forces. That was the beginning of this process. I want to identify myself very strongly with this motion. The massacre has been described in the criminal tribunal as a crime of genocide, which was deliberately and methodically undertaken to eliminate large numbers of Bosnian males, some of them in their late 60s and some of them under age. It is commendable that this parliament has joined across the political divide to make sure that we do recognise this massacre and that it is not forgotten.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Burn Injury Prevention

Mr GEORGANAS (Hindmarsh) (20:54): I move:

(1) commemorates the ninth anniversary of the 12 October 2002 Bali bombings in which 202 people including 88 Australians died and 240 sustained injuries;
(2) notes that as a result of the attacks, survivor Julian Burton OAM was inspired to found Australia’s first burn injury organisation, the Julian Burton Burns Trust;
(3) commends the work of the Julian Burton Burns Trust in implementing burn injury prevention programs, care and support services for burns patients and their families, and advancing world class research into burns treatment;
(4) recognises that:
(a) 220,000 Australians will suffer a burn injury every year;
(b) Indigenous people living in remote areas are up to 25 times more likely to suffer a serious burns injury than those living in metropolitan areas;
(c) burn injuries cost the Australian Government $1.5 billion annually in health care costs; and
(d) the vast majority of burn injuries are preventable; and

(5) supports the establishment of a national burn injury prevention plan to reduce the incidence of burns in Australia and improve research, treatment and outcomes for burns patients.

Just over nine years ago, Australians awoke on a Sunday morning to scenes of carnage from across the Timor Sea. Images of burnt bodies, twisted metal and injured tourists and locals covered in blood saturated our front pages, TV screens and news websites. It was an unimaginable nightmare of terror—terror, fire and pain in Australia's favourite overseas holiday destination, Bali. The 2002 Bali bombings were the worst terrorist attacks around the globe since September 11: 202 people, 88 of them Australians, died that day. More than 240 people were injured, many of whom will carry with them for the rest of their lives their disabilities and scars.

Royal Darwin Hospital was the first port of call for more than 60 of the most serious casualties, many suffering horrific burns and blast injuries. In 36 hours, it dealt with more casualties than any single hospital dealt with after either 9-11 or the Oklahoma bombing in the United States. Within 36 hours of their arrival in Darwin, all but a few of the victims had been transported to southern hospitals for specialist care.

One of those Australians injured that night in the bombings was a South Australian football player, Julian Burton. Julian was on an end-of-season trip in Bali with the South Australian National Football Club that he played for, the team of Sturt, when the first bomber blew himself up wearing a backpack in the crowded Paddy's Pub. Twenty seconds later, as bloodied and dazed patrons stumbled outside onto the streets, the bombers detonated over 1,000 kilograms of explosives from inside a white van parked opposite the Sari Club. That bomb was so powerful that it left a one-metre crater in the road and was extra hot, thanks to the combination of powerful chemicals it contained. On 14 October, the United Nations Security Council passed resolution 1438, condemning the attack as a threat to international peace and security.

Just last week the Prime Minister visited the memorial and laid a wreath in memory of those who died. I know many other members of this parliament who have done the same thing, as I did last year when I was in Bali. Like the Prime Minister, we all feel deeply the sorrow and sadness of losing young lives in a foreign land. As I said, we all feel deeply for the Indonesian people, many of whom stood by us and mourned with us in the aftermath of this terrible attack.

Julian suffered life-threatening burns in the attacks and was transferred to the Royal Adelaide Hospital, where the care he received inspired him to do more to help other burns victims. Just months after he sustained his injuries, Julian made a conscious decision to turn adversity into opportunity, and in March 2003 he founded the Julian Burton Burns Trust. He did this with the help of Adelaide burns surgeon Associate Professor Dr John Greenwood and the head nurse of the burns unit at the Royal Adelaide Hospital and the immediate past president of the Australian and New Zealand Burns Association, Ms Sheila Kavanagh.

Julian's vision was to create Australia's leading social enterprise, committed to the prevention, care and research of burn injuries. Its main focus is on implementing school, Aboriginal and community burns prevention programs, establishing and delivering care and support services for burns patients and their families, and advancing world-class research into burns treatment. Since its inception, the trust has achieved an incredible amount, delivering its pioneering Burn Safe schools program to
over 30,000 schoolchildren and their families in metropolitan, regional and remote areas in South Australia. They have funded a vast number of projects and upgrades to burns units across the country, including laptop computers and cordless phones in the Royal Adelaide Hospital burns unit and new specialist beds for the Women's and Children's Hospital. They have purchased vehicles for families who have been the victims of burns injuries so that parents and children can travel together, especially to hospitals where family members undergo treatment. And they have transported thousands of burns patients and their families in South Australia and Victoria through the patient vehicle network.

The trust has also established a community grants program to assist the advancement of care and prevention activities and equipment associated with burns injury across Australia. To date this program has distributed over $250,000 worth of specialist burns equipment and other goods to burns units across Australia. The trust has also launched a campaign to reduce workplace burns injury, targeting the hospitality industry, and has filmed community service announcements for television.

In March this year, Beach Energy and the Julian Burton Burns Trust launched their Aboriginal Burns Program partnership. Through the partnership, the burns trust will expand its reach into remote Aboriginal communities and, through education, increase traditional owner awareness of fire and burn related hazards and first aid, fire risk management, prevention and preparedness. So far, eight Aboriginal communities in South Australia have benefited from the program. This is truly a proud achievement because we know that Indigenous people living in remote areas are up to 25 times more likely to suffer a serious burn injury than those living in metropolitan areas. These are just some of the achievements of the trust to date. There is no doubt that Julian Burton is a tireless advocate for burns injury and prevention in South Australia.

But we know that a concerted effort from the Australian government would also help drive burns injury rates down. That is why I was delighted to take the positive first step of chairing an inquiry into burns injury in Australia through the House of Representatives Standing Committee on Health and Ageing in early 2010. We tabled our report in mid-2010, and this motion goes to one of the key recommendations for the establishment of a national burns injury prevention plan.

The reason that prevention is so important is that burns injury is one of the most common injuries suffered by Australians every year. Sadly, it is also one of the top three causes of accidental death in children under five. In fact, more than 220,000 people suffer a burn injury every year, costing the Australian government and the health system $1.5 billion every year. While there are treatments for people with major burns, there can be lifelong and significant disfigurement and scarring.

The implications of a severe burn injury can also have a major impact beyond the individual to their friends and family. But we know that with the right education, the vast majority of these burns are preventable. One of the most interesting things we learned during the inquiry was how simple it can be to prevent common burns. For instance, there a far too many young people and older people who scald themselves with hot water taps. That is just because the state and territory building codes do not agree on a maximum temperature for hot water systems. So you can see how simple it would be to
reduce burns with greater collaboration, coordination and cooperation across the country.

We must remember that as well as the social costs of burns injuries on families and victims, there is a substantial incentive for the government to make prevention a focus. A child suffering a life-threatening burn injury will costs up to $1 million in healthcare, whilst an adult suffering a life-threatening burn injury will cost $750,000. Severe burns can require many months in hospital, ongoing weekly treatment for dressings and further recovery time at home.

One possible model for a national burns injury prevention plan is based on a World Health Organisation model. Under this model, a wide range of activities are incorporated in one comprehensive plan, including advocacy, policy, data and measurement, research, prevention, treatment services and capacity building. Whilst the Department of Health and Ageing do have a comprehensive plan for responding to events which may result in mass trauma and multiple burns survivors, this does not encompass to the required degree the specific matter of burns prevention.

So I am delighted to have had the opportunity today for the government to continue its groundbreaking health reforms, and to include amongst them a national burns injury prevention plan. I thank the House for the opportunity to speak on this very important matter, and I thank my opposition colleagues for their support for this important cause. (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott): Is the motion seconded?

Dr SOUTHCOTT (Boothby) (21:04): I am happy to second the motion and I commend the member for Hindmarsh on his initiative in bringing forward this motion. It is an opportunity for me to speak just after the ninth anniversary of the 2002 Bali bombings. The 2002 Bali bombings were a tragedy which scarred this nation and they are something that Australians will never forget. On 12 October 2002, three bombs were detonated, two of which were in or near the popular nightclubs Paddy's Bar and the Sari Club in Kuta. Two hundred and two innocent people were killed, 88 of whom were Australians, and a further 240 sustained injuries.

There were a number of Australians who made significant contributions in the wake of those Bali bombings, including Dr Fiona Wood, a plastic surgeon and director of the Royal Perth Hospital burns unit and the inventor of spray-on skin for burns victims. In 2002, the largest proportion of Bali victims were transferred to the Royal Perth Hospital. Dr Wood led a team working to save 28 patients suffering from between two and 92 per cent body burns, deadly infections and delayed shock. She was recognised for her care by being named Australian of the Year.

From South Australia, Dr Bill Griggs AM ASM was the director of trauma services at the Royal Adelaide Hospital. He was present at both the 2002 and 2005 Bali bombings, helping to coordinate the evacuation of those injured in the attacks through Darwin to the major trauma and burns units all around Australia. There was Dr Peter Sharley, the current AMA President in South Australia and deputy director of the Royal Adelaide Hospital intensive care unit. As a retrieval expert he provided medical assistance to the Bali bombing victims. Someone who I studied medicine with, Major David Read, was on the first RAAF Hercules flight to Bali after the incident. He was awarded the Conspicuous Service Cross for his service. He helped set up this surgical facility at the airport and started operating before returning
to Darwin with 26 patients. I have mentioned just four individuals, but of course all of their teams were involved in the care of the people who returned to Australia.

At the time of the Bali bombings, the Sturt Football Club, a local SANFL football club from Adelaide, were in Bali during this horrific incident. They were celebrating with an end-of-season trip after winning the premiership, their first since 1976. Tragically, two members of the Sturt Football Club—Josh Deegan and Bob Marshall—lost their lives during the Bali bombings and a number of others were injured. Julian Burton OAM, Sturt's full forward at the time, was one of those injured, suffering severe and life-threatening third-degree burns. Julian was in the Sari Club in Kuta when one of the bombs went off. After his long recovery, in 2003 Julian co-founded the burns trust with Dr John Greenwood, the director, and Ms Shiela Kavanagh, CNC of the Royal Adelaide Hospital burns unit. Julian received an OAM in 2006 for his contribution through the Julian Burton Burns Trust. He was named the South Australian of the Year 2010 for his work as the founder of the burns trust.

I have had quite a lot to do with Julian over the years. I well remember the Julian Burton Burns Trust and the Lions Club of Brighton serving 1,000 hot breakfasts to the workers at Mitsubishi just before Christmas 2007. That was probably the first time I met Julian, and I have had a bit to do with him in the years since. I admire very much his passion and drive in making sure that burns prevention and treatment is very much at the forefront of policymakers' minds here and around the country.

If we look at types of injury prevention, just to take one, think of road trauma. It is only by a prolonged effort involving state governments, federal governments, increased awareness, improved roads and improved cars that we have seen a dramatic impact in the road toll. Similarly, with burns we do need a coordinated national approach. The Julian Burton Burns Trust was founded to make a difference for burns survivors, their families, and the professionals who work in burns care. It is the first national community organisation solely committed to prevention, care and research associated with burns injuries. Through their BurnSafe program they educate thousands of students, teachers and parents each year across South Australia in burns awareness, prevention and first aid.

The burns trust also provides grant funding for burns professionals to attend the annual Australian and New Zealand Burns Association conference each year. Its patient vehicle service, with the support of Holden and the RAA, transports over 2,000 burns patients each year across South Australia and Victoria. This assists burn victims to travel to and from hospital to have their outpatient treatments for their burn injuries. The trust has created a Bi-National Burns Data Registry between Australia and New Zealand which is designed to record data on a national level for work carried out in burns units around Australia to allow better research and targeting of prevention programs. These are substantial achievements that Julian and the burns trust team should be extremely proud of.

But, if we look at the national figures, over 220,000 Australians suffer a burn of some description each year. Of those, 22,000, or 10 per cent, will require hospital admission requiring major treatment and surgery. Almost two-thirds of all burns occur in the home environment, and burns are one of the top six injuries suffered by Australians every year. This is a very important injury, and it does not get the recognition that its seriousness deserves. Severe burns have a major impact not only on the patient but on
their family and friends as well. Severe burns can require hospitalisation for anywhere up to three to four months and require ongoing weekly dressing changes for many months after a patient is released from hospital. Significant damage to the skin from burn injuries can cause, in more extreme cases, contractions of the skin and mobility restrictions, requiring further surgeries and skin grafts to correct. In addition, severe scarring as a result of burns injuries can make a significant impact on self-esteem and self-confidence, becoming a barrier to social interaction.

Burns injuries have not attracted the same public attention as some other preventable injuries have, and this is something that we as a parliament and a society need to improve. An adult patient with burn injuries to 50 per cent of their total body surface area will cost more than $700,000 to treat, with the total annual spend on burns treatment at more than $1½ billion. The majority of burns are preventable, and reducing the incidence of burns in Australia is something that requires more attention.

This motion supports the establishment of a national burn injury prevention plan to reduce the incidence of burns in Australia and improve research, treatment and outcomes for burns patients. The 2010 report by the House Standing Committee on Health and Ageing, of which I was a member at the time, supported this goal. It was also supported by the 2010 roundtable forum on burns prevention, which was convened by the standing committee. I call upon the government and the Minister for Health and Ageing to respond to this report. It was a bipartisan report based on expert evidence and some well-thought-through recommendations.

There needs to be a greater coordination of burns prevention activities within Australia. This could be facilitated through the development of a national burn injury prevention plan. The World Health Organisation in 2008 released *A WHO plan for burn prevention and care*, and any Australian burn injury prevention plan could be modelled on the WHO document. The issues which could be addressed through the national burn injury prevention plan could include advocacy, policy development processes, data collection and measurement, research, prevention and treatment.

Once again I would like to congratulate Julian Burton and the Julian Burton Burns Trust for their fantastic work in the areas of burn injury prevention and care and support for burns patients and their families, and for their constant focus on research into burns treatment. The vast majority of burns are preventable and, with the economic and social costs of severe burn injuries, we must consider better means of reducing the incidence of burn injuries in Australia.

Ms RISHWORTH (Kingston) (21:15): I commend the member for Hindmarsh for bringing this motion on burn injury prevention to the House. It gives me great pleasure to speak in favour of this motion. Last sitting week I was very pleased the member for Hindmarsh held a function to raise awareness in this place of burn injuries, hosted by the Julian Burton Burns Trust, where we got to hear first-hand about some of the great work that the trust does and also about the horrific impact that serious burns have on people. A wonderful video was shown that really brought home how difficult, how painful, how long term and how debilitating a burns injury can be. Sometimes it can take one split second, one poor decision or just a small mistake to lead to a burns injury that leaves a lifelong impact on people.
It was great to hear of the work that the Julian Burton Burns Trust does in burn prevention. I could have done with one of those lessons last week when I had a pot of boiling oil. I thought the way to cool it down would be to put the vegetables in it. I found quickly it was not the right thing to do. I was very lucky—I ended up with a few burns on my hands. But it just goes to show that in one split second things could have been a lot worse with that oil. As I said, I was very lucky, but some people are not so lucky.

Raising awareness of how to make decisions and how to prevent burns is so critically important. The Julian Burton Burns Trust does that incredibly well. It goes into schools and community groups and talks with people about how to prevent burns. That is to be commended. In addition, at the function last week we also heard from a burns care nurse, who goes in and provides care and support services for burns patients.

The previous speaker mentioned that during the last parliament the House of Representatives Standing Committee on Health and Ageing held an inquiry and produced a report on burns injuries. I was a participating member. One of the great things we were able to do as part of that inquiry was to bring all the players in this area around the table and discuss these issues. It was the first time this had happened for some time. It was great to see everyone in the room discussing these issues. It was a great report. It had some important recommendations that I was very pleased to put forward to the government.

I commend the work of Julian Burton. It was from his tragedy that he decided to make a difference to other burns victims. He has continued to do that throughout his recovery and has established the trust through which he raises money for prevention, care and research. This work is very important.

The motion in front of us today recognises that 220,000 Australians will suffer a burn injury every year. Indigenous people living in remote communities are disproportionately affected by burns injuries when compared to those living in metropolitan areas. The cost to the Australian government from burns injuries is estimated at $1.5 billion annually, but the costs are much greater for those who survive injuries through their pain and suffering. This motion is very important and draws attention to burns and the work that the Julian Burton Burns Trust does. I commend the motion to the House and certainly wish the Julian Burton Burns Trust, all those organisations, all those nurses, all those doctors who treat people with severe burns injuries and the victims themselves all the very best for the future.

Mr IRONS (Swan) (21:20): I rise to speak on the motion on burn injury prevention put forward by the member for Hindmarsh. I thank the member for putting this motion before the House this evening. I congratulate the member for Kingston on her contribution. I am glad to see she made it back to the House this week without any severe burns from her cooking experience. The motion raises much needed awareness of burns treatment and burns prevention strategies. I congratulate once again the member for Hindmarsh, who is the chair of the House of Representatives Standing Committee on Health and Ageing and of which I am deputy chair, for having clearly taken on board the spirit of the roundtable which we conducted on burns prevention. That roundtable brought together experts on burns prevention from all over Australia. It
was the first time it had happened and they congratulated the parliament for making the effort to bring them together so that they could swap ideas about burns.

I am sure the member for Hindmarsh will be pleased to know that I have also taken on the recommendation from the inquiry to increase burns management awareness in my electorate. I will soon be starting an information campaign in the electorate of Swan for first aid and burns. One of the things I found out after the burns roundtable was that many people in the electorate and in the community do not know how to treat burns properly once they have been burnt. I have managed to come up with a fridge magnet that will tell people how to treat burns as a result of electrical and chemical fires and scalds. I will be sending these out to every household in my electorate because it is such an important issue. This motion also commemorates the ninth anniversary of the Bali bombings, which took the lives of 202 people, including 88 Australians in Kuta, on 12 October 2002. I have spoken in this place about the bombings before, and I have spoken about the special resonance the anniversary has in Western Australia. Many Australians looked on in dread on 11 September 2001 as the World Trade Centre was attacked in New York. The terrorist attacks on 11 September upset Australians as we shared the uncertainty and the fear Americans experienced in the aftermath of the attacks. These fears were realised in Bali on 12 October 2002 as the horror of terrorism found its way to Australia's doorstep and hit our nearest neighbour, Indonesia. This event deeply affected our nation, as the stories of death and of burns victims filled the evening news. The attack involved the detonation of three bombs—two of which were detonated at nightclubs in Kuta that were popular with Australian travellers. A third bomb was detonated outside the United States consulate in Denpasar.

A large number of the victims of the Bali bombings were from my home state of Western Australia. In March 2010, I met with the governor of Bali, Governor Pastika, to discuss the goals of the Bali Peace Park Association, a Western Australian organisation whose aim is to establish a Bali peace park at the site where the bombings took place. I also met with Nick Way, from Channel 10, who is also promoting the Bali peace park. The aim of the park is to promote a future without fear by promoting tolerance, understanding and freedom for future generations, regardless of nationality, culture, religious belief or race. I will continue to provide my support to this group as they work to have the park open by 12 October 2012.

Julian Burton, who is referred to in the motion, is a former Australian footballer and teacher who experienced the horrific events at the Sari Club in 2002. Julian received severe burns and spent an extended time recovering from the blasts. Julian's story is one that I am sure many of my colleagues in this place will agree is an inspiring and truly Australian story. Instead of letting the bombings ruin his life, Julian turned the events into an opportunity. After completing some research, Julian discovered that there was no national burn care community organisation in existence in Australia. This is despite the fact that burns are one of the top three injuries suffered by Australians every year. Julian established the Julian Burton Burns Trust in 2003, along with Dr John Greenwood, Director, and Ms Sheila Kavanagh, CNC of the Royal Adelaide Hospital Burns Unit. The aim of the trust is to make a difference for burns sufferers, their families, and the professionals who work in burns care. The organisation is doing much to support the 220,000 Australians who will
suffer from burns injuries every year. This includes Indigenous Australians living in remote areas, who are up to 25 times more likely to suffer a serious burns injury than those living in metropolitan areas.

Julian was recognised in 2006 with a Medal of the Order of Australia for his contribution to the communities of Australia through the Julian Burton Burns Trust. I am glad to have the opportunity today to recognise the enormous contribution Julian has made. I commend this motion to the House.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

ADJOURNMENT

Mr BRADBURY: I move:
That the House do now adjourn.

Goulburn Valley Food Cooperative

Dr STONE (Murray) (21:25): The date 27 May 2011 is seared into the memories of the citizens of the tiny town of Girgarre in Northern Victoria. Girgarre is typical of your country town: a population of about 600 people, a great little school, great footy and netball teams, a new war memorial outside the RSL, a regular farmers market and now a famous annual music muster dedicated to learners and performers run by volunteers.

Last Saturday, in the pouring rain, we celebrated the birth of the Goulburn Valley Food Cooperative. It has been born out of the tragedy of 146 workers at the Heinz factory being told that they were no longer needed. The Heinz tomato sauce factory in Girgarre, which for 20 years had produced the icon Big Red and ketchup tomato sauce, said, 'Look, we can do it better in New Zealand.' The 146 Heinz workers at Girgarre could have called it quits at that point and spent the rest of their lives thinking about the great little place they once called home. Instead, the factory workers, the community and some other great people have loudly and together said, 'Enough is enough. We grow great food, we have the skills, we have the imagination. We're not going to produce commodity; we're going to produce niche, finely grown, unique product. It will be an Aussie product, and we'll market on the basis that it is grown under the great blue skies of northern Victoria and it is grown in a way that is loving and caring and produces good, safe food.'

The Goulburn Valley Food Cooperative has a white knight in the form of Mr John Gillett, who has offered $2 million to help establish the new innovative food processing and marketing centre. Designs for a new $7 million food and tourist hub are on the drawing board—and they look magnificent. We had Peter Russell-Clarke offer to be the new marketing director. On Saturday at the rally, in the relentless rain, from the usual place of announcements—the back of a very big truck—we listened to the local children sing their special songs of togetherness. They were from Kyabram and they care just as much about Girgarre. We heard the new advertising jingle, pushing 'Australian made' and 'Let's be together' and 'Let's do well together'. Jason Hefford of the AMWU was cheering on as part of his union position. We had the people from Coca-Cola Amatil—who are also concerned about losing their jobs—lending their support, and the offer from the broader community was unrelenting. Despite the damp environs, we had the good cheer of that community who are prepared to take the risks and who understand what is ahead in terms of moving
into a food cooperative. It was something that I have to say was simply inspiring.

I have to pay special tribute to Mr Les Cameron, who has been the team leader over the last six months. He has brought the factory workers from a stage of absolute despair to a sense of hopefulness about the future. We know that this food cooperative will not be simple. Cooperatives have been born and have died across the Australian landscape since our early dairy cooperatives—some of them over 150 years ago—but we think we have a magnificent product in northern Victoria. It is not just the great human enterprise and skills of the people; we have also got great soils, we have got great water—if this government does not take more of it—and we have got good infrastructure. But most of all this community has a heart. I have to say that I was very moved on Saturday when I talked about one of our first early World War I leaders, Sir Murray Bourchier, who is famous for being one of the leaders of the charge of the Light Horse Brigade at Beersheba. Just that morning, before this rally, we had commemorated his life with another special recognition on his grave. He was born and raised in Shepparton. I recall the great way that those light horsemen took on the five miles of charge and ended up defeating the Turks in the most extraordinary way. Just like the great light horsemen, this community will walk, then it will trot, then it will move faster and finally it will charge towards a new future.

I say good luck to this Goulburn Valley Food Cooperative. They have my wholehearted support. The state government has given $30,000 for a food business plan. This government says it will help; I am waiting for this government to put its money where its mouth is. I invite Minister Crean to join in this great new venture and help, via the Gillard government's support, because that support will certainly pay dividends for all Australians. (Time expired)

Hindmarsh Electorate: Bupa Project

Mr GEORGANAS (Hindmarsh) (21:30): Once again I am pleased to report on the particulars of a successful community project that was voluntarily initiated by two individuals who work in my electorate—by two groups, but it was these two individuals that brought it together. It is a project which essentially involves a buddy system between primary school children and residents of a nursing home who suffer dementia. The health and educational benefits yielded thus far from this good Samaritan venture, called the Bupa project, have been outstanding to say the least.

Recently I had the pleasure of attending the Bupa Morphettville Aged Care Facility to join in the celebrations of the Vinnies Emmanuel Bailly Award for social justice that was being presented to students of the Forbes Primary School in South Plympton in my electorate. It was truly a heart-warming experience to see young students and senior residents gathered together to share their stories of positive engagement and to witness the bonds of trust and friendship that have clearly developed between the generations during this project.

I found this project, and its lasting benefits, to be especially heartening for me as the chair of the House of Representatives Standing Committee on Health and Ageing. This volunteer program is the brainchild of two very close friends: a Forbes school teacher, Jane Opie, and the Care Manager of Bupa Morphettville, Robyn Caruso.

I am told that this project initially started out with four schoolchildren from Forbes visiting the high-care dementia unit every Tuesday to engage with senior residents, to interact through conversation and various activities and to experience firsthand what it
means to care for someone living with dementia. Some of the residents have no visitors apart from these children. Some of the children are from different ethnic backgrounds and do not have any grandparents here in Australia, so the two groups bond very well. The number of children who actively participate in this wonderful educational project has now reached a total of 70 students.

The value and benefits of this buddy system, the Bupa project, has certainly surpassed the expectations of all those involved. Language, mobility, self-esteem and overall wellbeing seem to have been stimulated bilaterally, and even improved in many cases. Senior residents suffering dementia and students from a cross-section of socioeconomic backgrounds and ethnicities gained a lot out of it.

This important award ceremony was certainly enjoyed by all those closely involved in the Bupa project, and by the attending visitors. I had the honour of speaking that day, as did: the Mayor of Marion, Felicity-Ann Lewis; ABC radio presenter, Peter Goers; Carolyn Wood, Manager of Bupa Morphettville; Carol Allen, Principal of Forbes Primary School; Cath MacDonald, operations manager; and, of course, a number of students from Forbes.

Just as I congratulated all those who are proactively involved in this amazing and highly commendable project on the day of the awards celebration, I stand here today and again extend my congratulations and most sincere wishes for a bright and productive future to the management, staff and, most importantly, to the students of the Bupa project and the residents of the Bupa nursing home.

I am not at all surprised that this buddy program continues to expand. It now involves 70 children who eagerly look forward to attending the Bupa aged care facility each week. I am also certain the nursing home residents who have equally enjoyed the regular interactions with the younger generation will continue to appreciate the many benefits of this dynamic program.

Finally, may I say that I welcome and commend the initiation of such worthwhile social justice projects which clearly demonstrate the long-term benefits and healthy rewards of positive human relationships that can be established across generations and between all age groups. There is much to be learned from helping each other and volunteering our services in today's fast-paced society.

There is a similar project in my electorate; this one between the Lockleys senior citizens and Lockleys Primary School. (Time expired)

**McPherson Electorate: Transport Infrastructure**

**Fly-in Fly-out Workers**

*Mrs ANDREWS (McPherson) (21:36):* This evening I rise to speak on three important issues in my electorate of McPherson. The first is the growing necessity for improved transport infrastructure on the southern Gold Coast; the second is the need to reduce our somewhat high unemployment levels; and the third is the establishment of a fly-in fly-out hub at the Gold Coast Airport.

The Gold Coast is Australia's sixth-largest city and it is still growing. The region's population is set to grow from well over the existing half a million people at a rate of 13,000 to 16,000 people per year to between 750,000 and 800,000 in 2031. The Gold Coast is without doubt one of the nation's fastest growing areas and it needs and deserves appropriate transport infrastructure,
which is the first issue that I would like to speak about tonight.

Transport infrastructure for the southern Gold Coast is increasingly important, given that the city has won the right to host the 2018 Commonwealth Games. I have spoken in this place before about the transport infrastructure issues on the coast: most importantly, the need to widen the M1 to the border and potentially beyond; the extension of the heavy rail line to Coolangatta; and to have in place an effective light-rail system on the southern Gold Coast.

During my first speech in this place, I noted that there was a strong possibility that we could be hosting the Commonwealth Games in 2018, meaning we would have to ensure that we could meet the needs and expectations of athletes, officials and visitors. We have now been awarded the games and, whilst this is a fantastic opportunity for our city, it is imperative that we move quickly to meet these high expectations.

I believe hosting the games provides a further catalyst to ensure we have the necessary transport infrastructure upgrades to relieve the present traffic movement restrictions which currently plague the southern Gold Coast. There is currently no heavy- or light-rail infrastructure that can transport visitors from the Gold Coast Airport and, while this is a problem now, it will only get worse, particularly when people begin to arrive for the games in less than seven years time.

While there are plans to construct three further heavy-rail stations south of the Varsity Lakes station—namely, Tallebudgera, Elanora-Palm Beach and the Gold Coast Airport—these are not scheduled until 2019 to 2025, which is well after the Commonwealth Games will have been and gone. Although I am pleased that there are plans at least in place, the rail extensions need to happen sooner rather than later before current transport problems are exacerbated. On this note, I repeat my call to the local, state and federal governments to work together and to consult with the local residents and businesses to ensure we have a world-class transport system.

The second issue that I would like to speak about is unemployment. As I mentioned previously, the Gold Coast is a fast-growing region but it has significant unemployment levels, and we need to work hard to reduce those. The entire Gold Coast City and southern Gold Coast currently have an unemployment rate of six per cent for the October period of this year. Compared with the same period last year, the Gold Coast as a whole has had a 0.7 per cent rise in unemployment, while southern Gold Coast levels unfortunately rose nearly a whole percentage point.

These unemployment levels must be reined in, and I believe one of the ways that we can do this is to establish the Gold Coast as a national hub for fly-in fly-out or FIFO workers. The mining and resources sector will need thousands of workers to fill the sector's shortages in the next decade, and the Gold Coast is well positioned to do its part with an available workforce which is ready and willing to work in the mining industry. The Gold Coast is also well placed to provide the social support networks for the FIFO workers, particularly their families, and to develop this hub on the Gold Coast would be wonderful.

In closing, I want to reaffirm my commitment to work for sustainable growth on the southern Gold Coast. I will continue to fight for employment opportunities in our great city and for a transport system that will be envied by the world so that employees and residents, along with tourists, can move
freely through the city on world-class transport. I will always consider the overall needs of my electorate and look forward to working towards integrated solutions to these two issues. (Time expired)

Blair Electorate: Building the Education Revolution Program

Mr NEUMANN (Blair) (21:41): The Building the Education Revolution program, as part of the nation building and stimulus plan of this government, has been a big success in the electorate of Blair: 64 schools; $105 million. Tonight I want to talk briefly about five local schools and commend them, and congratulate the school communities, the principals, the staff and the P&Cs for their wonderful work. Redbank Plains State School received $3.2 million; St Mary's Catholic Primary School, $3.2 million; Clarendon State School, $300,000; Claremont Special School, $925,000; and Silkstone State School, $3.7 million.

Redbank Plains on the eastern suburbs of Ipswich is the fastest growing suburb in the electorate of Blair, and the school received a much needed multipurpose hall. In the past, assemblies and events had to be held under an outdoor covered area which provided little protection from rain. They have used the $3 million for their wonderful new hall—a versatile facility that allows them to play indoor sports. The $200,000 we provided for data cabling, electricity and wireless capability has made an improvement to 20 general learning areas. I have been very impressed by the school and its commitment to the gifted and talented program as well as the special needs and learning support programs.

St Mary's Primary School is one of the oldest schools in Ipswich and the hall, which has been done up under the Building the Education Revolution, was the site of the first Catholic worship in Ipswich before they built the iconic Saint Mary's Cathedral. The Catholic community put in $900,000 to do additional work at the same time. This has provided an arts centre, features music and instrumental rooms and blends in well. It is a great example of the heritage of Ipswich being preserved. There are new classrooms, office space and a new learning enhancement centre.

Clarendon State School has what they call the 'Clarendome'. The principal, Ashley Wilson—and I wish him well in his recovery from his recent illness—has been there for 22 years. The Clarendome is an impressive dome shaped structure which features a stage area, insulated roofing and roller doors that can be operated to capture the breezes. The school community has grown to about 60 students, and they meet in what is probably one of the best equipped small schools in the region. We funded the improvements to the sporting program—football and soccer goalposts, and all-weather field event areas for sports such as long jump and discus—under the BER program. This is a school that has cared for the kids in the Somerset region for 80 years—a small school that has really taken to the sporting program. The delight on those young children's faces that day when we opened the Clarendome had to be seen to be believed. Claremont Special School has been in Ipswich for a long time. We are talking about a school that had a library which was basically a small room with a few books. It was wonderful to see the kids enjoying their new library. The school captains, Amanda Montell and Alan Ball, spoke wonderfully and well about what the library has meant to the whole school community. This is a special school. It has a bright, big space and you can see that the children love the library and the new resources. This school has served the Ipswich community for over 30 years. I congratulate the whole school community.
and particularly the principal, Trish Thiedeman. She had done a terrific job in the most difficult of circumstances. The $75,000 we provided for smartboards and the procurement of furniture for the school has made a big difference.

Silkstone State School is one of Ipswich's oldest schools, and $3.7 million has made a big difference to that school—with the refurbishment of their library and a new 1,000-seat facility in their multipurpose hall. It is a large school, like Redbank Plains. Redbank Plains has about 870 students and Silkstone has 820 students. Silkstone has a life skills area where students can learn, and it also has a breakfast club run by the chaplain and volunteers. The school's hall has been named after long-serving former principal Charles Kinne, who spent 27 years at the helm, from 1947 to 1974.

I congratulate the school communities. This is yet another demonstration of the fantastic success of the Building the Education Revolution program—sadly, opposed by the coalition parties and all those opposite within this chamber. (Time expired)

Genocide

Mr ALEXANDER (Bennelong) (21:46): I rise in this place for the third time to acknowledge the massacre of Armenians, Greeks and Assyrians from 1915 to 1923 and in recognition of these atrocities as genocides. As nearly all of those who witnessed these massacres have since passed on, it is essential to their memories that their stories are recounted once more. It is also essential to the healing of the generations that have followed that their ancestors' suffering is recognised.

In 1948 the United Nations proclaimed the Convention on the Prevention and Punishment of the Crime of Genocide, which defined genocide as 'any of a number of acts committed with the intent to destroy, in whole or in part, a national, ethnic, racial or religious group'. From the eyewitness accounts of ANZAC soldiers and survivors there is little doubt that the massacre of an estimated 1.5 million Armenians, one million Greeks and 750,000 Assyrians fits this definition. In fact, when international jurist Raphael Lemkin coined the term 'genocide', he specifically based it on the experiences of the Armenians at the hands of the Ottoman Empire, which governed the region for over 620 years. It is an irony of history that the atrocities committed against the Armenians, Greeks and Assyrians were the last acts of this once great empire.

It should also be recognised that the Republic of Turkey that grew from the ashes of the Ottoman Empire is not the same nation that committed these atrocities but a nation with which Western countries now enjoy strong diplomatic relations and healthy trade, commerce and tourism. The modern Republic of Turkey has often been lauded as a successful model for a democratic, secular Islamic state. However, the refusal to recognise the horrific actions of the empire that preceded them does serve to irritate wounds that have not yet healed.

This morning I was fortunate to meet with young representatives of the Armenian National Committee of Australia, the Australian Hellenic Council and the Assyrian Universal Alliance. It is clear that these young folk look forward to the day when a bridge can be built to move past these ancient conflicts. We have seen repeatedly through international history that the first step down this long road is the acknowledgment of past wrongs. This step not only helps to honour the dead but also helps to ensure that the passage of time is not used to deny or distort historical facts.

Since the experiences endured by the Armenian, Assyrian and Greek communities,
the world has witnessed the Holocaust and genocides in Cambodia, Rwanda and Darfur. Appropriate international recognition and condemnation of these atrocities is an important step towards preventing history from repeating itself once more. Australia may yet have a role to play, using our remote geographical position as a nation that thrives on the principles of multiculturalism and the contributions of our vibrant Armenian, Greek, Assyrian and Turkish local communities. Yet this must first be launched from the steps taken by this parliament, and I urge the government to follow in the footsteps of so many nations in formally recognising these genocides. The actions of members of this parliament will help to solidify the global movement to identify these atrocities for what they are, whilst acknowledging the important role played by community groups in our local regions.

In Bennelong I am fortunate to represent the largest Armenian community of any electorate in Australia, and I take this opportunity to recognise the presence in the gallery today of Mr Hagop Der Khatchadourian, World Council Chairman of the Armenian National Committee; Mr Varant Meguerditchian, Executive Director of the Armenian National Committee of Australia; and representatives of the Armenian National Committee Australia, the Australian Hellenic Council and the Assyrian Universal Alliance. I acknowledge the great work you all do in representing your communities and your important mission to maintain the memories of those who came before you. As the representative for the people of Bennelong, and as a coalition member of this parliament, I look forward to continuing on this journey with you for acknowledgement of this tragic time in your history and the building of bridges towards a brighter future.

The DEPUTY SPEAKER (Hon. Peter Slipper): On behalf of all honourable members, I would like to welcome the guests mentioned by the member for Bennelong.

Murray-Darling Basin

Mr ZAPPIA (Makin) (21:51): Later this month, the Murray-Darling Basin Authority is expected to hand down its long-awaited Basin Plan. Whilst what is presented may not be the final determination of the plan, it will nevertheless provide valuable insight into what the final proposal may look like. The plan will have consequences for all Australians but mostly for the irrigators and communities within the basin, whose livelihoods and futures are very much dependent on the basin and the waters within it.

The strain on and anxiety of people within the basin became abundantly clear at the height of the last drought and in their reaction to the authority's guide to the plan, released for public discussion in 2010. That anxiety was also clearly evident when the House Standing Committee on Regional Australia carried out its Murray-Darling Basin inquiry between November 2010 and June of this year. As a supplementary member of the committee for the purposes of that inquiry I travelled throughout the basin with other committee members. I saw for myself, and heard from countless individuals and community groups, the basin issues. By the end of the inquiry, it became very clear to me that the existing water management plans were often outdated, inefficient and unsustainable. It was also clear that a whole-of-basin management plan was required and that allowing the system to continue in its existing state was not an option, nor was it in anyone's interest. A decade of drought, with record low inflows into the Murray-Darling system, had finally brought this issue to a head. Each of the competing interests within
the basin—the irrigators, the environmentalists and each of the states—argue their case strongly. Each blames the others for the current state of affairs.

After almost 100 years, the Murray River agreement of 1915, even with its subsequent amendments, is simply outdated. Over the past 50 years, overallocations, inflow diversions and poor regulation and monitoring by individual states have left the system unsustainable. Until the 1960s, the system had functioned reasonably well. The installation of locks between 1922 and 1935, the construction of barrages at the Lower Lakes in the 1940s and the construction of the Hume Dam had enabled much better regulation of the waters available. Only in drought years would there have been any shortage of water, and I am not aware of any restrictions to irrigators prior to the last drought.

For South Australians, the release of the authority’s recommendations is of particular interest because South Australia, being at the end of the system, is very much dependent on what happens upstream. For South Australian irrigators, who in recent decades have modernised their irrigation systems and in whose state, since 1969, extractions have been capped, there is little room for further efficiencies. They will draw on very little of the government’s $5.8 billion irrigation efficiency funds. Conversely, in New South Wales and Victoria, the number of irrigation licences has almost doubled since 1969. The construction of on-farm dams in southern Queensland and New South Wales have reduced inflows into the system and have compounded the problem.

There will never be consensus on how much water must be returned to the system, because in reality the figure is dependent on yearly inflows, which fluctuate from year to year, as do the quantities extracted by the irrigators. Other climate factors, particularly temperature, also affect how much water needs to be returned to the system.

I well understand that many of the irrigators in New South Wales and Victoria who have established their farms since 1969 and, through no fault of their own, now rely on their full water entitlements will suffer if their entitlements are cut back. But the facts are clear. Firstly, since 1969, South Australia has not increased its extractions and has not contributed to the overextractions. Secondly, the barrages have been there since 1940, decades prior to the overextractions. Regardless of the debates about whether the Lower Lakes were previously freshwater or seawater, the Lower Lakes and the barrages were not the cause of the overlicensing. Thirdly, South Australia extracts only around 625 gigalitres per annum, about seven per cent of the total water taken.

For South Australia, any proposal which cuts water entitlements to irrigators or to the Lower Lakes will be a huge let-down and disappointment. Any water returns to the river upstream will be of no use to South Australia unless sufficient flows of water are maintained across the South Australian border to deliver the entitlements to riverland irrigators and maintain the health of the Lower Lakes. I know that many communities await with interest the Murray-Darling Basin Authority report next week, but none more so than all South Australians.

Genocide

Mr HOCKEY (North Sydney) (21:56): It feels as though this is the 50th occasion, at least, on which I have stood in this place and urged the Australian parliament to properly recognise the genocide committed in the last century by the Ottomans against the Armenian people and indeed the Assyrian and Hellenic peoples. On this occasion, I again call on this parliament to recognise the
events that occurred as genocide. I recognise friends from the Armenian community and representatives from the Assyrian and Hellenic communities in the gallery, and their ongoing struggle to have this matter properly recognised by parliaments around the world.

Over recent months, unquestionably, we have witnessed a sea change in events across the Middle East, as people have come out from under years of oppression, expressing their desire for freedom and democracy. Part of the way of delivering freedom and democracy is to properly recognise the injustices of the past. Indeed, recognition is always a precursor to reconciliation.

We as a nation should no longer fail to recognise the truth of history—truth that was recorded even by the Australian media as it was occurring, at the beginning of the 20th century—and so I officially call on our parliament again to recognise the genocide of the Armenians that occurred in Ottoman Turkey between 1915 and 1923. There are countless stories of violence, bashings, brutal murders, starvation and related horrendous activities committed systematically against the Armenians for one reason alone: their race. This is not an issue under discussion. This is not an issue of definition. Any systematic eradication of a race is genocide, regardless of the political or social unease it may bring. To avoid this, recognition understates the magnitude of suffering that the Armenians and others, such as the Assyrians and Hellenics, experienced.

When international jurist Raphael Lemkin coined the term 'genocide', he described the deaths of Armenians from 1915 to 1923 as a defining example. I note the chilling words of Adolf Hitler in the course of his mad justification of the Jewish Holocaust; he remarked at the time, 'No-one remembers the Armenians.' Well, since then, more than 20 nations have recognised the Armenian genocide as a crime against humanity, as have a number of international organisations, including the International Association of Genocide Scholars, the European Parliament, the World Council of Churches and South American parliamentarians. So Australia should be next. Our country has a strong association with the events beginning in 1915. The Ottomans began their genocide of the Armenian people on 24 April 1915—the day before the first Australian soldiers landed at Anzac Cove—and many Australian soldiers witnessed the tragic events the Armenian race suffered at the hands of the Ottomans.

To commemorate and recognise this, almost 100 years after the genocide, we have present in the gallery the Chairman of the Armenian National Committee World Council, Mr Hagop Der Khatchadourian. Mr Der Khatchadourian has the challenging task of representing the more than seven million members of the Armenian diaspora. There are double the number of Armenians living outside of Armenia than living in Armenia—a relic of the millions of Armenians driven from their country, their homeland and their way of life as a result of the genocide.

I myself have Armenian heritage, albeit untraceable because history did not record in writing what happened to many of the individuals involved. What I do know is that my grandfather, who was born in Aleppo, had members of his own family flee Armenia as a result of their persecution by the Ottomans. So that history, whilst unwritten, must be recorded in this parliament and must be recorded by all people who have a sense that they need to speak out against genocide. I again call on this parliament to join other parliaments around the world in recognising the Armenian genocide. (Time expired)
Economy

Mrs D'ATH (Petrie) (22:02): As the end of 2011 draws near, I take this opportunity to reflect on the past year. This has been a significant year—one that this Labor government is proud of, one that has achieved historic reforms. In a year when the opposition and, in particular, the Leader of the Opposition have continually said no, no, no, the Prime Minister and the federal Labor government have moved from talking about the importance of key reforms to taking action.

It is this Labor government that has kept this economy strong by protecting jobs, driving new growth and creating opportunity. This government knows, and I know, that there are challenges ahead, both globally and domestically. I know that people in my electorate are still finding it tough to make ends meet. It is for this very reason that this government is making decisions that will support jobs not just for today but into the future. Labor made the right decisions during the global financial crisis to keep people in jobs and deliver economic stimulus to drive growth. We have created 750,000 new jobs since 2007.

Local jobs have been supported through nation-building projects, including the Building the Education Revolution. We all know that the opposition have tried hard to paint the BER projects as a failure. However, not one parent, not one student, not one principal, not one construction worker in the electorate of Petrie has been dissatisfied. In fact, every time I go to a BER opening, the construction company, the school and the parents thank me as a representative of the federal Labor government for the new facilities they have.

In just the last 10 weeks, I have opened Moreton Downs State School's new multipurpose hall and new library, Woody Point Special School's new outdoor learning area, Aspley State High School's new science centre, St Benedict's primary school's new multipurpose hall, North Lakes State College's new multipurpose hall and Bracken Ridge State School's new multipurpose hall. I will also be opening Scarborough State School's new hall on 8 December. I heard the member for Blair mentioning his schools.

Mr Laming: What about the superclinic? That's the one we're interested in.

Mrs D'ATH: The member for Bowman interjects about my GP superclinic. I can advise him that the clinic is looking fantastic. I encourage the member for Bowman to drive past. By the end of this year, all of the external construction will be completed and it will be ready for fit-out so that it can be opened in the new year. These are great facilities that provide exciting opportunities for the students and the teachers.

If the opposition were not so intent on opposing everything, they would take a moment to appreciate the value that these facilities bring to schools. If the opposition were not so intent on opposing everything, they would see the jobs that have been supported through these projects. If the opposition were not so blinded by negativity, they would see that this Labor government kept the economy out of recession through the decisive action that it took in 2008 and 2009 and has continued to take through its responsible handling of fiscal policy. I should acknowledge that the Leader of the Opposition, in his address to the Policy Exchange on 10 November, acknowledged that the Australian economy is going strong and that we actually deserve serious bragging rights in relation to the strength of our economy. Of course, this is very different from what the Leader of the Opposition and the members on his side say
to the Australian people—that is about the
doom and gloom of our economy.

I am proud to be part of the Gillard Labor
government, the government that has finally
taken action on climate change. It is this
government that has stood up to be counted,
is acting in the interests of future generations
and is making the tough decisions and doing
the hard yards. This government will deal
with climate change, support businesses,
support households and invest in new jobs in
the clean energy and renewables sectors.
Despite this significant achievement, the
government is not resting. It is this
government's plan to keep the economy
strong by spreading the opportunity from
Australia's mining boom to all businesses
through tax cuts and new infrastructure
funded by the minerals resource rent tax;
delivering a high-technology future through
a superfast NBN; increasing workforce
participation and skills so Australia can have
the smartest workforce; improving
Australia's savings by increasing
superannuation from nine per cent to 12 per
cent; and establishing a manufacturing
taskforce, led by the Prime Minister, to
ensure Australia has a strong, competitive
and advanced manufacturing sector into the
future.

These are just some of this government's
achievements, in addition to lifting the base
rate of the pension, introducing the first-ever
paid parental leave in this country, increasing
the childcare rebate and introducing the
education tax refund. Of course, significant
reforms continue with the national
curriculum, ageing, the National Disability
Insurance Scheme and school funding. These
are all significant reforms to this economy
for the Australian people. *(Time expired)*

**Genocide**

**Mr TURNBULL** ( Wentworth) (22:07):
As my good friend the member for North
Sydney said a little while ago, we have today
in the public gallery the Armenian National
Committee World Council Chairman, Mr Der
Khatchadourian, we have representatives
of the Armenian National Committee of
Australia and we have representatives of the
Australian Hellenic Council and the Assyrian
Universal Alliance.

They are assembled here, as we are, to
lament what was one of the great crimes
against humanity, not simply a crime against
the Greeks, the Assyrians and the Armenians
but a crime against humanity—the
elimination, the execution, the murder of
hundreds of thousands, of millions of people
for no reason other than that they were
different. In this case it was that they were
not Turks, just as the Jews were eliminated
by the Nazis because they were not
Germans. This type of crime, this sort of
genocidal crime, is something that sadly is
not unique in our experience. As my friend
the member for North Sydney said, we must
own up to it and we must recognise it for
what it is.

Our friends—they are also our friends—in
Turkey take offence sometimes when this
matter is debated but they should not,
because the Ottoman Empire's record as a
multicultural society was outstanding for
hundreds and hundreds of years. The Jews
and many other minorities had a much better
and safer experience under the Ottoman
Empire than they did in the Christian West.
The Ottoman Empire tolerated—
encouraged—a degree of what today we
would call multiculturalism. The crimes
against the Christians of the Middle East, the
Armenians, the Assyrians, the Chaldeans, the
Pontic Greeks and so many others were and
can be seen as, in effect, an aberration, a
denial, of that multicultural genius of that
very diverse empire which, for many
centuries, saw the Ottoman khalif, the sultan,
ruling more Christians than he did Muslims.
This should not be seen as a debate that is critical of Turks or indeed critical of Islam. The tragedy that we see today in the Middle East is in fact a denial of the best experience of Islam. For hundreds of years the Islamic world was far more tolerant of diversity than the Christian West and yet today we see now, over the last century, the extraordinary destruction of Christianity in the Middle East.

In the sixth century, the Greek monk John Moschos and his friend Sophronius travelled through the Middle East during what would seem now, with the benefit of hindsight, almost like a phony war, before the rise of Islam in the late sixth century. They wrote a book called The Spiritual Meadow and it describes their travels through the whole of the Christian culture of the Middle East. Great monasteries, cities, countries that we now think as being Muslim countries, Islamic countries, were wholly Christian with an enormous diversity of Christian, cultural experience. There were very large Jewish communities right through that region as well. While Islam grew and grew after the Islamic invasions and the Islamic conquests, those Christian communities survived for hundreds of years under the Ottomans. But then, ironically, paradoxically, at a time when you would think that modernity had made us more tolerant and more sophisticated, we in fact became less tolerant.

The truth is that multiculturalism, diversity and tolerance are great strengths. It is one of our great strengths as a nation. Who would deny that Istanbul is a less dynamic city now because it is less cosmopolitan, that Smyrna is less dynamic now because it is less cosmopolitan, that Alexandria in Egypt is less dynamic and powerful and rich and persuasive now because it has become a monoculture? We lament today great crimes but also the loss of diversity and the loss of tolerance.

Asian Women at Work

Mr MELHAM (Banks) (22:12): In my life I have attended many hundreds of annual general meetings of public, private and community organisations. On 6 November I attended another but certainly unique meeting, in my experience. Held in Bankstown, the Asian Women at Work organisation commenced its meeting with the women participating in group Tai Chi. As I said at the time, it relaxed me just watching them. It was a distinctive way to commence formal proceedings.

Asian Women at Work is a well-known network of Asian migrant women workers in low-paid employment that empowers, resources and assists women to stand up, speak out and take collective action to advocate for their rights and develop strategies that improve women's lives, end exploitation in the workplace and home, allow them to obtain secure employment and enable them to understand and contribute to Australian society. For over 15 years it has worked with Asian migrant women who are engaged in low-paid and uncertain employment, including restaurant workers, factory workers, cleaners, manufacturing workers, clothing factory workers and clothing outworkers. Many will be familiar with the FairWear and Clean Start campaigns that the members have been involved in.

Asian Women at Work has built an extensive membership network across Sydney with over 1,800 migrant women workers from a range of communities, including Chinese, Vietnamese, Khmer, Filipino, Indonesian, Lao and Korean. In addition to campaigning to ensure fairness in the workplace, the organisation provides, depending on funding, many activities and
experiences designed to ensure that Asian women have the skills to participate knowledgeably in their workplaces as well as in the broader community. There are branches based in Auburn, Bankstown, Blacktown, Cabramatta and Hurstville in my own seat of Banks. Each presented a report of its activities and the management committee reported on the overall work of the organisation.

Apart from Tai Chi classes, branches are variously involved in English classes, including learning English through song; permaculture; community education through case studies; a Chinese children's painting exhibition; 'travel to learn' trips; leadership training; and a myriad other activities. The focus is always on providing the help, skills and confidence for Asian women to connect and become part of the broad Australian community.

I first became aware of Asian Women at Work through their participation in the Behind the Label campaign in providing assistance to outworkers and encouraging ethical and fair clothing trade employment within the retail clothing market. The workers were known to face incredible exploitation, with frequent noncompliance with award legislative conditions and occupational health and safety standards. Often they were paid as little as $2 an hour, had no job or income security and were responsible for the purchase and maintenance of their own equipment. They were susceptible to an increased risk of work injury and in many cases they had no workers compensation if they were injured. I am speaking of Australia in the 1980s and 1990s, not in some Dickensian England. These women, with many other activists, worked tirelessly to bring this shameful situation to light and to ensure that Asian women workers were aware of their rights at work. Their work continues today through the FairWear campaign and includes visits to outworkers' homes to provide assistance in setting up their workplace in terms of occupational health and safety outcomes. I was particularly taken with the song of the organisation, *We are Women*, with the lyrics written by Lina Cabaeo and sung to the music of Helen Reddy's *I am Woman*. I would like to put the first verse on the parliamentary record, as it reflects the essence of these remarkable women. It says:

We are women we are strong
We are here where we belong
What we learn today
Will go a long, long way
We say NO to unjust work practices, NO bullying in workplaces
MORE jobs and training
HEALTH at work needs protecting ...

This organisation is about empowering Asian women workers to represent and advocate for themselves. They have, however, found an advocate in me. I extend my warmest congratulations to Asian Women at Work.

**Genocide**

Mr CRAIG KELLY (Hughes) (22:17): I rise tonight to support the comments of the member for Bennelong, the member for North Sydney and the member for Wentworth. The Armenian genocide and the related Assyrian and Greek genocides were the result of a deliberate and systematic campaign against the Christian minors of the Ottoman Empire between 1914 and 1923. The total number of deaths will never be known, but it is estimated to be somewhere between 500,000 and over three million. Aside from the deaths, Christian minorities of the Ottoman Empire had their wealth and property confiscated without compensation. Businesses and farms were lost, and schools, churches, hospitals and monasteries became the property of the Ottoman Empire.
About 20 years ago, while I was on business in Canada, I was working with a family of Armenian descent and, despite having been a keen student of modern history at my school, to my embarrassment I had to admit to my hosts that I had never learned about either the Armenian or Assyrian genocides. Our Australian education system had simply failed to teach us about two of the greatest crimes against humanity in the last 100 years. As Winston Churchill once said, 'Those that fail to learn from history are doomed to repeat it.' But how can we start to learn from history if history is not taught in our schools? And how can we help making the same mistakes again if the facts of history are not even recognised?

The facts of the Armenian and Assyrian genocides are thoroughly documented. We know that Armenia and Assyria were Christian nations that came under Ottoman rule during the 15th and 16th centuries. We know that in the last days of the Ottoman Empire, Armenians and Assyrians and other Christian minorities were, in essence, treated as second-class citizens. And, against that background, we know that on 24 April 1915—a date that coincided with Allied troops landing at Gallipoli—Ottoman authorities arrested some 250 Armenian intellectuals and community leaders in Constantinople.

We know that, on 29 May 1915, Ottoman authorities passed the temporary law of deportation, known as the Tehcir law, giving the Ottoman government and the military authorisation to deport anyone that it 'sensed' was a threat to the nation. We know that, thereafter, the Ottoman military uprooted Armenians and Assyrians from their homes and forced them to march for hundreds of miles, deprived of food and water, into the desert.

We know that, on 13 September 1915, the Ottoman parliament passed the temporary law of expropriation and confiscation, stating that all property, including land, livestock and homes belonging to the Christian minorities, was to be confiscated by the authorities. And we know that there are countless historical documents and thousands of pages of evidence documenting the atrocities which attest to the witnesses' horror at the killings and mass starvation of Armenians and Assyrians.

We know that in 1915 the New York Times reported almost daily on the mass murder of the Armenian people, describing the process as 'systematic', 'authorised' and 'organised by the government'. And we know that on 7 October 1915 the New York Times reported that 800,000 Armenians had been slain in cold blood in Asia Minor. By mid-December, the New York Times had spoken of a million Armenians killed or in exile.

Now, if we are to learn from history, firstly, we must recognise that these events occurred. Secondly, we must look at the facts and circumstances to ensure such genocides never happen again. What we must learn from the Armenian and Assyrian genocides is that an ideology that promotes one race as being superior to another, or an ideology that promotes one religious faith as being inferior to another, is evil and must be opposed. The words of Elie Wiesel, a Holocaust survivor of Hungarian-Jewish descent and the Nobel Peace Prize winner in 1986, sum up what we should remember of the Armenian and Assyrian genocides. He said:

For the survivor who chooses to testify, it is clear: his duty is to bear witness for the dead and for the living. He has no right to deprive future generations of a past that belongs to our collective memory. To forget would be not only dangerous but offensive; to forget the dead would be akin to killing them a second time.
It is now time for our parliament to join other parliaments around the world and recognise these genocides for what they were.

**Deakin Electorate: Dorset Primary School**

Mr SYMON (Deakin) (22:22): It is my pleasure to stand up and relate to the House another great news story about a Building the Education Revolution opening in my electorate of Deakin. It has been little while since I have been able to stand here and talk about another school opening—there was little bit of a lull—but all of a sudden there has been a great big rush. On 7 November, I attended my 23rd opening, at Dorset Primary School in the eastern end of my electorate of Deakin, of a new school building.

As usual with these events, there was a great crowd. Present were not only children but also parents; the school council; the Mayor of Maroondah, Tony Dib; the school council president, Michael Walshe; and the school principal, John Jacobs. The amount of work put in, especially by the school principal and the school council president, to make sure that under the program the school got a building it could use must be put on the record. If not for them, the school would have ended up with a far smaller building. Indeed, when the school was assessed for a building under the initial criteria of the BER, it only qualified for a half-size hall.

The school now has 450 students. It has grown particularly quickly, partly due to the closure of another school close by and also because it is in a growing area. With 450 students now at the school, its need for a full-size hall has become even greater. This school was built in about 1978, and, until the construction of its new hall under the BER, it had never seen a new building. I have been to the school on many occasions, and, especially for end-of-year assemblies, all the children and all the teachers had to park themselves in what could best be described as a covered breezeway to have a full school assembly. Really, you would struggle to fit more than two cars across the width of this breezeway, and to have an assembly of 400 children which went for any more than a couple of minutes in such a space was quite a feat. The school managed to do so for many years; they certainly do not have to do so anymore.

They now have a full-size facility, and the reason they have a full-size facility instead of a half-size facility is that they opted for a local template. It is called the Maroondah template, and there are only 10 such buildings in Victoria. Eight of them are in or very close to the boundaries of my electorate, and I believe there is one in Geelong and one in Kangaroo Flat. They are all done by the same builder for a good price and with a great quality of finish and internal fit-out. This means that the school has no problems in offering the facility to its local community. Already clubs such as the Maroondah Magic Basketball Club rent the facility to use for training, as does the Croydon Junior Football Club—not for kicking footballs inside but for many other purposes, such as fundraising events. It is also used for after-hours school care, and it has new offices and great facilities for the school band.

These are the sorts of things that the school never had in the past. Although the school has been there all these years, it has not been the best it could be. That was not because it was not good inside—it has a fantastic principal and fantastic staff—but because the building itself was not suited to the way that teaching is now done in schools. Having the new BER building has certainly made a big difference to the school, and I know it will continue to make a big difference for many years.
It has taken a long time for this building to come to fruition. It was originally announced in 2009, and we went through a lot of argument with the state Department of Education and Early Childhood Development to get the right building for the school. One of the things which count the most is that the school got the building it needed and wanted and that the building will last for decades to come to make learning a much better experience, not only for the students but also for the teachers and those who have yet to lay eyes on the school. The other important thing is that a building constructed under the Building the Education Revolution program not only employs people while it is being constructed but also stays there, passes the test of time and makes our community a better place for children to learn in.

Visit of President of the United States

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (22:27): I rise to acknowledge one of the primary schools in my electorate, Darley Primary School, whose students had the enormous privilege of meeting President Obama when he was on his trip to Australia. Darley primary was one of two primary schools that had that honour, and I commend the students for their excellent behaviour during a very exciting time for them. I thank the people in this parliament who organised the meeting and supported the students. As you can imagine, it was a fairly nerve-racking experience for them, but I know that they acquitted themselves well and that it was the opportunity of a lifetime. So to Darley Primary School—the teachers and all the students, who had such a terrific opportunity to meet the President of the United States—I say: well done, and I hope that you will remember and treasure the experience for the rest of your lives. The meeting demonstrated something of what democracies are all about, so it was a great opportunity for Darley Primary School. I again thank the staff of the Serjeant-at-Arms's office, who looked after the students so well.

House adjourned at 22:29

NOTICES

The following notice(s) were given:

Ms PARKE: to move:

That this House:

(1) expresses deep concern to our inter-parliamentary colleagues in the Iranian Parliament regarding serious and systematic human rights violations occurring in the Islamic Republic of Iran;

(2) notes the following from United Nations Secretary General Ban Ki-moon's report on The situation of human rights in the Islamic Republic of Iran released in September 2011, that:

(a) Iran has stepped up its crackdown on human rights workers, women's rights activists, journalists and government opponents;

(b) since the beginning of 2011, Iran has seen a notable increase in the use of capital punishment for political and juvenile prisoners;

(c) Iran has increased discrimination, in some cases amounting to persecution, against a number of religious and ethnic minority groups;

(d) the United Nations continues to hold long-standing concerns in respect of the treatment of the Baha'i community and the trial and sentencing of seven Baha'i community leaders, which did not meet due process and fair trial requirements;

(e) there is limited enjoyment of political, economic, social and cultural rights by, inter alia, Arabs, Azeri, Baloch and Kurdish communities, and some communities of non-citizens; and

(f) since May 2011, security forces conducted raids on the home of individuals involved in the activities of the Baha'i Institute for Higher Education and arrested 15 of its members in various cities;

(3) notes that in recent months there have been:
(a) further reports of the denial of access to Iranian universities for young people on the basis of their political or religious beliefs; and

(b) prison terms of between four and five years imposed on seven Iranian Baha'is in relation to their association with the Baha'i Institute for Higher Education; and

(4) calls on the National Consultative Assembly of Iran as fellow members of the inter parliamentary union and as the parliamentary body of a member state of the United Nations, to:

(a) promote and protect fundamental human rights irrespective of origin, ethnicity, sex, religion, opinion, or other status;

(b) investigate the denial of access to universities for student activists, Baha'is, and others barred from universities for reasons other than academic capability; and

(c) seeks a judicial review of the trials of prisoners of conscience, including the seven former Baha'i leaders, lawyer Ms Nasrin Sotoudeh, and other human rights defenders and lawyers.

Ms SAFFIN: to move:

That this House:

(1) notes that as National Asbestos Awareness Week is formally recognised, it makes earnest representation to the Government to continue to call on Canada to ratify the listing of chrysotile asbestos in the Rotterdam Convention on Prior Informed Consent;

(2) recognises the proactive actions of the Australian Government in mitigating the possible spread of asbestos related diseases through continuing bans on the production and use of asbestos as well as strict controls on the removal and disposal of existing material;

(3) commends the Australian Government on a number of measures that have been put into place to manage and compensate the victims of asbestos related diseases which include:

(a) the recent ratification of the International Labour Organization (ILO) Asbestos Convention, as one of the first ILO Conventions to be ratified by the Commonwealth Government since 2006;

(b) Australian leadership on a strong closing declaration by 66 countries at the 2011 Conference of the Rotterdam Convention, which expressed deep concern that the listing of chrysotile asbestos had been prevented by a small number of parties and resolved to move forward to list chrysotile asbestos in Annex III;

(c) the $5 million grant made to support the Asbestos Disease Research Institute Bernie Banton Centre;

(d) funding for the new Australian Mesothelioma Registry, which was launched in 2010 to gather more detailed and accurate information on mesothelioma and asbestos-related diseases;

(e) support for the harmonisation of health and safety legislation which will provide, for the first time, a uniform framework for the minimisation of exposure, the removal of asbestos, and the management asbestos materials in the workplace;

(f) the establishment of the Asbestos Management Review in late 2010 to recommend strategies for the development of a national strategic plan to improve asbestos awareness, management and removal;

(g) the loan agreement with the NSW Government to ensure asbestos victims and their families continue to receive payments through the Asbestos Injuries Compensation Fund; and

(h) the $1.5 million Comcare Asbestos Innovation Fund which sponsors programs and research to prevent and better manage asbestos exposure, as well as improve treatment for asbestos-disease sufferers;

(4) notes the unwelcome inheritance that asbestos has left on the Australian community, which sees Australian citizens suffering one of the highest rates of asbestos-related diseases in the world, with the effects of asbestos mining still being suffered by many, mostly Indigenous and past employees of James Hardie's operation at Baryulgil in the electoral division of Page, and the poor health and mortality they and their families suffer;

(5) extends its profound sympathies to all individuals suffering asbestos-related diseases as well as their friends and families and the friends and families of those who have passed away as a result of asbestos-related diseases;
(6) notes the current and potential damage that imported asbestos is creating to the people in the Asia Pacific region where, despite these well documented health risks, it remains an attractive commodity due to its low cost compared to other comparable building material;

(7) calls upon the Canadian Government to recognise the potentially catastrophic health and social implications of Canada's production and sale of asbestos and products containing asbestos to these lower socio-economic markets; and

(8) supports the Australian Government in using strong diplomatic efforts to convince the Canadian Government to cease both production and trade in asbestos.

Ms RISHWORTH: to move:

That this House:

(1) acknowledges the findings of the Letting the Children be Children review into the commercialisation and sexualisation of childhood commissioned by the Government of the United Kingdom including that:

(a) children are growing and developing against the backdrop of a culture of increasing commercialisation and sexualisation;

(b) parents are concerned about clothing, services and products for children which reinforce gender stereotypes and portray children as being more sexually mature than their chronological age would indicate;

(c) children are under considerable pressures to be consumers; and

(d) parents often feel their concerns are not being listened to despite the fact that they are often in the best position to decide what is appropriate for their children;

(2) welcomes the Ministerial Statement in respect of this review by the Government of the United Kingdom which acknowledges the need to protect children from excessive commercialisation and premature sexualisation, and accepts the recommendation that efforts to address this are focused on industry and regulators with government monitoring progress and legislating to protect children if necessary;

(3) notes with concern that the sexualisation of children is a growing issue not just in the United Kingdom but also in Australia;

(4) recognises that the sexualisation of children, and in particular girls, has been associated with a range of negative consequences including body image issues, eating disorders, low self esteem and mental ill health; and

(5) urges governments, industries, regulators and the wider community in Australia to take note of the Letting the Children be Children report and to work together to address the commercialisation and sexualisation of childhood.

Mr MELHAM: to move:

That this House:

(1) notes with regret the death on 19 November 2011 of Basil Lewis D'Oliveira;

(2) recognises his contribution to world cricket, especially in South Africa and England;

(3) notes that his quiet dignity in the face of rejection by South Africa for reasons other than cricket helped to transform public opinion in England and beyond;

(4) particularly recognises his long battle against apartheid in South Africa, his actions in bringing to the world's notice the disenfranchisement of non-white cricketers in South Africa, and that he became a leader of a worthy cause without ever seeking a leadership role; and

(5) notes that, as a result of the life of Basil D'Oliviera, non-white cricketers are able to represent South Africa with pride and distinction. (Notice given 21 November 2011.)

Mr BANDT: to move:

That this House calls on the Government to set a date for the safe return of Australian troops from Afghanistan.
Monday, 21 November 2011

The DEPUTY SPEAKER (Hon. Peter Slipper) took the chair at 10:30.

CONSTITUENCY STATEMENTS

Casey Electorate: Mooroolbark East Primary School

Mr TONY SMITH (Casey) (10:30): It is my pleasure to rise this morning to congratulate and pay tribute to the staff, the students and the parents at Mooroolbark East Primary School in the electorate of Casey. Last Friday morning, on a very hot and windy Melbourne day, I had the pleasure of attending Mooroolbark East Primary School to help officiate at a very important event: the school's Relay For Life for the Cancer Council. The school team competed in the Relay For Life over the weekend, but the entire school participated in its own relay on the school oval throughout the Friday. The 460 children at Mooroolbark East Primary School all combined to raise money for the important cause of cancer research and to raise awareness. More than $2,000 was raised, with all the students at the school walking throughout the school day. I want to pay tribute to the organisers: the school principal, Debbie Nelsson; the assistant principal, Sandra Marianello; and Matt Henry, from the school organising committee.

As all of us know, everyone is touched, one way or another, by cancer. We all know a cancer survivor or someone who has passed away because of cancer. So to see this great community effort was very uplifting and inspiring. Special guests at the ceremony included Victoria Police Detective Inspector Peter Wheeler; a Cancer Council International Hero of Hope, Gaye Bobbine; and Michael, known as 'Mr Relay', who is a cancer survivor of some 30 years, I think, and who was there to help officiate on the day. Mooroolbark East Primary School deserves congratulations for playing its part, for celebrating, for fighting back and for doing everything it can so that one day in the future—hopefully in the lifetimes of the schoolchildren themselves—we will see a cure for cancer.

The DEPUTY SPEAKER: I thank the honourable member. On behalf of all honourable members I commend the school on its support for this very worthy cause.

Banfield, Mr Brenton

Mr HAYES (Fowler) (10:33): It is with great sadness that I advise the House of the death of Brenton Banfield, a great man in our local community. I have had the honour of knowing Brenton over the last 30 years and have seen firsthand the contribution he has made to his local community of Campbelltown. Brenton was 62 when motor neurone disease struck him, at a time when he was making preparations for his retirement. On 7 November the disease ultimately took his life.

Brenton was a Labor colleague and one who dedicated himself to the community. Regardless of politics, he was genuine champion for the betterment of south-west Sydney. He treated everybody with respect and consideration. He had a unifying quality about him and even in death was able to bring together a rather diverse group of people, including all factions of the Labor Party, past and present—which I assure you is no mean feat. He was elected to Campbelltown City Council in 1991 and remained for the following 17 years, serving two terms as mayor. Brenton was a very successful lawyer, and I know he was much
respected by the legal profession, particularly those in Liverpool and Campbelltown, as well as the police officers in those respective commands.

But it was Campbelltown and its people that captured his abiding interests. He was a renowned orator, but it was not just his eloquent delivery; it was the concern and compassion that he had for others that always impressed me about his contributions. Brenton often remarked that the arts and cultural expressions were the essence of a community. Together with his wife, Ruth, he was passionate about the Campbelltown arts scene and was instrumental in establishing the Campbelltown Arts Centre, which has become a beacon for cultural and artistic endeavour throughout the region. You did not have to spend much time with Brenton to realise the pride and love that he had for his family. Ruth, his soul mate, to whom he had been married for 41 years—together with their sons, Evan and Trent, and their daughters-in-law, Lisa and Marie, and their grandchildren, Jules, Wonoona, Halo and Eleanor—filled his life with joy. I offer my most sincere condolences to them.

Most people start out in public life with an ambition to make change for the better. In Brenton's case he can certainly rest comfortable in the knowledge that through his contribution Campbelltown, and the region, is a better place. I have been privileged to have known Brenton, a great man and indeed one of life's true gentlemen but, above all, a man of the people. In accordance with the family's wishes, I join with the local members of the community in supporting the Motor Neuron Disease Association in their work and research into this dreadful disease. To my friend Brenton Banfield: rest in peace.

Wright Electorate: Education

Mr BUCHHOLZ (Wright) (10:36): This morning I rise to advise the House of our new breed of leaders coming through the electorate of Wright. Recently I have had the opportunity to attend many award ceremonies at high schools throughout my electorate, of which we have 11. I refer in particular to Jude Fox, the principal of Flagstone State Community College. She was doing an exceptional job up there with her students last week. Particular mention should go to Jack Kelly and Lyndsey Skipper, the new school captains of that school. Boonah State High School owes a debt to their school principal, Bronwyn Johnstone, who has done an outstanding job in the work that she does not only throughout the school but through the extended community. The new school captains there are Euwan Treharn, Sarah Moore, Tahlia Kinrade and Laura Pennell. Congratulations go to each of them. At the Hills International College principal Kevin Lynch has presided over some outstanding achievements. The school captains this year are Arish Soogirm and Charlene Quinn. Hills International College has a golf course attached to the school. One of the outstanding students leaving that school is playing off a handicap of three.

Emmaus College Jimboomba had their awards ceremony the other day under the guidance of their principal, Kevin Schwede, and the elected captains for this year were Louise Bolland and Nicholas Jones. Over at The Kooralbyn School, its principal, Geoff Mills, has been doing a fantastic job recently and I look forward to spending more time with him this year. Sarah Black and Chang Dong Yang are the school captains. I refer to Faith Lutheran College, over in the Laidley area, which is under the auspicious leadership of Janelle Anderson. Janelle is very emotional and is connected very closely to her students. I took the opportunity to thank their leaders who next year will be Abby Dennien and Claire Jahnke. Closer to my office is Beaudesert State High School, under the direction of Allan Smith, its principal. Mitchell
Hyam and Natasha-Rose Stapleton will lead the charge. As of last week I would like to acknowledge a particular award recipient in Megan Grummitt, who won an essay-writing competition throughout our electorate. Megan prepared a thousand-word essay for our office on the relationship between Australia and America over the next 60 years. For her effort she was rewarded with my ticket to the gallery. She had come down under the sponsorship of Virgin, sat in the gallery, had the opportunity to meet the Leader of the Opposition, Tony Abbott, and got her photograph taken with Kamahl. She returned a very happy and proud girl after this auspicious event. I would like to congratulate Megan for the wonderful work that she did in presenting that report to our office—a well-deserving recipient.

Blair Electorate: Business

Mr NEUMANN (Blair) (10:39): The 18th-century novelist Samuel Richardson once said that ‘necessity may well be called the mother of invention but calamity is the test of integrity’. It has been a tough year for the people of Blair, which contains all the Somerset region and most of Ipswich. Small to medium businesses and agribusinesses in Ipswich and across the Somerset region have already faced the challenges of a two-speed economy, the global financial crisis and then the devastation of the floods earlier this year. This morning I want to highlight the impact we have made in developing and supporting our businesses in Blair, demonstrating the true mettle and integrity of those who have survived these calamities. The federally funded Business Enterprise Centre Ipswich Region in its current guise is three years old and is managed successfully by Tony Axford. It has proved to be a dynamic institution, networking closely with the Ipswich Chamber of Commerce and Industry and the Ipswich City Council, particularly in its very successful ‘Shop Ipswich’ campaign.

During those three years of the BEC Ipswich Region we have seen great progress. The BEC Ipswich Region has been recognised by Westpac for outstanding community support, by Economic Development Australia for outstanding contribution to the small business community and by the Business Enterprise Centre Australia as the best regional BEC in 2011, with Tony Axford being awarded the best national BEC manager for 2011. Tony also received the inaugural BEC service award in 2011 in recognition of his outstanding contribution to the business community in response to a major crisis event. Earlier this year it was recognised by the Queensland Premier, Anna Bligh, with the Queensland Disaster Hero award for contribution to the community during the January 2011 floods. During the past year, BEC IR has assisted 1,424 businesses in the region, held workshops with 1,278 participants and networked functions with 2,668 attendees. Tony once said, 'If the business community works together as a team, great things can be accomplished.'

Meanwhile, the rural and semirural regional area known as Somerset is well served by the Somerset Region Business Alliance, led by Bob Whalley as chairperson and Paul Heymans as his deputy, which has cemented itself in the community. I pay tribute particularly to Paul Heymans, an IT specialist, who used the group's internet resources well during the floods earlier this year. The group was successful, like BEC IR, in obtaining $100,000 under the Small Business Advisory Services natural disaster program. It established a 'Buy Local' campaign and organised regular events for its members. I also want to pay tribute to the inaugural Somerset Expo. This year over 7,000 attended the display, which promoted tourism, economic development and prosperity in Somerset. I was pleased to be there running a mobile office and speaking at the event. I am proud to say that the businesses of Blair have
demonstrated true grit, determination and mettle—working together, funded and supported by the federal and state Labor governments to build and support stronger communities.

**Asia-Pacific Region**

*Mrs PRENTICE (Ryan) (10:42):* Like others in this chamber I applaud the sentiment and goals expressed by President Obama in his address to the Australian parliament last week. His words do bear repeating, so I quote:

As two global partners, we stand up for the security and dignity of people around the world.

President Obama said that the larger purpose of his visit to this region was 'our efforts to advance security, prosperity and human dignity across the Asia-Pacific' and that 'Asia will largely define whether the century ahead will be marked by conflict or cooperation, needless suffering or human progress'. He went on to say:

We stand for an international order in which the rights and responsibilities of all nations and people are upheld. … Every nation will chart its own course, yet it is also true that certain rights are universal. … As two great democracies we speak up for these freedoms when they are threatened. We partner with emerging democracies, like Indonesia, to help strengthen the institutions upon which good governance depends. This is the future we seek in the Asia Pacific — security, prosperity and dignity for all.

As I said in my maiden speech, in our region we have a particular responsibility to assist our developing friends, not in a patronising way but with a genuine hand of friendship and support. The developed world has not found a successful form of providing aid to our neighbours, in much the same way that we have much to learn in helping our own Indigenous Australians. In both cases we must persist, because if we fail we let our neighbours down—and, indeed, our first Australians.

I then went on to mention some of the many issues confronting our nearest neighbours. It is against this background that it is important that we acknowledge the respect for human rights that must be accorded to all people. The people of West Papua are facing challenges that in many ways flow from colonial times, when lines were drawn on maps to suit the interests of colonial powers. As a country we have for more than 100 years been prepared to send our service men and women all over the world, not only into conflict situations but also as peacekeepers. Yet here, literally on our doorstep, we continue to turn a blind eye to the suffering of one of our nearest neighbours. On that note, with everyone focused on the Asia-Pacific region, as President Obama said, we must stand up for the fundamental rights of every human being. In particular I look to our neighbours in West Papua. Mark my words, history will judge us very harshly. Indeed, we will stand condemned for our lack of action and our lack of compassion. I call on the government in its close partnership with President Obama to ensure basic human rights and freedoms for the people of West Papua. It is time to put talk into action.

**National Disability Insurance Scheme**

*Ms HALL (Shortland—Government Whip) (10:45):* As we draw towards the end of this parliamentary session I reflect on the achievements of this parliament and the government to date. In doing that the thing that comes to mind is the landmark commitment of this government to the National Disability Insurance Scheme, the NDIS. As I worked for a very large part of my life in the area of disability, I know how important this is to people who have a disability. I was so impressed that we have made this commitment that I decided to hold
within my electorate some NDIS forums. I invited people along to tell me what the problems were at the moment. The problems were very predictable and were the kinds of problems identified in the Productivity Commission's report.

People identified a lack of services, a lack of choice, a lack of funding, skills shortages, information and training not being available for people at home, respite not being available, a lack of long-term care options, that people felt as though they were not being heard, that personal needs were not taken into account with the one size fits all, the assessment process to date has not been effective, services and programs are too generic and the current disability process is inflexible. The list goes on and on. People with disabilities cannot get information and when they do get that information it is quite often difficult to put it into practical use.

We also engaged with people and talked about what the National Disability Insurance Scheme would mean to them. People were saying it would make a difference and change their lives. They would like it to happen a little quicker. I gave them a commitment that I would work for them to see that they benefited from it. On Saturday next week I will be at the Lake Haven Shopping Centre with members of the NDIS group in that area. We will be seeking support and signatures from people to ensure that their voice is heard and that people on the Central Coast who are committed to the NDIS can maximise the amount of interest and knowledge about the NDIS in that area. One issue that was raised is that people did not quite understand the NDIS. I encourage all members of this parliament to communicate with their community and raise this important issue.

**Bonner Electorate: Volunteers**

Mr VASTA (Bonner) (10:48): It is with pleasure that I rise today to acknowledge the volunteers in the Bonner electorate who have been recognised by the Australian government for their international service. I am sure that everyone in this House will agree with me when I say that volunteers are the lifeblood of the community. I am extremely proud today to formally mention the altruistic volunteers in Bonner who have selflessly given their own time and money to better the lives of those less fortunate around the world.

I was extremely pleased to recently host a morning tea to officially present certificates of appreciation to two such overseas volunteers. Husband and wife team Graeme and Robyn Wescombe of the Rotary Club of Wynnum and Manly were awarded certificates of appreciation owing to their service in northern Vanuatu for the refurbishment of a major health centre. Graeme spearheaded the project, which began in 2006, on behalf of the Rotary Club of Wynnum and Manly. The Rotarians have now completed a full refurbishment of the Paunganisu health centre in northern Efate, which is a monumental achievement. Graeme and up to nine other Rotarians at any given time have travelled to the region on four different occasions over the past five years to complete the health centre refurbishments. The work completed by the Rotarians allows for minor operations to be conducted in the facility as well as providing a safe birthing centre for the entire northern region of Vanuatu, including surrounding offshore islands. The project, I am told, is ongoing and the Rotarians latest improvement is the installation of solar power to the facility. Congratulations to the Rotary Club of Wynnum and Manly for their outstanding contribution to the welfare of those in our Pacific region.

I would also like to congratulate the following Bonner residents who were awarded with certificates of appreciation for their volunteer work overseas: Eric Batten; Debra MacManus;
Conor MacManus; Raymond Schneidewin for his contribution in Vanuatu Rotary Club of Wynnum and Manly; Jessie Bynon for her service in Vanuatu to the Society for Disabled People; Anusha Goonetilleke for her contribution in Vanuatu as legal literacy coordinator; Robert Lemon for his service in Fiji to establish a school computer room; Kylie Madge and Nerrida McIntosh for their efforts in South Africa with Australian Volunteers International; Ashley Perkins for his work in Tonga with the Ministry of Finance and National Planning; and Diaan Stewart for her efforts in Timor-Leste as a professional development coordinator.

**Corio Electorate: Building the Education Revolution Program**

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs) (10:51): Like many MPs at the moment I am in the midst of a wave of opening school buildings as part of the Gillard government's Building the Education Revolution. Two weeks ago it was Manifold Heights Primary. In a couple of weeks time it will be Bell Park North Primary and Rollins Road Primary. And while we have all heard the turgid Liberal Party lines about school halls, their scripted talking points bear little resemblance to the unadulterated joy which is being experienced by schools on the ground across Australia.

Take the state-of-the-art Katsumata Centre at Kardinia International College which won the Geelong based building firm Lyons Construction the Regional Builder of the Year award from the Victorian Master Builders Association. Lyons Construction worked on 11 schools in the Corio electorate and many more across the region. I congratulate them for their building excellence, but it was the creation of jobs in their business that really underscores this program. Lyons estimates that every one of its 11 projects supported an average of 25 tradespeople. Businesses like Geelong based Ezy Shades Australia say demand for outdoor shade structures from the schools sector kicked in at just the right time when work in the domestic sector had all but dried up. That meant ongoing work for six people and their families.

Or consider the truly impressive multipurpose library and classroom building at Holy Family Primary School that uses rammed earth, timber and glass to create a cutting edge 21st century environment. For Sonal Dave, a young Geelong architect, this was the chance to spread her design wings with her first commercial project. The result is stunning.

Other schools also have great stories to tell. With the $1.32 million it received, Anakie Primary was able to build an entirely new school, replacing a range of ageing buildings that extended back 130 years. For the first time students have a sick bay, new library and meeting rooms.

These are all part of a steady process of improvement resulting in new buildings at every primary school and new facilities at many of our secondary schools. There have been issues along the way. At Manifold Heights Primary School parents were keen to customise their building, which was a template design. But we worked closely with the school community and Eleanor O'Malley, the school council president, said at the official opening last month that there was no doubt that the new prep rooms, art room and library are a fantastic asset for the school.

The Building the Education Revolution is the Australian government's single biggest investment in education since federation. A total of $102 million was made available to schools within the Corio electorate. Across the Corio electorate there are now 17 new
libraries, 23 new school halls, many dozens of new class rooms, language centres, ICT centres, gymnasiums, sheltered areas for outdoor learning and refurbished playgrounds. For some schools, it is the first major injection of capital funds since they opened 30 or 40 years ago. Portable classrooms have made way for bright, clean, contemporary learning spaces that can accommodate group and individual learning. The BER has been the flagship program of the federal government's stimulus strategy to keep people working during the global financial crisis. The wonderful legacy will be utilised and enjoyed by students across our country for decades to come.

**McPherson Electorate: Remembrance Day**

*Mrs ANDREWS (McPherson) (10:54):* I rise today to speak about Remembrance Day and the services that took place across my electorate of McPherson. This year's Remembrance Day marks the 93rd anniversary of the signing of the armistice which brought World War I to a close. In what was once known as the war to end all wars, more than 750,000 Australians served their country, with 155,000 paying the ultimate sacrifice. Remembrance Day provides Australians everywhere with the opportunity to commemorate the lives of those who did not come home from the front and time to reflect on both the harsh realities of war and the freedom we have today. With the passing of Mr Claude Stanley Choules on 4 May this year there are now no more remaining combat veterans from World War I. Mr Choules served in both the Royal Navy and the Royal Australian Navy, and this year marks the centenary of the Royal Australian Navy.

However, this Remembrance Day was also a sombre one, with the recent death of three Australian soldiers in Afghanistan on 29 October 2011 still fresh in our minds. Since Remembrance Day last year, 11 Australians have died in Afghanistan while serving their country. I would like to take this opportunity to express my condolences to the families of all service personnel who have died in the past year. I would also like to express my thanks to all our Defence Force personnel for their determination and their loyal service.

Remembrance Day this year fell upon a once-in-a-lifetime date: the 11th day of the 11th month of the 11th year of this century. In my electorate of McPherson there were ceremonies held at Currumbin, Burleigh Heads, Mudgeeraba and Coolangatta to mark the occasion. I would like to express my congratulations and thanks to Ron Workman OAM, president of Currumbin RSL; Chris Keating, president of Burleigh Heads RSL; Peter Franklin, president of Mudgeeraba RSL; and Joe Russell, president of Tweed Heads and Coolangatta RSL. Their work in organising and conducting their respective ceremonies gave members of the southern Gold Coast community an opportunity to remember the fallen. RSLs play an important role in local communities as hubs for social activity, facilitators of local events, supporters of other community organisations and torchbearers of our proud national history. They are undoubtedly part of the rich fabric of Australian culture and an essential part of any community. I am proud to say that, as always, the four RSLs in my electorate have continued to live up to this great reputation.

I would like to conclude by thanking the veterans community for their service to our country and reaffirm my commitment to the McPherson veterans community that I will continue to ensure that they get a fair go.
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Greenway Electorate: Quakers Hill Nursing Home

Ms ROWLAND (Greenway) (10:57): Like many residents who live locally and I am sure right around Australia, I awoke on Friday morning to the dreadful news of a fire at the Quakers Hill Nursing Home, located in my electorate of Greenway, which had left an unknown number of elderly residents dead, injured or homeless. My heart, my sympathies, my prayers and my deepest sorrow go out to all the victims, their families and the staff of the Quakers Hill Nursing Home. This is one of the most awful of tragedies and the most helpless of circumstances. These were truly innocent victims, elderly people who had survived wars, the Depression, disease and the passage of time itself, their lives ripped away by an event none of them could have foreseen or deserved.

The scenes and accounts of these victims, many of them totally incapacitated either physically or mentally with no prospect of surviving such an event either alive or without injury, is truly terrifying. It is impossible for us here to understand what it would be like for a person suffering from dementia to be woken by smoke and flames to find oneself in what local Rouse Hill Times editor David Catt described as a makeshift field hospital outside the complex, surrounded by firefighters, police and other emergency services personnel. Personally I was overcome by the scenes of family members waiting for news of their loved ones outside what had become a crime scene, praying as they listened to the manifest being read out of the names of residents and whether they were dead, alive or injured. I cannot imagine the grief of those family members.

When I spoke with the Minister for Health and Ageing shortly after the news broke, it was clear that the priority of all was to let emergency services personnel get on with their jobs and to make alternative arrangements for those residents who did not require hospitalisation. On this point I want to acknowledge the outstanding efforts of all the emergency services personnel, police, fire and ambulance, who responded so quickly and with such care. As has been consistently reported, their bravery and swift action certainly saved lives. They are heroes one and all.

I want to acknowledge the local residents and indeed some of the small businesses around Quakers Hill who did whatever they could to assist the victims of the tragedy, bringing food and refreshments to them and their families and those assisting at the scene, including the many volunteers who joined Minister Geoff Bates of the Quakers Hill Anglican Church, which acted as both a triage zone and a safe place of comfort for the families of those involved. The church is arranging a memorial service to be held this Wednesday, which I am sure will reflect the communal feeling of grief and sympathy from our local communities. In Western Sydney, we are renowned for our generosity in times of need. I have been contacted by many residents who want to do something, anything, to help the victims, many of whom have lost everything they own, and their families. I will be speaking to Minister Bates about the best means to channel this generosity of spirit.

I also wish to acknowledge the efforts of my staff, who took many calls from concerned family and community members as the news unfolded on Friday, including calls made to the special hotline that was set up, and responded to requests for help made through social media channels. It was a traumatic time for all involved and I thank them for their professionalism.

As it stands, there have been six residents confirmed dead as a result of this tragedy, with several more on critical lists in various hospitals around Sydney. Again, my heart and my
prayers—and, I am sure, those of everyone in this place—go out to those victims and their families.

The DEPUTY SPEAKER (Hon. Peter Slipper): In accordance with standing order 193, the time for constituency statements has concluded.

PRIVATE MEMBERS' BUSINESS

Tuberculosis

Debate resumed on motion by Mr Entsch:

That this House:
(1) acknowledges the scale of the tuberculosis threat to Papua New Guinea, and the mortality, morbidity, economic and social costs, and risk to Australia if this threat is not managed;
(2) notes that since 1978, the Torres Strait Islands Treaty has included Commonwealth compensation for the impacts of the care of Papua New Guinea nationals on the Queensland health system;
(3) condemns both the Federal and Queensland governments for indicating they will terminate the tuberculosis clinics on Saibai and Boigu islands which currently provide vital tuberculosis surveillance and clinical care for Papua New Guinea nationals, and reduce the risk of the emergence of drug resistant strains of tuberculosis;
(4) calls on the Federal Government, through AusAID, to immediately provide long-term funding to clinics that provide tuberculosis services to Papua New Guinea nationals and front line health protection for Torres Strait Islander Australians; and
(5) calls on the Federal Minister for Health and Ageing to consult with frontline public health experts to formulate a long-term strategy which ensures that Papua New Guinea programs and Torres Strait Islands clinics deliver a combination of disease surveillance and tuberculosis care for Papua New Guinea and Torres Strait Islander Australians.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (11:01): I rise today to speak on this motion because this is a motion that is literally a matter of life and death. It is a desperate call for help on behalf of the people of Papua New Guinea's Western Province, the people of the Torres Strait and the people of the Northern Australian mainland, all of whom may be affected by the recent decision to withdraw tuberculosis services from the northern part of our country. The government has made a decision to provide short-term funding of $631,000 to clinics on Saibi Island and Boigu Island. These clinics are only about three kilometres from the mainland of Papua New Guinea. This funding is to be a frontline, if you like, to identify and treat tuberculosis in the population in the Western Province of Papua New Guinea. They have also committed a further $1.1 million to work on Daru hospital. This decision clearly demonstrates an absolute lack of understanding about these grave and critical issues. Quite frankly, this short-term funding is going to do absolutely nothing to ameliorate the problems that we have in that area; if anything, it is only going to make it worse.

I say that not in isolation, because my position is much supported by Australia's leading tuberculosis experts, who themselves have labelled the announcement as very misguided. They have said that the decision will result in unnecessary deaths of Papua New Guinea nationals and will inevitably spread the tuberculosis across the international border into Australia. Tuberculosis experts—such as Dr Julian Waring; Professor Ian Wronski from James Cook University; Dr Graham Simpson, who is one of our frontline fighters on tuberculosis in the region; and Dr Konstantinos—all insist that it is in Australia's self-interest to protect our citizens from exposure to this virulent and debilitating disease. Furthermore,
they believe that the recent closure of tuberculosis clinics in the Torres Strait Islands diverges alarmingly from our self-interest. My principal concern is that, if the treatment of tuberculosis patients in the Western Province, especially those with the multi-drug-resistant tuberculosis, MDR-TB, ceases, that MDR strain will proliferate and migrate into Australian territory.

If you have any doubt at all about the competency of the Daru hospital to support this, I will refer to an article from the Papua New Guinea Post-Courier of 20 September this year. This front-page article, in this leading Papua New Guinea newspaper, starts:

After 36 years of independence, one town has nothing to show for.
The once peaceful town of Daru in Western province is on the verge of collapsing and the impact is being felt around this vast province.
There is no government presence with Governor Bob Danaya operating in Port Moresby because his official residence is rundown and has been taken over by squatters …
The local magistrate has fled the province because the jail has been closed for seven years and he has nothing to do.
Convicted criminals are roaming the streets with ordinary citizens on good behaviour bonds and that has sent fears to the community.
It goes on to say:
Most doctors of the Daru general hospital have also deserted with the last one leaving last Wednesday while the acting Chief Executive Officer Dr Amos Lano is in Port Moresby on private business.
Administrator Goinau on Sunday admitted the serious nature of the situation.

…

The Daru hospital has no drugs and the three buildings funded under AusAID and the South Fly District Services Improvement Program (DSIP) are incomplete.
… Hospital staff say all they have were chloroquine—
for treating malaria—
and panadol but they have now also run out of the latter.
So they do not even have panadol in the hospital.
Mr. Goinau said drug was a problem in all hospitals in the country and Daru was no exception.
So that is the sort of place we are talking about putting $1.1 million to stem the problem.

This is a major concern. The statistics show that Indigenous Australians in my electorate in the Torres Strait and in Cape York are eight times more likely to become infected with tuberculosis, and of course there will be corresponding increases in rates of hospitalisation due to this disease. If the MDR TB develops into an even more severe strain of the bacterium, which is the extensively drug resistant strain of TB, the population of Northern Australia will be burdened with a disease that is effectively untreatable.

If you have a look at what is happening in Papua New Guinea at the moment, the care of patients in the Western Province is a major issue. The PNG government's National Health Plan 2011-2020 depicts a trend of deteriorating health indicators and inadequate and inaccessible health services. And the health statistics tell a woeful tale: eight percent of children will die before their fifth birthday. Tuberculosis now consumes 13 per cent of all hospital bed days and is the cause of 11 per cent of deaths in the Western Province, and currently more people are contracting tuberculosis than are being affected by HIV. If left
untreated, any person infected with tuberculosis or any potential lung infection will infect another 10 to 15 persons each and every year of their life. The other alarming thing is that 30 per cent of tuberculosis cases reported are in the age group from birth to 14 years.

A recent incident I was involved in highlights the gravity of the situation. I was asked to assist Mr Petru Aniba, a resident of Kadawa village, on the mainland of PNG's Western Province, about 45 kilometres from Daru. He had travelled to Daru and then embarked on an 8½ hour sea journey in a futile attempt to save his 14-year-old daughter, who was gravely ill with advanced tuberculosis. She got to Saibai and then down to Cairns but unfortunately she passed away. And there was a hell of an effort made by some incredibly generous people who raised money to allow Mr Aniba to take his daughter back home and give her a decent burial—4½ months after she had passed away.

Surely any reasonable person would ask why a father desperate to save the life of his dying daughter would embark on an 8½ hour open sea journey, bypassing Daru, if adequate medical facilities had been available in Daru. And therein lies the problem. We have to take responsibility for this. We have to make sure that we have our medical experts involved in this. I certainly support the concept of Australian development aid in PNG being incorporated into strengthening the government's health institutions, but it should not be done in the face of continued failure.

With respect to tuberculosis, we must admit that PNG cannot provide the health services that are desperately needed to combat this disease and we need to look at doing it ourselves. I think what is needed immediately is for the federal government to continue to appropriately fund the Boigu and Saibai island clinics. In the longer term, we need to build capacity for healthcare provision by directly funding aid posts strategically placed in villages in the Western Province. These aid posts need to be operated under Australian supervision and would be able to minimise, treat, diagnose and monitor tuberculosis in their catchment areas. One of the problems is supplying this support in widely scattered Western Province villages. Recently I have become aware of the YWAM medical ship that sails out of Townsville, MV Pacific Link, which has an outstanding record of providing a whole broad range of services. I think that, with the appropriate level of funding, that could be used as a front-line service in this Western Province area, referring on patients for further treatment. I think new ideas such as this need to be seriously considered.

Desperate people will continue to come to Australia for treatment and, with them, will come the very real threat of a tuberculosis outbreak in this country. An appropriate cross-border health solution will not occur by throwing good money after bad. A resolution will only eventuate if the government ensures its decisions are considered, compassionate, innovative and informed. In paragraph (5) of my motion I first of all urge the government to immediately consult with the front-line medical experts in this field to develop a long-term strategy that will deliver effective health outcomes to the region and minimise the number of inevitable deaths from this dreadful affliction. I plead with the government to treat this matter with the utmost urgency.

The DEPUTY SPEAKER (Hon. Peter Slipper): I commend the Chief Opposition Whip on his heartfelt contribution. The question is that the motion be agreed to.

Ms HALL (Shortland—Government Whip) (11:11): I thank the Chief Opposition Whip for bringing this important motion to the parliament, a motion that is quite close to my heart

MAIN COMMITTEE
and to that of the member for Kingston and that of the member for Hindmarsh, as in the last parliament we visited PNG, in particular Saibai Island. We were all members of the House of Representatives Standing Committee on Health and Ageing that put together the report on regional health issues jointly affecting Australia and the Pacific. So we saw firsthand the issues on Saibai Island, including what it was like at Daru Hospital, as we spoke to the doctors that were working in the hospital and the patients in it. We visited the Torres Strait Islands, going to islands that had never been visited by anyone from Australia and that had not even been visited by their own political representatives beforehand.

Ms HALL: I understand the Chief Opposition Whip may be very passionate about this. He wants me to name the islands. I can, as I have them here, but I do not want to waste my contribution to the debate by naming islands. I suggest that he has a look at the report that was brought down following that, as there is a lot of useful information in it that may help him when he is formulating some of his ideas.

When we visited Saibai Island we met with the elders and we went to the health clinic. We felt a strong feeling of resistance from those island elders to people coming across the Torres Strait to use that clinic. They saw that as a health hazard. Those at the health clinic itself talked about the dilemma of treating people from PNG when they were funded to treat the people of the Torres Strait Islands. So it is important to note, when we are talking about Saibai Island, that it is not necessarily the wishes of the people on the island that they undertake the treatment of people from just across the Torres Strait, those some eight kilometres from where they are or half an hour's trip away in a banana boat. The approach the government has adopted will empower the PNG people to be able to deliver their own health services. We do not want to just provide assistance to the few people who can make it to Saibai Island in a boat; we want to provide ongoing assistance to all people in PNG. As I said, we visited Daru Hospital. I am disappointed that the Chief Government Whip is opposed to giving money to Daru Hospital to upgrade its facilities and provide better services to the people in the Western Province. He highlighted the fact that there is a shortage of drugs. Isn't the issue assisting PNG to be able to have the drugs in Daru Hospital to be able to treat all the people who go to the hospital rather than treating just the few people who make it across the Torres Strait?

It is a really important issue. In those hospitals I saw many people suffering from multiresistant TB. They were in beds beside mothers who had just given birth. They were there with people who were suffering from malaria. The big issues are assisting that hospital to become a functional hospital with proper infection controls in place and ensuring that the hospital has the drugs. It is also about making sure that the communities we visited in the Torres Strait also have the health infrastructure that they need. All people, not just the one or two who make it across, have the right to have that sort of care.

This government—and it started under Prime Minister Rudd and has continued under Prime Minister Gillard—gave the strong message that Australia intended to engage with the Pacific in a way that had not happened in the past. That started with the Port Moresby declaration, which symbolised a new era of cooperation between Australia and the Pacific. It also started a new era of giving significant funds to that country to be able to improve its own health infrastructure.
The member opposite mentioned that the government is helping the PNG government to develop its health plan. That is really positive. That is a way that Australia can make a real difference. If we can help them put in place a health plan that will ensure these drugs are delivered and that will ensure those island communities that we visited actually have drugs and the right sort of infrastructure in place then we will really be making a long-term difference. Providing drugs to the few people who can make it across the Torres Strait to the clinics on the other side will not make a difference in the long term and that is not even popular with the people who live there.

I suggest the member opposite not just read the newspaper reports of what is happening in Daru but hop on a plane and have a look. If he visited some of the areas we visited, he would see the real issues. It is not just about reading it in the paper; it is about going and talking to people in those communities. It is about learning what they want. We do not need to adopt a paternalistic approach where we tell them what they need; it is about actually making real reform in the health system. I see that the member opposite finds that amusing. But I do not. I think it is really important that we make a big difference in those people's lives, that we do not just treat a few people but look at changing the way health services are delivered in PNG.

When the Howard government was in power, they were not giving money. They were not offering the assistance that has been offered since the Labor government has come to power. For instance, there has been $133 million and $72 million to PNG for health services. This is about the future and changing the way things are done. It is not about providing handouts; it is about building capacity. I suggest that the member opposite looks at ways that he can contribute to that in a positive way. (Time expired)

Mr Entsch: I am speaking next. Andrew Laming has deferred to me.

The DEPUTY SPEAKER (Hon. Peter Slipper): An honourable member is only able to speak a second time in a debate in the event that leave is granted and no other member stands.

Mr Entsch: I seek leave to speak next.

Ms Hall: Mr Deputy Speaker, I do not give leave for the Chief Opposition Whip to speak a second time.

Leave not granted.

Mr IRONS (Swan) (11:22): It is a pleasure to be here in the committee today at such short notice to speak on the motion brought forward by the member for Leichardt, and I see some fellow members and ex-fellow members of the Health and Ageing committee on the opposite side. I must admit I was not on the trip to PNG, but I was on the trip to Thursday Island and visited Saibai Island, and I heard the previous member for Shortland talking about our experience on that trip. I remember quite clearly visiting the clinic. The woman who ran the clinic was the Western Australian, from Rockingham in the member for Brand's seat. It was very enlightening to hear about some of the experiences that they had had with the PNG nationals who had crossed the two- or three-kilometre stretch of water to get to the clinic.

As an example to highlight the problems with underfunding and under-resourcing of these clinics, one particular PNG national had been trying for four months to get into the clinic on Saibai Island. Eventually, on the day he had his scheduled visit, he collapsed in the waiting room. They revived him and sent him down to Thursday Island the next day for treatment,
where he died. He had been waiting for four months to get in and due to lack of resources and funding he could not. He died, and the cause of death was HIV and tuberculosis.

In the 2009 Committee on Health and Ageing report into the health in the South Pacific, it was stated that tuberculosis is an infection primarily in the lungs caused by a bacterium called Mycobacterium tuberculosis. It is spread from person to person by breathing infected air during close contact. The most common symptoms of TB are fatigue, fever, weight loss, coughing and night sweats. The diagnosis of TB involves skin tests, chest X-rays and sputum analysis. TB can remain in an inactive or dormant state for years without causing symptoms or spreading to other people. When the immune system of a patient with dormant TB is weakened, the TB can become active or reactive and cause infection in the lungs or other parts of the body. As such, people with HIV-AIDS are at a high risk of developing the disease due to lower immunity, which is what I just spoke about—the gentleman who died and who had tuberculosis and HIV.

TB is a leading cause of death worldwide and, although rates in Australia are thankfully very low, there are signs that the disease may be making a comeback in developed countries, with the recent outbreak in the UK a case in point. With the considerable movements of people between the Top End of Australia and the South Pacific, many of which have been part of the culture for many years, this is an area that we must be mindful of and cannot neglect.

That is why I rise today to support the motion brought forward by my friend and colleague the member for Leichhardt and condemn both the federal and Queensland governments for indicating that they will terminate the tuberculosis clinics on Saibai and Boigu islands. These clinics provide vital tuberculosis surveillance and clinical care for Papua New Guinean nationals and reduce the risk of the emergence of drug-resistant strains of tuberculosis. By taking this course of action, the federal government is showing a lack of understanding of the issues at stake, and this is why the member for Leichhardt also has the support of Australia’s leading TB experts in the motion he brings before the House today.

TB is a global health problem in which Australia has a responsibility and the capacity to make a difference. Australia has been successful in treating TB at home, and we have low levels of TB. Despite this good record, the federal and Queensland governments should not have assumed that, because we have been successful in keeping levels low, it will continue. Australians are not immune to future outbreaks of TB, and the Australian and Queensland governments must have appropriate policies in place to deal with this reality. According to Edith Cowan University reports, there were 1,142 new cases of TB notified in 2006, with 969, or 85 per cent, of these for people born outside Australia. Most of Australia's TB cases come from overseas, and the risk of TB spreading from PNG to Australia needs to be managed.

I also note that those at greater risk of contracting TB are Indigenous Australians. These clinics, which the government is indicating it will close, play an important role in preventing transmission to Australia through early detection and treatment and are a huge benefit to the local community. If TB does spread to Queensland from PNG, it is the Indigenous populations of the north who will experience the most harm. Even more worrisome is that, according to the Australian Medical Association, multidrug-resistant strains of TB—MDR-TB—are active in the Western Province of Papua New Guinea and are now spreading to the Torres Strait Islands and Australia.
With the close proximity of PNG to Australian territory, efforts to control TB are essential to ensure that it does not become a problem in Northern Queensland. In the worst-case scenario, the more severe strain of TB could spread to Northern Queensland, with the population burdened with a strain of TB that is effectively untreatable. A prudent government would be acting on this threat to ensure Australians are protected. I am afraid the closing of these clinics in Saibai and Boigu islands indicates the opposite of this approach.

The government has taken the decision to transfer responsibility for treating TB patients to the Western Province of PNG. This is despite reports that the health system in PNG lacks the capacity to provide such care. The government of PNG's National Health Plan 2011-2020 depicts a trend of deteriorating health indicators and inadequate and inaccessible health services. The number of health facilities in PNG is declining, and the quality of service is deteriorating. As at 2010, the population of the Western Province was 212,109 people and was purportedly served by 5.4 doctors per 100,000. This figure is probably optimistic, as in 2008 there were only four doctors on the island. Furthermore, between 2003 and 2008 the number of rural health staff declined in health services. There has been a reduction in equipment and supplies such as refrigeration and treatment manuals; retrieval systems in emergency situations are effectively nonexistent; and communication systems are poor. Procurement and distribution of medical supplies, including immunisation for measles, triple-antigen IPV and basic medical supplies, have waned. PNG has displayed an inadequate ability to prevent the spread of preventable diseases, and the government is reckless to assume the health services provided by the Western Province will overcome this decline. The federal and Queensland governments must admit that PNG cannot provide the health services that are desperately needed to combat this disease. In order to continue to fight the spread of TB in PNG and to protect the Top End from the risk of its spread, the government must continue to appropriately fund the Boigu and Saibai clinics. We support calls on the federal government to immediately provide long-term funding, through AusAID, to clinics that provide tuberculosis services to Papua New Guinea nationals and front-line health protection for Torres Strait Islander Australians.

Tuberculosis is not the only health issue facing this region. In 2009 the House of Representatives Standing committee on Health and Ageing conducted an inquiry into health issues jointly affecting Australia and the South Pacific, which involved a parliamentary committee delegation to Papua New Guinea and the Solomon Islands, which, unfortunately, I could not attend.

Ms Rishworth interjecting—

Mr IRONS: I did see the photos of the member for Kingston in that report and she looked as though she was struggling in the heat up there. From this delegation we heard evidence of the great challenges facing Papua New Guinea. As was recorded in the report, Professor Le Mesurier spoke of the high incidence of eye conditions in the Pacific. He referred to the approximately 800,000 people in the Pacific who are blind and an additional 250,000 people with severe vision impairment. Maternal mortality is another problem in the region and a worsening problem in Papua New Guinea, with government sources suggesting the maternal mortality rate has increased to 733 for every 100,000 live births. Compare this to a rate of seven deaths per 100,000 live births in the UK, according to 2002 UNICEF figures, and six in
Australia, according to the World Health Organisation. PNG's rate is the second highest in the Asia-Pacific region, after Afghanistan.

Other preventable diseases, such as gastroenteritis and diarrhoea, as well as increased levels of bacterial infections, including severe skin infections, are caused by poor access to safe drinking water and basic sanitation. These diseases can often kill. In August 2009 there was a severe outbreak of cholera in Morobe Province in Papua New Guinea, with some 300 reported cases and 20 deaths.

It is imperative that we maintain the funding for the clinics on Saibai and Boigu islands so that they can keep up the fight against these diseases and assist the PNG nationals who come across and seek treatment, because it is obvious that the people in Papua New Guinea do not have the ability at the moment to contain their disease levels.

Ms RISHWORTH (Kingston) (11:32): I am pleased to rise today to talk about the very important issue of TB and the spread of TB. It is a very complex issue and there is no easy solution. The complexity of it is perhaps missed a little in the motion. The member for Leichardt has very good intentions. I know he represents the area and I know, having been up there, people have said that they have seen him a lot—certainly in his previous term, and I am sure that that has not changed. However, the motion itself, while recognising this is a very important problem, probably misses some of the complexity around this issue.

I was very privileged, as has been mentioned previously, to travel to see both the Torres Strait Islands—and in fact visit the Boigu and Saibai clinics—as well as travel to Daru to some of the treaty villages. There are a number of challenges in PNG, and some of them have been mentioned, including the challenge of making sure people receive medication. In our discussions at the Daru health clinic, one of the issues that came up was ensuring that people do get their medication and continue taking it.

TB has become drug resistant because, while people get the drugs, they do not finish taking them. Ensuring that people finish their courses of TB medication is so desperately important. My concern, if the only long-term way we treat TB is through these clinics in the Torres Strait, is this: how do these clinics monitor people taking these drugs?

How do they ensure that the course is finished? That is one of the reasons the WHO, the World Health Organisation, has said that it is really important to treat people with TB as closely as possible to where they live. If you treat people as closely as possible to where they live, you can ensure that they are not only taking the medication but they also complete the medication. That was one of the big issues that people were raising: we need to ensure that people are treated as closely as possible to where they live to ensure that they finish their course of medication and to ensure that monitoring is done, and certainly I would support the government.

I know that the motion does call for ongoing funding. I note that the government has given temporary funding, because we are not able to shut these clinics down overnight. However, I do not believe that two clinics in the Torres Strait islands are sufficient to combat TB. Really, it is a mere bandaid solution in terms of actually ensuring that we treat TB. Only a few people can access those villages. People are not meant to come over from PNG for health reasons, but of course a lot do and I can understand that doctors, when presented with a very difficult, very severe case of multidrug-resistant TB, want to treat those patients. But that is not an
effective way. For an effective treatment of TB, everyone must be treated so that the disease is eliminated. Treating only a few people that are able to get across the Torres Strait, but may not finish their drug-resistant TB medication, does not actually address the real problem—addressing TB right throughout the Pacific region.

There are a lot of challenges, as has been noted by previous speakers. As I said, there is the completion of medication. There is also, obviously, access to medication, a massive issue, as is access to health professionals, of course. When we were there, there were certainly concerns that it was very difficult for Australian health professionals to collaborate with PNG health professionals because of the visa situation. Australian health professionals had to go through Port Moresby down to Daru and then to the Western Province.

However, I do not think that we should say that with these challenges—the issue of getting medication, the lack of facilities at Daru and the issues around access—we should just throw up our hands and say that therefore we will just have two clinics on Australian shores and just allow patients to come over, without actually saying what we are going to do. That is why I was very pleased that earlier this year, in September, the government introduced another round of investments. We have made a real commitment to addressing health issues in PNG and we have provided $13.8 million over four years for the Australian-PNG package of measures.

But, even more importantly, there is another $1.1 million of investment in PNG to provide for the recruitment of health staff to address the issues that they are facing to improve TB services at Daru Hospital; to outreach services to the villages along the South Fly coast; for the construction of a temporary isolation ward at Daru Hospital; for a pilot incentive scheme to improve patient compliance in completing courses of TB medication; for training laboratory staff on Daru in the diagnosis of TB and training community members to support TB treatment compliance in communities and for continuing to support increased laboratory diagnostic capacity. So rather than just saying that we will just keep doing things the way we have been, things that have not worked in keeping these two clinics open for those that can make it across, we need to actually combat the problems that have been identified and combat some of those limitations and address them. That is incredibly important.

I think that it is important to note that the treaty between the Torres Strait islands and Papua New Guinea treaty villages does not allow for people to come over with health concerns as the primary issue. I understand that health professionals are supported, but if the member for Leichhardt truly thought that people from PNG should be treated for TB in Australia then surely this motion would read that we amend the treaty. The member for Leichhardt should be honest and say to the people up there, 'I suggest we amend the treaty between the Torres Strait and Papua New Guinea to allow people to come over primarily for health reasons.' If he were serious about this and wanted Australia to be the first port of call for treating Papua New Guinean nationals with TB then he should ask for the treaty to be amended to allow this to happen, because the treaty does not actually allow this to happen.

We are not immediately closing these clinics. We are looking at temporary funding for these clinics to transition to a real long-term strategy. As I said, TB does not get eradicated by treating the few people from the treaty village who are able to come over here. Indeed, we need to treat it at its source. We need to address the issues about medication. I have noted there have been some successful handovers to TB clinics. PNG took responsibility for 21
multidrug resistant TB patients. We will continue to do that. It is very clear that, if we are going to do this business as usual in Saibai and Boigu, clinics are not the answer. They are not the simple solution. We need to do something different.

If the member for Leichhardt wants to amend the treaty, he should call for the treaty to be amended. I do not think that would be very popular in his constituency. I think making the treaty wider, not just for commerce purposes but for health purposes, would not be popular in his electorate. If he would like to see that happen then this motion should call for the treaty to be amended to allow PNG nationals to legally get health services in Australia. That would show he was fair dinkum about this. If that is what he would like to see, I encourage him to explain that to his electorate.

We are working with the PNG government to ensure we are following the guidelines of the World Health Organisation. We are looking at their guidelines about how best to treat TB in communities—that is, treat people close to their communities to ensure people are able to finish their course. We are providing funding. I mentioned the drug supply. There has also been money for a boat that will help provide health care to some of the more remote villages. There has been $740,000 to temporarily support the TB clinics as we move to a longer term solution. While I think everyone in this House wants to see this, this is a complex issue and we must address it in a complex way. (Time expired)

The DEPUTY SPEAKER (Mr Murphy): Is leave granted for the Chief Opposition Whip to speak again without closing the debate?

Leave not granted.

Mr LAMING (Bowman) (11:43): It is a great tragedy that today's debate on tuberculosis in Papua New Guinea has not been bipartisan. The two sides of parliament could have worked together to look after severely ill tuberculosis patients from Papua New Guinea, who for years have been treated by the finest infectious diseases physicians from Queensland Health. They have been nickel and dimed by the combination of the Queensland Labor Premier, who was looking for a short answer with less dollars to spend, and the Prime Minister, who simply did not have the will and the commitment to find a solution.

To blame the treaty is one thing but to embark on a personal attack against the local member who knows these islands is nothing short of a disgrace. We all love and work hard for our constituents. None of us here would ever suggest that those on the other side do not do that. For the member for Shortland in this debate to accuse the federal member for Leichhardt of not having visited the islands concerned is very disappointing. The member for Shortland is so far away from the focus of this debate and has probably never even seen a desperate PNG national crossing by dugout canoe in the hope they can get a family member or a child treated by the world's No. 2 health system. It was heartless, if not completely disappointing. It is a disgrace to make comments like that in a debate like this because we had a chance to get this right, a chance to inject a relatively small amount of money into making sure that our biosurveillance remains intact and that people who on compassionate grounds need life-saving tuberculosis care can access it. Mr Deputy Speaker, it was neither you nor me who designed the fact that Australia is within two miles of Papua New Guinea, neither you nor me who is responsible for the fact that the world's 174th ranked health system abuts by just a narrow, narrow isthmus of water the No. 2 health system in the world. So we do have to adapt
to the inevitable people movements—up to 50,000 of them a year—and the desperate, desperate attempts by PNG nationals to seek out tuberculosis care.

This is an endemic disease. This is one of the three great killers in the world. It is only two kilometres away from us here in Australia, in the Torres Strait. You would almost think that those on the other side do not recognise that Torres Strait Islanders are Australian citizens. I am sure that if we lived that close to the perils of TB we would be calling out to the lawmakers of the day to find a way to ensure that the most simple task of distributing tuberculosis treatments to people who live along the Western Province coastline was possible. But alas it is not.

To inform this debate, one just needs to talk to people like Fred Gela, from the Torres Strait Island Regional Council, or—as the member for Leichardt has—Toshie Kris, the Chairperson of the TSRA, or even Ron Enosa. These are the people on Saibai who know exactly what it is like. It is a complete affront to come to a debate in the nation's heart, be it 2,000 or 3,000 kilometres away from the Torres Strait, to wipe away and ignore such eminent and informed figures in the Torres Strait Islands and to turn this debate into a naked, partisan breakdown where basically one blames the other for the suffering of PNG nationals.

There is plenty of precedent for overseas nationals receiving Australia's first-class care, and there are plenty of committed clinicians who are already delivering it. They already travel, at great expense to their own practices, to Saibai and Boigu with nursing support and with top-quality TB expertise to deliver the service. It is not a major distortion to PNG health services because that entire coastal belt of PNG—even Indonesia itself—is wracked with the endemicity of chronic TB.

The great challenge we have, if we are going to enter this clinical space, is that we have to do it right. We have to completely treat people, as has been mentioned earlier in this debate. The risk of extreme resistance or even partial resistance to our TB treatments simply presents Australian citizens with an even greater challenge—that is, with extremely resistant TB, resistant to all drugs known to mankind and the medical system, we face the risk that an Australian can be infected by TB and be utterly untreatable by all the technology, all of the antibiotics and all of the advanced drug families, the second-line treatments, known to the medical profession.

Let us go through the history of this dispute, because, only a year ago, things were going well. It makes you wonder: just what does a Labor government have to do to get in and spoil a perfectly functioning clinical arrangement serving about 30 serious TB patients each year, visiting those islands of Saibai and Boigu and at the same time maintaining the biosurveillance that is so important for the northern parts of Australia? Here goes. First of all, Premier Anna Bligh spent herself into deficit within an inch of her fiscal life. She hit $85 billion in debt and said: 'Who can we find that's small and vulnerable and doesn't vote for me? Let's pick some Papua New Guinean citizens. There's not much they can do if we cut off their medical care.' So off she went and wrote a letter to the Prime Minister.

You would have thought that the Prime Minister of this nation would have looked upon that challenge and said: 'This is clearly a simple resource issue. We have the skills. We have the capacity. We have the distribution networks. We have, after all, the health system, and we have half a billion dollars every year poured into Papua New Guinea, so surely we already have the will, the commitment and the historical precedent.' But, no, there was a breakdown.
In the correspondence from early this year there was a subtle suggestion: 'No, we won't be opening the purse strings because we're running the economy just as badly in Canberra as you are in Brisbane.' No, that was not inserted in the letter, but it said that what was referred to as an external arrangement would be reached. That was code for dipping into the AusAID pot, because that was a little bit more generous at the time, and surely we could find some money in there to come up with an alternative. That was the sudden prospect that, after 25 years in this space, we could actually begin a Western Province TB program domiciled in Papua New Guinea in just three months. That is right: it was the Labor notion that we could train clinicians, distribute drugs, get DOTS going and have fieldworkers trained in TB in just three months. Do you know what was more important than all of that? What was more important for these two jurisdictions was to cut off the clinics that come from Cairns, take the best people up there and offer the clinical support.

The federal member for Leichhardt has personally met the families involved, like the PNG man who brought down his dying daughter only to see her, with cerebral TB, lose her life despite the best care available in Australia. He had to look after that gentleman and all the arrangements that had to follow. This became a personal commitment by the federal member for Leichhardt working with partners in Cairns because this TB issue is one that is real for Northern Australia. It may not be real if you come from Melbourne. It may not be real in this debate here today. But if you are up there on the frontier this is incredibly important. If you are representing Torres Strait Australians, who are Australian citizens, it is really important because they have the cultural connections and they travel for trade, for markets and for family connections. Unfortunately, with TB endemicity does come the risk to Australian citizens.

We did not set about turning this into a potent and toxic political divide today. What we really wanted was some agreement from the other side that we could take this issue up to the Main Committee and have general agreement, in a non-controversial way, that together we can talk to the providers of this care and find a better way to do it. Has anyone on the other side talked to Horn Island? Have they talked to the Torres Strait about other ways of looking after the severely ill instead of having to transport them to Cairns or further? There are more cost-effective ways to do it, but this whole clinical area has been abdicated by the two jurisdictions that are in question in this motion.

So to people like Fred Gela, Toshi Kris and Ron Enosa, I am compelled now to say, after this has completely broken down as a result of the appalling contribution from the member for Shortland, that we on this side of the chamber will not forget their needs. We know this is a complex issue, but we are not going to pretend that there is a TB program in PNG when there is not. Already this morning I am receiving communications from the infectious disease clinicians in Cairns saying that the same patients that they saw and handed over last month have not received their follow-up drugs in Papua New Guinea. No, they have not. For all the effort in the world and after a generation, there is still not the capacity anywhere in Papua New Guinea to look at a sputum sample and work out what treatment is needed for one of their own citizens. So don't pretend in this place that AusAID has the answers to this challenge in a month. In three years? Perhaps. It is a noble goal to set up a TB program to train the PNG locals to directly observe the taking of TB medications so as not to have
people, as they do so compassionately, share their TB medications with family and friends, 
innocently believing that that will cure them as well when it simply makes matters worse.

We need education. We need coordinators who have real telephones and are able to 
communicate with carers in Daru, Port Moresby and Cairns. Most of all, we need mobility 
through the use of maritime vessels to ensure these services are provided right along all the 
villages. But what we need more than anything is an injection of reality into this debate. It 
will not be done overnight. It is ridiculous to kill off the clinics and then talk about solutions. 
Worst of all, and most duplicitous, is to have these two jurisdictions squirting out press 
releases reassuring everyone that it will be okay in Papua New Guinea when anyone who has 
spent more than five minutes studying TB or more than five minutes on one of those islands 
knows it is a far more complex proposition. The intent of this motion from the member for 
Leichhardt was to raise this issue publicly and to garner the support of the government, 
something that I am very disappointed to say has not been achieved.

Mr GEORGANAS (Hindmarsh) (11:53): I rise to speak on this motion, as other members 
have before me, and I thank the member for Leichhardt for bringing such an important motion 
to this House. It is important when we look at diseases across the world and especially in the 
Pacific, the South Pacific, the Torres Strait and PNG to appreciate that countries have borders 
but diseases and illnesses do not. They do not stop at borders and if they are not contained 
they can spread across borders, including into Australia.

A couple of years ago I had the opportunity as Chair of the House of Representatives 
Standing Committee on Health and Ageing to visit PNG, Daru Island, the Solomon Islands 
and Saibai Island. We had an inquiry into health issues in the Pacific that affect Australia, and 
the aid that we give. Having seen the work that Australia has been doing over there when I led 
the committee on its visits during that inquiry, I thank the member for Leichhardt for the 
opportunity to speak on this motion today as I have a very strong interest in these issues. 
Bringing all this to the attention of the House is very important. However, having said all that, 
I cannot support this motion because I do not agree that the Australian government deserves 
censure for the way in which we have been assisting the people of Papua New Guinea, or 
PNG nationals, to access health care.

The Australian government is doing a great deal of work and spending many millions of 
taxpayer dollars tackling the economic and social costs, the mortality and morbidity caused by 
tuberculosis in PNG. That is reflected in the fact that in 2010-2011 alone, the Australian 
government provided $43 million to help strengthen PNG's health service across the country. 
That is a big help to the population of Papua New Guinea. Certainly, when we were there 
visiting health clinics and hospitals in regional communities, such as Daru, the people were 
very grateful for the assistance that they do get from Australia. That is not to say that we 
cannot do more. There is always more that can be done and we should always be looking at 
how we can do more to help some of the most needy people in the world when it comes to 
health services.

We know that there are risks to Australia, as I said earlier, if this threat is not adequately 
managed. Disease knows no borders. We come up with borders, as human beings, but 
diseases, catastrophes and earthquakes et cetera have no borders, and certainly disease knows 
none, and the impact of one of these diseases, tuberculosis, should not be underestimated.
But as PNG is a sovereign nation, delivering health services for PNG nationals is the responsibility of the PNG government. They made that quite clear to us when we were there. They are happy to receive our assistance and our support, but determining the responsibility for delivering those health services is the responsibility of the PNG government and they could not have made that clearer to us when we were there. They receive the assistance that we give them with open arms and they thank us, but they are a sovereign nation and delivering health services is their sole responsibility. Australian governments can only play a supporting role in delivering those services and assisting the PNG government.

I know this because a few years ago we were there when I had the great fortune of being the Chair of the Standing Committee on Health and Ageing and we conducted an inquiry into regional health issues jointly affecting Australia and the South Pacific. From 6 to 16 October, I led a delegation of the health committee members on the inaugural committee delegation visit to PNG and the Solomon Islands. The member for Swan is here and he was part of that committee and would have heard a lot of the briefings that we received at the time prior to going over there. He was not able to join us but I am sure that he is completely up to date with everything that we heard and saw.

During our visit to both countries, we met with a number of parliamentarians, government officials, health workers, civil servants and other representatives of PNG, as well AusAID and aid agencies that Australia has in PNG and in the South Pacific, to discuss a whole range of regional health issues. We discussed regional health issues that jointly affect Australia and the South Pacific. On our committee's trip, we were warmly received in both countries, both in the Solomons and PNG, and we appreciated the generous hospitality and the support provided by the host parliamentarians and government of PNG as well as our High Commission representatives in each place we went to.

We saw firsthand the hospital systems and the health care that is provided for those people. We saw what the problems were and how Australia was assisting. One of the things that was pointed out quite clearly was that PNG is a very remote, mountainous area. Some of the people who suffer from tuberculosis come into the health clinics, and may even come over to Saibai Island for assistance. They take the antibiotics and feel better, and then go back into their communities. You need to finish the whole prescription of antibiotics and even have a second dose. Because people feel better they decide they do not need the second dose and perhaps the tuberculosis has not fully subsided and it reappears in a more aggressive manner that is harder to treat with ordinary antibiotics. This is why we are seeing this new wave of secondary tuberculosis.

The delegation saw this firsthand. It was a great opportunity for us to learn about how all these things work, about their health services and delivery in countries neighbouring Australia. A benefit of this trip was the strength of the bilateral relationship between the two countries that we have longstanding and important ties with. A big focus of the visit was on tuberculosis and the factors that affect the spread and control of the disease. The inquiry heard in Cairns that TB is much more common in poorer communities where there is overcrowding and a lack of adequate ventilation. When we visited Daru we saw overcrowding. It is a very small landmass with thousands of people living there. We also learnt that patients are less resistant to the disease if they have other diseases, such as HIV, or are malnourished, and many people were.
Professor Maguire of the James Cook University School of Medicine and Dentistry told us that the incidence of tuberculosis is rising in Papua New Guinea. It was very sad to hear that. The rate there is estimated to be 95.3 per 100,000 people. Compare that with the Australian rate of 5.3 per 100,000 per year in 2005. Since 2000, approximately 25 per cent of those cases have been multidrug-resistant forms, known as 163, which add to the complexity and expense of treating the disease. These are usually people who have been diagnosed with tuberculosis, taken a dose of antibiotics, felt better and gone back into their communities where no-one can track them with the disease still in their bodies. The disease comes back in a more aggressive manner that is harder to treat with the ordinary antibiotics that were used in the first instance. We have confirmation that on the PNG side there are some difficulties tracking patients on their release. If we could track them then the health agencies could ensure that they receive the drugs that are required to get rid of the disease from their system. This has been the key contributor to the development of these strains over there.

When we visited Daru diagnostic facilities for identifying people with TB and for identifying people with multidrug-resistant TB were practically nonexistent. These are difficult problems. Sadly, there are no silver bullets or easy answers. I know the Australian government can and does help. Health is a priority for Australia's aid program to PNG. In fact, since we tabled the committee's report in March 2010, the government has announced funding of $1.1 million through AusAID to ramp up PNG's capacity to treat TB cases in the Western Province, which is the region of PNG closest to Australia. (Time expired)

Mr CHRISTENSEN (Dawson) (12:03): We are here in the 21st century talking about the threat of TB in the Australian parliament. Tuberculosis almost disappeared with 19th century novelists, who wrote of consumption as an everyday occurrence, both giving it to their characters and falling victim to it themselves. Sadly, TB, which was the cause of the death on the death certificates of all the famous Bronte sisters and at least two more of their siblings, is not a thing of the past. Not only has it remained commonplace in some countries, it is now bigger and badder than ever before. Having developed effective treatments for TB last century we now see a growing trend of multidrug-resistant tuberculosis. It is commonly found in many countries, including Papua New Guinea.

The Western Province is one of the most marginalised areas of PNG and also the closest province to Australia. The current Australian border is only a short boat ride away in a little open dinghy. Let us not forget that PNG gained independence from Australia as recently as 1975. Health care in the Western Province of PNG is not like health care in Australia. That fact has seemingly been forgotten by those opposite. A recent report revealed how Daru Hospital was basically just a hospital in name only. The facility was without a doctor, had a radiography and pathology unit that was not operational and had a pharmacy devoid of even the most basic medicines that we would find here in Australia. The hospital building itself was dilapidated and had no access to clean water and no regular supply of electricity. Yet this is the very same hospital that those opposite think is a suitable defence at the moment against the spread of tuberculosis through the Torres Strait Islands and onto mainland Australia.

Let us be clear about one thing. The spread of drug-resistant TB to Australia is not only inevitable under the government's current approach but is already happening. In March, Queensland Health was investigating six cases of TB amongst Torres Strait Islander families with connections to Papua New Guinea. Alarmingly, two Aussies living in the Torres Strait

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have already developed a deadly strain of multidrug-resistant tuberculosis. The spread of TB into Australia is not unexpected. In fact, Cairns based TB specialist Stephen Vincent assured us that it was inevitable. He predicted in the *Australian* on 30 October that we would see multidrug-resistant TB in Australia in the next six to 12 months at the most. That inevitability was drawn from two certainties: Australia's border to the north being extremely porous and, on the other side of the border, a disastrously high prevalence of TB—in particular, dangerous growth in the incidence of multidrug-resistant tuberculosis.

Australia—for now—has one of the lowest rates of TB in the world. But in Papua New Guinea, TB consumes 13 per cent of all hospital bed days and is the cause of 11 per cent of all deaths in the Western Province. TB in that incredibly close neighbouring country is more prevalent than the rampant HIV, and a person with untreated infectious TB of the lungs can infect another 10 to 16 people every year. It is a country where the spread of TB is out of control and where the strains of TB are increasingly uncontrollable. It is a country whose shoreline is a short tinny ride from Australia. Of course this disease is going to find its way into Australia without the frontline defence.

The Torres Strait treaty allows thousands of PNG national to cross the border every year for ceremony and for trading. They are not meant to cross the border for the purposes of seeking health care, but they do. PNG nationals who are desperate for tuberculosis treatment know they are not going to find it in the Western Province and choose to take the boat ride south in search of lifesaving treatment. To date, they have found that treatment on Saibai and Boigu Islands in the Torres Strait. Queensland Health has been treating PNG nationals on compassionate grounds at these two clinics. It is an expensive exercise but, it has to be said, it is worth it. These two clinics have been frontline defence for this disease. Without these clinics, those same desperate people will continue their journey, probably even further south to the more populous part of Australia, bringing the disease closer to the mainland and closer to a very expensive health and humanitarian disaster in Australia.

But, without warning, the federal government—who should know only too well how porous those borders are up there—decided that it did not want to fund those TB clinics. The Queensland government earlier this year ordered the closure of TB outreach clinics on Saibai and Boigu, effective as of June, that decision being based on the discontinuance of federal funding for the service. The federal government decided instead to provide funding for treatments in the Western Province. That decision immediately raised concerns in that area. At the coalface we have the mayor of the Torres Strait Island Regional Council, who said he was concerned about the health risk to his Islander residents when PNG nationals continued to turn up regularly for treatment and continued to come to the island. Health professionals, too, raised serious concerns about the effectiveness of trying to treat and prevent TB through a health system in the Western Province that is at best dysfunctional and at worst completely broken.

It now appears that the World Health Organisation has taken an interest in the situation that is now developing in the Torres Strait and PNG. While Australia spends nearly $5 billion a year on foreign aid around the world and we have a Prime Minister wanting to send more money to the IMF to lend to the European Union to bail out Greece, we see a paltry $1.1 million invested in the prevention of this deadly disease right on our doorstep. Once again, we see a government struggling to deal with something of basic importance to this nation and
taking something that is currently working and trying their hardest to break it. But it is not just a matter of wasted money. It is a very dangerous threat to the health of Australians. This is a move that takes health care back to the 19th century. Spending foreign aid in a place of dire need in our own region is commendable, but it is not enough to be effective. And to withdraw the safety net of the protection afforded by the TB clinics in the Torres Strait clearly endangers the Australian public.

The Australian public is just as concerned as health professionals and the people of the Torres Strait. Residents in my electorate have contacted my office with their concerns: Renate Kupfer of Slade Point; Sandra and Richard Ruddock of North Mackay; Laura Terry of Mackay; Mark Lauder of Habana; Terri Leota of Mackay; Bridget Foley of Walkerston; Lily Hutchinson of Beaconsfield; Chris Land of North Mackay; Keith and Ann McCollim, who are both pastors at the Holy Trinity Anglican Church in Mackay; Leanne Shepherd of Bucasia; and Deborah Rae of Glenella. These residents who have contacted me are North Queenslanders who, even though they live 1,000 kilometres from the Torres Strait, are acutely aware of the dangers posed by the premature closing of TB clinics on Saibai and Boigu islands.

We have a great Torres Strait Islander population in Mackay. There are also fantastic people of that descent in Townsville and Cairns, many of whom travel back to their island homeland regularly. Without these clinics, the front line of defence against tuberculosis, the risk of infection for those people—residents of Mackay, residents of Townsville, residents of Cairns—grows and grows. And what happens when they come back home—perhaps infected with TB—back to Mackay, back to Townsville, back to Cairns? The closure of these clinics is a great risk to North Queenslanders everywhere.

Funding and developing a tuberculosis program within the Western Province—yes, it is admirable, and it is to be encouraged, but it must be given time to work. Those opposite say that the TB clinics in the Torres Strait are a bandaid solution. But you cannot rip off the bandaid without the healing process beginning. The optimal solution must be properly funded, it must be developed intelligently and it must be given time. Advice must be sought from health professionals and the people on the ground. Advice must be sought and it must be heeded. We are asking the federal government to fund the treatment of foreign nationals. It is also a defence against TB spreading to our own country. The continuation of TB clinics must be funded on humanitarian grounds but also as insurance against a health disaster in this country.

I have sat through a fair bit of this debate and have found it very disappointing hearing the comments coming from those on the other side—disappointing that Labor are walking away from something to which there should be a bipartisan approach. I am disappointed that they are prepared to sacrifice the health of Torres Strait Islanders and North Queenslanders. I am disappointed that they have suddenly adopted a partisan approach to this. I am disappointed with the attacks on the local member, for goodness sake! There have been attacks on the local member, who knows all about this, by people from Adelaide who would not know Saibai from Samoa. But the local member, the member for Leichhardt, does and he knows that these clinics need to stay open. The people up there know it. The government is the only one saying they should not.

MAIN COMMITTEE
Mr LYONS (Bass) (12:13): I rise in the House today to speak on the scale of the tuberculosis threat to Papua New Guinea and Australia's aid program. Papua New Guinea is the largest developing country in the South Pacific region. We are internationally recognised for our leading role in the region, particularly in Papua New Guinea and the Pacific. But what I want to say first and foremost is that delivering health services for Papua New Guinea nationals is the responsibility of the PNG government. Australia can only play a supporting role.

About one-third of the world's population is infected with the organism that causes TB, but only about 10 per cent of these people will go on to develop the disease. Once you are infected you can develop the disease at any time, but it is most likely to occur within two years. Australian government agencies are working with the Queensland and Papua New Guinea governments to more effectively treat PNG residents with TB on the PNG side of the border so that they can get their health care at home, which is very important. The Gillard Labor government is providing $1.1 million through AusAID to help ramp up PNG's capacity to treat TB cases in the Western Province, the PNG region closest to Australia. Australian support has already seen PNG make headway, and this additional funding is further ramping up their capacity to treat TB cases in Papua New Guinea.

In my childhood, TB was fairly common, even in Tasmania, and there are still occasional cases in my state. We should be attacking this disease at the source, which is in Papua New Guinea. I understand that our support will help to recruit health staff to improve TB services at Daru Hospital and outreach services in villages along the south coast. This is something we should be very proud of. Other initiatives include the construction of an isolation ward at Daru Hospital, a pilot incentive scheme to improve patient compliance in completing TB medication, training for community members to support TB treatment compliance in communities, training for laboratory staff in Daru in diagnosing TB and continuing support to increase laboratory diagnostic capacity. The government is providing an additional $740,000 to temporarily support Queensland Health TB clinics while PNG's TB care capabilities in the Western Province are improving and to ensure an appropriate transition of TB patients from Queensland Health to PNG. I am advised that Australian and PNG clinicians are working cooperatively to hand over the patients. The first handover of PNG TB patients from Australian TB clinics to PNG took place last month. It was successful, with 21 multidrug resistant TB patients handed over. Two further handover clinics will be held, one in December and one in February.

World Vision reports that, in Papua New Guinea, there are still many misconceptions about TB. Many people believe that TB is caused by sorcery, while others believe that it is transmitted through sharing utensils. Misinformation and lack of education have become barriers to finding a cure. Adolescents and adults who have pulmonary tuberculosis can spread the disease when they cough. One person can unknowingly infect dozens. Those infected may not even realise that it is the disease, which may remain dormant and undetected for years before reactivating and making them ill. This often occurs when the immune system is weakened by HIV infection. If caught early, tuberculosis is curable. However, patients need to receive treatment for six to nine months. Stopping the treatment early leads to a recurrence of the disease, other people becoming infected and, sometimes, antibiotic resistance.
Our approach will provide better long-term health outcomes for PNG residents and is supported by the World Health Organisation. Health is a priority for Australia's aid program in PNG. In 2010, Australia provided $43 million to help to strengthen PNG's health services across the country. This is a significant investment. Through the PNG-Australian Partnership for Development program, we are supporting PNG's own priorities by focusing on four key areas: health, including HIV; education; transport infrastructure; and law and justice. According to AusAID, in 2010 Australia funded 539,000 new textbooks for over 3,400 primary schools and eight teacher-training colleges in PNG. Our support allowed for the abolition of school fees for the first three grades of basic education, supporting the aim of the PNG government to abolish school fees by 2015. Measles vaccination coverage had declined from 67 per cent to 58 per cent in 2009, and was at 59 per cent in 2010. The proportion of children under one year of age fully vaccinated against diphtheria, whooping cough, tetanus, hepatitis B and influenza type B increased from 66 per cent in 2009 to 70 per cent in 2010. This is significant. The Australian government's overseas aid program is improving the lives of millions of people in developing countries. Australia is working with the governments of people in developing countries to develop aid programs where they are most needed and will be most effective. Australian aid has helped our neighbours as well as countries further abroad, and our aid program continues to grow. For example, Australia's aid has wiped out polio from the Pacific. This is a significant achievement. Australian aid has seen more than 1.5 million children immunised against measles and polio in Papua New Guinea. We have a proud record.

Despite a growing global population, the world has made solid progress in the fight against poverty over the past 40 years. A woman's chance of dying during childbirth has dropped by 50 per cent. The chance of an adult not being able to read has halved. The average life expectancy in developing countries has increased by 20 years. Australian aid has contributed to these achievements. It is making a difference to the lives of our neighbours and it is boosting growth and stability in our region. I was pleased to have the Minister for Foreign Affairs, Kevin Rudd, visit my electorate earlier this year to discuss the effectiveness of our aid program. This was a worthwhile visit.

Many constituents in my electorate were keen to find out where our aid money was spent and to learn about the benefits coming from it. As I have said in this House before, there are many passionate people in my electorate who often talk to me about the Millennium Development Goals and the importance of our aid program. These people include the young people from Results International, who often write to me, my good friend Syd Edwards, Jeff McKinnon and his family and many others. I thank them for their support and commend Australia's aid program.

Papua New Guinea faces critical constraints on its development and it has some of the worst health and education outcomes in the Asia-Pacific region, driven by high levels of poverty and a largely rural population who are often living in remote locations. As one of Australia's closest neighbours and oldest friends, it is in our interest to help Papua New Guinea improve the lives of its people.

Mrs PRENTICE (Ryan) (12:22): Papua New Guinea is Australia's nearest international neighbour, and our countries have always had a close association both in times of war and in times of peace. As the Department of Foreign Affairs and Trade's own website states,
'geographic proximity and historical links have given Papua New Guinea a special place in Australia's foreign relations'. With this in mind, I condemn the Commonwealth and Queensland governments for their indication that they will terminate tuberculosis clinics on Saibai and Boigu islands, which currently provide vital tuberculosis surveillance and clinical care for PNG nationals.

Tuberculosis is a potentially fatal disease which debilitates those who suffer from it. It is highly contagious and, worryingly, TB specialists treating PNG nationals with this disease have seen the development of a drug resistant strain. In relation to a disease which already requires up to two years treatment, this development has serious and far-reaching consequences for the health of Papua New Guineans and Australians alike. For six years, PNG nationals have been making the short trip to Australia to access life-saving treatment for tuberculosis. It is a service that these sufferers have come to rely on, not only so that they themselves can recover but to ensure that the disease does not escalate throughout Papua New Guinea.

The international aspect of this issue is complex. The border between Australia and PNG is extremely porous, with tens of thousands of people moving back and forth between Papua New Guinea and the Torres Strait Islands every year. Putting humanitarian concerns aside, I think this movement of people between the two nations means that the stopping of treatment for PNG nationals suffering from tuberculosis is a dangerous prospect as it increases the risk of Australians being exposed to serious communicable diseases with which they would otherwise not come in contact. It is vital that the drug resistant strain of TB we are now seeing does not spread to the Australian mainland.

Just last year, a Senate inquiry was held into the issue of PNG nationals accessing treatment for TB in the Torres Strait Islands. This committee did not find that TB clinics should be shut down. In fact, it recommended the contrary: that the Commonwealth government should increase its funding to Queensland Health, which has been providing a service that essentially falls within national provinces. Why then has the federal government made this decision, a decision which has far-reaching health and diplomatic outcomes for Australia and Papua New Guinea? According to the Department of Health and Ageing the reason is financial. So, yet again, we see the people lose out simply due to the financial mismanagement by state and federal Labor governments.

Thankfully, there are organisations which can look past a budget black hole and address the human face of suffering. Youth with a Mission are one such organisation, and they are breaking new ground through their provision of an Australia-PNG medical ship used to achieve health outcomes in remote areas of the gulf and western provinces of PNG. In only its second year of operation, Medical Ships Australia has already provided 54,732 health services, ranging from issuing mosquito nets to dentistry and optical treatment. Just this month, MSA sailed into history by signing the memorandum of understanding with the PNG National Department of Health, committing the YWAM MSA to assist PNG in implementing its 2011-2020 National Health Plan. The MSA will also be assisting both PNG and AusAID in reaching their millennium development goal for the region.

Whilst the YWAM MSA helps provide an immediate solution to urgent health issues such as the treatment and control of tuberculosis in PNG, importantly it also emphasises a grassroots approach by engaging PNG nationals in their home villages and empowering them
to address their own needs through training in and equipping and delivery of life-saving health services. It is clear that it is this approach which will provide a solution in the long term and which will see PNG have the capacity to address these issues independently. Simply cutting off treatment is not only cruel for sufferers and potentially detrimental to disease contagion; it does nothing to assist our nearest neighbour to develop. It will be, realistically, at least a decade before PNG will be in the position to self-manage its tuberculosis crisis. In the meantime, Australia must assist. I support my friend Dame Carol Kidu, the former Minister for Community Services in the PNG government, who said:

Sometimes people forget that providing the support in the Torres Strait also protects Australia from the spread of tuberculosis as much as it provides support to Australia's closest neighbours—those PNG citizens right on the border in Papua New Guinea. In PNG we appreciate that targeted assistance from Australia in partnership with the PNG Department of Health to improve the capacity and service provision in our own clinics near the border. However that addresses the longer term not the immediate issue of a potential threat to Australian citizens that relates to a global health issue, which is targeted in the Millennium Development Goal No. 6.

I condemn the government's action and call on all members to support this motion and put human lives before bureaucracy.

Mr MITCHELL (McEwen) (12:27): I rise to speak on what I feel is a very partisan motion before the Main Committee today. From the outset, what we need to make clear is that delivering health services for Papua New Guinea nationals is the responsibility of the Papua New Guinea government. This is their primary role. However, in pointing this out, I say that Australia can assist and support PNG nationals, and this is exactly what we are doing.

Papua New Guinea's largely rural and remote population do find it difficult to access basic medical services and we know that there are many key health challenges facing the region, which is why we are working with the PNG government to help address these issues. Our federal government agencies are working with the Queensland and PNG governments to assist and treat PNG nationals with tuberculosis. We are providing $1.1 million through AusAID to contribute to Papua New Guinea's ability and capacity to treat tuberculosis in the Western Province, which, of course, is the closest PNG region to Australia. The government's support helps recruit health staff to improve tuberculosis services at Daru Hospital and outreach services to villages along the South Fly coast. We are also providing $740,000 to temporarily support the Queensland Health tuberculosis clinics while PNG's tuberculosis capabilities in Western Province are improved and to ensure an appropriate transition of tuberculosis patients from Queensland Health to PNG, where both Australian clinics and PNG are working together to hand over the patients.

It is not only this government's support that is providing better long-term health outcomes for PNG residents; that is also supported by the World Health Organisation. In 2010-11 Australia provided $43 million to help strengthen PNG's health services across the country. It was under Labor that Australia signed the PNG-Australia Partnership for Development, which aims to accelerate progress towards the Millennium Development Goals, something I am very passionate about, and other PNG development priorities. The partnership also provides a framework that allows both countries to work together in close cooperation to meet common challenges with a revised partnership schedule agreed at the 2011 Australian PNG Ministerial Forum, some of which are: faster progress towards universal basic education; approved access to quality education at basic secondary, technical and tertiary levels; and improving health
outcomes by providing assistance for PNG to vaccinate more children, increase the percentage of births supervised by skilled staff, increase the availability of essential medical supplies and improve access and treatment for HIV-AIDS. AusAID clearly state the following:

Australia and Papua New Guinea are working together to address this challenge through the Partnership for Development. The Partnership sets out mutually-agreed priorities towards reducing poverty and increasing the quality of life for all Papua New Guineans.

They also state:

Australia and PNG have agreed to increase the percentage of babies delivered under the supervision of skilled staff, immunise more children and reduce malaria and tuberculosis.

Under the Health Sector Improvement Program, Australia and other development partners are working through the PNG health system so, in the long-term the PNG National Department of Health can manage and deliver health services. Donor contributions include operational costs for public health activities and staff training.

Australia also funds the World Health Organization in PNG to advise the PNG Government in critical local health areas including: tuberculosis, human resources, pandemic and emergency preparedness such as the current cholera outbreak, and maternal and child health.

Our work in PNG has seen an increase in the PNG Stop Tuberculosis Program from two provinces to five, as well as decreasing malaria incidence and deaths; the immunisation of 900,000 children against measles and other childhood illnesses in 2008; and an increase in HIV testing sites.

Health is a big priority for this government and has always been a Labor priority. It is surprising that the opposition members want to talk about health, because we know it is those opposite who oppose Medicare and the national health reforms, who cut billions from the budget for public hospitals and who continue to receive donations from big tobacco—more than $1.7 million in donations since 2004. The Leader of the Opposition, as health minister in the Howard government, cut $1 billion from public hospitals, which would have been enough to fund over 100 beds. It is Labor who established— (Time expired)

Mrs MARKUS (Macquarie) (12:32): I am honoured to have the opportunity to speak on this important private member's motion, and I thank the member for Leichhardt for his work in raising awareness of the challenge tuberculosis poses for Papua New Guinean and Australian citizens in our north. Firstly, can I say that I am disappointed that this is not supported in a bipartisan way. This is a critical issue for our nearest neighbour, for our region and for the residents of our own nation in our north. The risk of the infection spreading across our borders is great, due to Australia's close proximity to Papua New Guinea, particularly the Western Province, which is extremely isolated and which this issue gravely concerns.

The lack of long-term funding to tuberculosis health clinics in Papua New Guinea is a serious, life-threatening challenge that this government has chosen to address with its typical response, a short-term solution: a $631,000 one-off payment to two clinics on Saibai and Boigu islands and $1.1million for work on the Daru Hospital. This financial gesture will look good in the next news cycle; however, it does not deliver any long-term or real solutions or benefits.

TB clinics were, until recently, operational on Saibai and Boigu islands, providing vital TB surveillance and clinical care for Papua New Guinean nationals. The solution this government
has provided is short-term funding to keep these clinics operational only until next year. Having lost financial commitment from the Queensland Labor government, this government is not doing enough to address the long-term funding these clinics need to continue to operate. This government has acknowledged that tuberculosis is one of the most significant public health threats to the global population. Words are not enough.

Further, the Department of Health and Ageing claims that Australia has one of the lowest rates of TB in the world. In contrast, PNG has the highest rate of TB in the Pacific region. Australia's border is so close to PNG, particularly to the Western Province, that the risk of infection to our own residents as well as to Papua New Guinean nationals is very serious. To treat Papua New Guinean nationals is to protect our Australian citizens. Instead this government refuses to proactively address this concern. The Gillard Labor government will wait until disaster strikes, fumble its way through a series of policy debacles—which we have seen in other areas—and capitalise on a trendy headline and photo opportunity but without considering either the national interest or the interest of our nearest neighbours. While our Pacific brothers and sisters have very limited capacity to respond to this health disaster, they require our assistance. They require us to come and work alongside them in partnership on a plan and its implementation and also to make sure that its delivery is culturally appropriate.

It is a regional travesty that this short-term-thinking Labor government does not have either the passion or the foresight to take action so that we can work towards addressing more effectively TB in our Pacific region. Efforts should be concentrated on long-term funding for long-term gain. Even for a government that usually thinks only about itself and its own interests, it is baffling that it fails to address the challenge that is sitting on our doorstep. The government will take extensive measures to protect itself but not Australians and Papua New Guinean nationals. Australia's efforts to minimise TB can only be supported by adequate funding allocated to research, drugs, administration and delivery of health services. Australia has been very successful in its treatment of this disease. However, this disease is becoming more and more challenging to treat among PNG nationals, particularly with the increasing prevalence of drug resistant strains of TB. There are challenges with distribution and the correct use of medication, which require doctors and healthcare workers who understand how PNG, its cultures and its village system work. Australia needs to work alongside PNG to provide the correct and adequate resources to alleviate TB in its early stages. We need to work on contact tracing, going all the way back to the village and making sure that every single person in the clan receives medication and treatment. This will require our working very closely with the PNG government to ensure that the plan that we implement together with them will work on the ground. (Time expired)

Mr HAYES (Fowler) (12:37): I thank the Chief Opposition Whip for bringing this motion forward as it gives us an opportunity to reflect on Australia's relationship with Papua New Guinea, particularly in the area of health. Australia and Papua New Guinea enjoy a mutually significant relationship based on strong geographic and historical ties. In fact, as I understand it, from the Western Province of Papua New Guinea you can paddle some five kilometres and make it to Australia's maritime waters. Due to our strong historical and geographic ties, Australia naturally has a very strong interest in the development of Papua New Guinea and of the Pacific in general. We have heard much about that over the past week. Australia has invested a lot of aid in Papua New Guinea. At the moment a little over $1 billion from the
2009-2010 budget alone has been allocated to PNG aid, of which a large proportion, $133 million, has been directed towards health matters, including $72 million for Papua New Guinea Health for HIV and AIDS programs—which I understand, from previous speakers, have been very much of significance in that region.

Despite this substantial development assistance, we cannot deny that the PNG health system is still incredibly fragile and certainly failing to meet Millennium Development Goals—there is no retreating from that, particularly as they relate to health. It is well established that Papua New Guinea nationals often choose to seek treatment at Australian health facilities on Saibai and Boigu islands rather than attend closer facilities in the Western Province, at Daru. There are a number of possible reasons for that. The low standards of health care in areas have been identified, including issues about governance, administration, difficulties in respect of infrastructure—the size—poor sanitation, water and water quality. Clearly, these matters all have an impact and, as a consequence, people in Papua New Guinea are making a choice to go elsewhere for treatment.

These issues, combined with a lack of qualified staff and clinical supplies and a limited diagnostic capability all contribute to a large number of the communicable diseases, including TB. As most here would be aware, tuberculosis is an infection, primarily of the lungs, caused by a bacteria that often spreads from person to person by the breathing of affected air during close contact. Overcrowding and the lack of adequate ventilation are significant reasons for the high prevalence of TB in poorer communities, particularly in Papua New Guinea. TB incidence in Papua New Guinea is rising to a rate, as I understand, of over 95 people per 100,000, compared with Australia, where it is five persons per 100,000.

One of the issues about TB in Papua New Guinea is that it is becoming largely treatment resistant. Part of the reason for that is inadequate attention being given to follow-up treatment. Once they are getting better from the drugs being administered, people tend to vacate the system, whereas the actual bacteria must be completely eradicated, otherwise it returns to its host and, then, with some degree of mutation it can be not only stronger but more resistant to drug related medication.

This is where the issue about practitioners involved in the field and working with the community becomes very important. Due to geographical proximity and the high mobility of people between Papua New Guinea and Australia, aided no doubt by the Torres Strait Treaty, there is a high risk of this disease being able to cross borders.

The government is already putting $1.1 million into AusAID to help ramp up PNG's capability for treating TB cases in the Western Province. This is an area that geographically is closest to Australia, and it is an area that people are avoiding at the moment. This investment will go towards recruiting staff at Daru Hospital and at their outreach service, which is so critically important to working at village level, particularly in the south Fly coast.

I think this has been a good opportunity for members to focus on this debate and concentrate on building proper services in Papua New Guinea.

Debate adjourned.

White Ribbon Day

Debate resumed on the motion by Mr Hayes:

That this House:
(1) notes that 25 November 2011 marks White Ribbon Day, the symbol of the United Nations' International Day for the Elimination of Violence Against Women;
(2) recognises that White Ribbon day aims to prevent violence against women by increasing public awareness and education by challenging attitudes and behaviours that allow violence to continue;
(3) asks all Australian men to challenge these attitudes and behaviours by joining ‘My Oath Campaign’ and taking the oath ‘I swear never to commit, excuse or remain silent about violence against women’;
(4) notes with concern that one in three women will experience physical violence, and one in five will experience sexual violence over their lifetime;
(5) understands that domestic and family violence are primary causes of homelessness;
(6) acknowledges the community cost of violence against women and their children to the Australian economy was estimated to be $13.6 billion in 2008-09, and that if we take no action to shine a light on this violence, that cost will hit an estimated $15.6 billion in 2021-22; and
(7) asks all Members to show that they are challenging violence against women by wearing a white ribbon or wristband on White Ribbon Day.

Mr Hayes (Fowler) (12:43): For a number of years now during the week that includes 25 November I have stood up in this House and spoken about the highly significant and deeply worrying issue of violence against women. It is at around this time of every year that we are all reminded of the disturbing statistics indicating that, in their lifetime, one in three women in our country will experience physical violence and one in five will experience sexual violence.

As a husband, a father of one daughter and a very proud grandfather to three little girls, I am petrified at the thought that, going by that statistic, one of my precious girls is likely to experience violence in her lifetime. I think that personalising these statistics—thinking about them in terms of your own family and the women and girls that we love—may give us a better appreciation of the horrific and heartbreaking situations, and the consequences, of domestic violence in our community. Amnesty International statistics show that, in Australia, domestic violence puts women aged between 15 and 44 at risk of serious health issues and premature death. Domestic violence is rated higher than most other issues within the community. It is heartbreaking to think that poor health, as well as premature death, can be brought about by people whom these women feel closest to. New South Wales police report that 70 per cent of victims of domestic violence are women, 80 per cent of offenders are men and most female victims are assaulted by their male partners. When people are ill or sick, partners should be the ones they turn to. I find it unimaginable that, in so many cases, it is the partners who are causing this illness in the first place.

Research shows that, of the number of young women who witness domestic violence in the home, 50 per cent will grow up to take an abuser as a partner. What I find more chilling is that, of the number of boys who grow up in a home where there is as an abusive relationship, 60 per cent will become abusers themselves. So the cycle does not end; it continues. In 2010 in my electorate, there were 792 reported cases of domestic violence in Liverpool and 735 in Fairfield. In Liverpool there was an increase of 9.4 per cent and, in Fairfield, there was an increase of 6½ per cent, compared to the figures for the previous 12 months. The majority of these statistics do not take into account the non-physical forms of violence, such as emotional and financial intimidation, which can also have long-term negative impacts on their victims. These are actual reported cases of abuse. Even more worrying is that many incidents of
violence against women go unreported. In a number of cases, the victims have, sadly, been silenced, simply out of fear. Society at large should take a proactive role in encouraging victims to raise their voice and say: 'Enough is enough.'

This Friday is White Ribbon Day. The White Ribbon campaign calls on all men to take on the challenge and to question the attitudes and behaviours that allow violence to continue in our community. It encourages men to act as role models and take a lead in communicating that violence against women is never, ever acceptable. I am proud to say that a number of events have been organised in my electorate to commemorate this important day. The event at Miller Square, organised by Jimmy Mtashar, from the Liverpool Migrant Resource Centre, and a similar event in the Freedom Plaza, Cabramatta, organised by Dr Simon Emsley from the Cabramatta Community Centre, are aimed at drawing attention to the issues of domestic violence, particularly in multicultural communities.

Earlier this year, a young woman, Zara Maxwell-Smith, was working in my office as part of the Australian National University Internships Program. During her time working with me she compiled a report on issues associated with domestic violence in the south-west of Sydney. The report findings, based on interviews with various service providers and community leaders in my electorate of Fowler, suggest a strong connection between high domestic violence statistics and the strongly multicultural nature of my electorate. The report suggests that current migration practices might be lacking when it comes to conveying information about domestic violence and Australian law to people migrating to Australia. This finding is supported by similar findings made in a 2009 report evaluating Australia's cultural orientation program. The report identifies a number of points in the migration process where further information about domestic violence should be communicated to people moving to Australia. It is paramount that we ensure that victims from non-English-speaking backgrounds have greater access to services and that the system does not fail our newest arrivals to this country. Empowering interaction with the law is critical not only for the victims but also for the perpetrators of domestic violence. They need to understand the ramifications of such a crime, which is really a crime against our community. For many cultural groups, awareness of the law can potentially influence their attitudes so that domestic violence is seen to be unacceptable and it is less prevalent throughout the community.

Domestic violence has been shown to occur in an intergenerational cycle. As I have already mentioned, 60 per cent of young men growing up in abusive households are more likely to become abusers and 50 per cent of women growing up in abusive households are likely to take an abuser as their partner, so it is absolutely imperative that steps be taken to reduce the prevalence and impact of domestic violence. If we do not do that, we know it is going to be perpetuated as the cycle continues.

We need to ensure that White Ribbon Day is not just another day on the calendar but a day on which people make a change—a change in attitude; a change for the better. As I have said before in this place, violence against women is the most widespread human rights abuse in the world. It cannot be dealt with in any way other than ensuring there is complete awareness and discussion of this and a commitment to stamping out this level of violence. In Australia the cost to the economy of domestic violence against women and children was estimated at $13.6 billion in 2009. If it is not addressed, by 2021 that cost is likely to rise to a staggering $15.6
billion. It must be recognised that while living free from violence is everybody's right, reducing violence is everybody's responsibility.

In conclusion, this coming Friday I will join with many Australian men and take the white ribbon oath. I will swear never to commit, excuse or remain silent about violence against women. It is a very simple thing for all of us men to do in this place. I would encourage all men throughout the community to take that pledge. We all have a responsibility for leadership in our communities and I think we should be taking steps on this principal issue of human rights to show strong and unwavering leadership. I would also encourage the men of this place to show their commitment by wearing a white ribbon on White Ribbon Day, to be prepared to stand up and show leadership in their communities and not to be afraid to say that we abhor any violence against women. Violence against women is never, ever acceptable in this country.

Mr ALEXANDER (Bennelong) (12:52): I thank the member for Fowler for raising this important motion in recognition of 25 November as the International Day for the Elimination of Violence against Women. The white ribbon campaign is one of the world's largest movements to raise awareness and funds for the prevention of violence perpetrated against women. As a male-led movement it engages and empowers men and boys to be leaders in a change of attitudes and behaviour.

Violence most obviously damages the victim, but it also has a profound impact on the wider community. The individual carries physical and psychological scars for years, if not decades, to come. Many victims of assault, threats, abuse and sexual violence have summoned the courage to discuss the long-term effects on their relationships, on their children and on their communities. The National Council to Reduce Violence against Women and their Children has also calculated an economic impact, with the estimated cost of reported violence against women and their children totalling $13.6 billion in 2009. This cost is because the victims do not suffer in isolation; they are our wives, our mothers, our sisters, our daughters and our friends. It is vital that from the top down and the bottom up, from our parliaments and from our schoolyards, we show that we treat this issue with the utmost seriousness. In 1991, the White Ribbon concept was started in Canada by a group of men commemorating the second anniversary of one man's massacre of 14 female engineering students. White Ribbon activities began in Australia in 2003. Whilst many events are held close to 25 November, the White Ribbon campaign is year round. This work aims to raise funds to resource and support White Ribbon ambassadors in their activities. I am proud to have recently added my name to the list of White Ribbon ambassadors and have taken the White Ribbon oath. I urge all men to do likewise.

The White Ribbon Foundation participates in social marketing, supports community activities in increasing participation and awareness and distributes school information, education strategies, research information and policy advice to identify effective activities and interventions to prevent violence against women. White Ribbon urges men to be positive role models and to recognise and promote awareness of the shocking extent of violence against women. According to the Australian Bureau of Statistics, one in three women in Australia reports having experienced violence since the age of 15—that is over 2.5 million women. Of this number nearly 1.5 million, or one in five women, have experienced a form of sexual violence. Almost every week in Australia a woman is killed by a male partner or ex-partner,

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**MAIN COMMITTEE**
often post separation. Intimate partner violence, including physical, emotional and sexual violence, is the leading contributor to death, disability and ill health in women aged between 15 and 44. The impacts flow on to our children. Fifty-five per cent of homeless women with children are escaping domestic violence. One in four young people have witnessed violence against their mother or stepmother. Exposure to domestic violence is a form of child abuse that cannot be ignored, with high personality, behavioural and psychological problems amongst these children. Research has shown that young men who have experienced domestic violence are more likely to become perpetrators of violence in their own relationships. Of course, a perpetual problem with statistics in this kind of field is the likelihood of under-reporting, with many women bearing a form of shame for the crimes that have been committed against them.

Violence against women is too often perpetrated by current or former partners of the victim and with the knowledge of male peers of the offender. As a male-led movement, the White Ribbon organisation was formed to encourage men to speak out about violence against women. Silence when we know violence is occurring makes us an accessory to the violence. Challenging attitudes will help other men take the steps necessary to break the cycle of violence. This is essential to promote the cultural change to show that masculinity and machismo are directly linked with respect for women, not associated with violence and domination.

We men are a strange group when it comes to such change. Many in this place commented on my recent physical likeness to my former colleague John Newcombe—the one of the moustache. Whilst I will protest that there is no similarity between our backhands—he was once called by the great Lew Hoad 'Johnny No-backhand'—I was only one step better, in my opinion, not in his. But I am proudly showing my support for Movember, another male-led cultural change program. Recently John Newcombe, John Raper, John Konrads and Ken Rosewall all suffered health scares, broadcasting that even our greatest Australian men are in fact only human. At its core, Movember is a way for a man to proudly announce that he takes men's health issues seriously. Physical and mental health are matters that too many men shake off because of some warped kind of bravado. Movember says that real men acknowledge the need for physical check-ups. Movember empowers a man to tell another man that he needs to get help. Movember applauds those who have struggled and survived to tell their tale, like my colleague the member for Goldstein, who recently documented his inspiring story in the book Black Dog Daze.

The Movember and White Ribbon programs are interlinked. They both deal with a male attitude that restrains so many in our community from speaking up and from influencing their peers on the real meaning of machismo, which is to be honest with yourself and respect your loved ones, not resort to an arrogant response of physical force and ignorant attitudes of invincibility. I again thank the member for Fowler for bringing this important issue to this place for discussion and note the support being duly given by an all-male cast of speakers to follow. Whilst too often our attention is focused on the rifts and divisions between our two parties, it is discussions like these that highlight our shared core values on the issues that are really important in defining us as Australians.

Dr LEIGH (Fraser) (13:00): In 1991 a small group of Canadian men started the White Ribbon campaign. Tragically, the inspiration for the first White Ribbon Day was the second
anniversary of the Montreal massacre, a massacre where a gunman entered a university and killed 14 women and injured 10 others. This small group of Canadian citizens believed that as men they had a responsibility to speak out against violence against women. To symbolise men's opposition to violence against women they chose to wear a white ribbon. Eight years later the United Nations General Assembly declared 25 November International Day for the Elimination of Violence against Women and adopted the white ribbon as its symbol.

One reason I became an ambassador is that White Ribbon Day promotes change by highlighting the positive role that men can play. It encourages all men across the world to take an active stance against violence against women. This Friday, 25 November, is White Ribbon Day, a day when men say it is not okay to use violence against women, when men speak out to change the attitudes and behaviours which allow violence against women to occur and when taking action to address violence against women is celebrated, supported and encouraged.

The global statistics on the abuse of women and girls can be mind numbing. In their book *Half the Sky*, Sheryl WuDunn and Nicholas Kristof report that more girls have been killed in the last 50 years simply because they were girls than all the men killed in the battles of the 20th century. Thanks to White Ribbon Day, high-profile ambassadors, such as comedian Wil Anderson, Indigenous AFL player Adam Goodes, NRL point-scoring record holder Hazem El Masri and our own Minister for Foreign Affairs, Kevin Rudd, have signed the oath 'never to commit, excuse or remain silent about violence against women'. But it is through all men, among each other, letting it be known that violence against women is unacceptable that the greatest change occurs. Fathers, sons, brothers, uncles, team mates and colleagues—every effort and every conversation makes a difference.

I am sometimes asked by men why the focus is on violence in the home that is directed towards women. The answer comes clearly out of the statistics. According to the latest recorded crime publication of the Australian Bureau of Statistics, men are most likely to be assaulted by a stranger, followed by a non-family member, followed by a family member, but for women the reverse is true. Women are most likely to be assaulted by a family member. That is why it is so important we speak out about violence against women.

In my electorate of Fraser I am attending two separate events supporting White Ribbon Day. A barbecue breakfast is being held this Friday by the Canberra White Ribbon Day group, with the support of the Australian Federal Police, the Young Women's Christian Association, the State Emergency Service, Lifeline, the ACT government and men from across the ACT community. The other is a lunchtime event by the ACT Labor Status of Women policy committee. Both events are an opportunity for men in the electorate of Fraser to speak out against violence against women and to demonstrate the power that positive male role models can have in their local communities.

In addition to the support of colleagues and me for the prevention of violence against women, last Friday the Standing Council on Law and Justice considered draft legislation to implement a national scheme for domestic and family violence orders. Once implemented, the legislation will allow those protected by a domestic violence order to move across state and territory borders and remain covered. It is one more valuable piece in providing better safeguards for victims of domestic violence.
Violence against women is unacceptable. Men do have a responsibility to speak out on this, to speak with other men and to speak out in the community. Along with 16,500 Australians I have sworn 'never to commit, excuse or remain silent about violence against women'. This White Ribbon Day men will be saying it is not okay to remain silent about violence against women. It is up to men to be good role models for boys and for other men, young and old, in their community. I am proud to be a White Ribbon Day ambassador in my electorate of Fraser. I encourage all men to join me in speaking out on this important cause.

Mr CHESTER (Gippsland) (13:04): On two previous occasions I have spoken in this place about the importance of White Ribbon Day and to condemn violence against women in our community. In speaking today in support of the motion by the member for Fowler, I commend the House for its level of bipartisanship on this issue and seek to highlight the challenge that still confronts us. I think it is worth noting that all eight speakers on this motion today are men. I think that sends an important message to women throughout Australia that at least in this place it is a key issue of concern and that the men in this place are determined to do their bit to raise awareness of domestic violence affecting women.

It should be self-evident that violence against women cannot be tolerated in any circumstances, but we continue to experience a disturbingly high level of family violence in my community and throughout Australia. In fact, the Latrobe Valley Police Service Area is reported to have the highest incidence of family violence in the state of Victoria, and other parts of Gippsland are also infamous for the rate of crime against the person.

Family violence often carries the tag of 'domestic violence', which I think in some way sanitises the crime. Crimes in the home, particularly physical and sexual assaults, are often hidden, and because they occur in a domestic setting there is some reluctance in our community to intervene. I fear that the old saying that what happens behind closed doors should remain behind closed doors has provided a protective armour for the criminals who prey on children and women in the home environment. It is up to us in this place to pull down that shield and not shy away from the difficult and often confronting issues associated with family violence.

We do need to shine a light in the dark places where these crimes occur and protect some of our most vulnerable citizens from harm. We need to send a message to the thugs who will commit these crimes that they have no right to privacy in their homes if they are using those walls to hide their violent crimes from scrutiny. Such violence is often hidden by the victim's feelings of shame and guilt, along with an overriding fear of the perpetrator. We need to send a message to the victims that they are not alone. If these crimes were committed on the street there would be community outrage, but because they are often hidden in the home they too often escape attention.

It is with this in mind that I am greatly heartened by the comments of the new Chief Commissioner of Victoria Police, Ken Lay, who was reported in the Weekend Australian as demanding a renewed focus on domestic violence in Victoria. In the article Mr Lay calls for a new public awareness campaign to prevent women and children from being assaulted in their homes:

The interesting thing for me is understanding that a woman or child is more likely to get assaulted in their home than they are on the street. That just underlines the fact that it is an issue that is important, it's an issue that, as a community, I don't think we have got on top of.
White Ribbon Day is an occasion for us all to refocus our efforts as a nation and as community leaders that it is never okay to strike a woman or to intimidate, bully, harass or sexually assault another person. Today I appeal again to all the men in my electorate, the electorate of Gippsland, to join me in denouncing violence against women and to join me in being a positive role model for our sons, our nephews and our brothers. By our actions, we need to show all men and boys the right way to behave—to respect, nurture and care for women in our society and to treat them as equals.

I commend the member for Fowler for bringing this motion to the House, and I commend all the members who have spoken on this issue and who will speak in a moment's time. I believe that White Ribbon Day is an important occasion but that it should not be viewed in isolation or seen as a single day for raising these issues. We must remain committed to raising these issues on the other 364 days of the year. We need to remain eternally vigilant and be willing to take action when we suspect that violence is occurring in the home. Staying silent is not an option for us. Too many of our mothers, our sisters and our female friends are experiencing violence at the hands of men they know, often in their own homes. We must do more to remove violence or the threat of violence from their lives. I commend the motion and commend the member of Fowler for bringing it to the House.

Mr NEUMANN (Blair) (13:08): As a White Ribbon Ambassador I believe that first and foremost I have to be a man who embodies the values, ethics and morals expressed in the campaign in my everyday life at home, at work and in my community. I am the father of two adult daughters. It is my dream, aspiration and hope that they will live their lives in a world without domestic violence. It is my hope that as an ambassador I can be a role model for other men and for boys to know that violence against women is unacceptable in any form, and that is a message that should be perpetuated throughout our community. It is disturbing that violence—gratuitous and unnecessary—has become an acceptable part of our lives. It is evident in our movies, on television and in music. All too often our children have become immune to the impact of violence and have experienced simulations of violence on their computer, PlayStation and Xbox. Even more disturbing is that too many children experience violence in their homes. We know that children who are exposed to violence are more likely to themselves become victims or, as adults, become perpetrators. I applaud the Prime Minister and the COAG process for the National Plan to Reduce Violence Against Women and Children 2010-12. The plan reminds us that, while living safely and free from violence is everybody's right, reducing violence is everyone's responsibility. The national plan targets two main types of violence: domestic and family violence and sexual assault. These are gender specific crimes; they have an unequal impact on women.

As has been said before by the member for Fowler—and I commend him for his foresight in bringing this motion into the House—one in three Australian women has experienced some form of physical violence by the age of 15 and almost one in five has experienced sexual violence. According to the Australian Bureau of Statistics, in 2005 some 350,000 women experienced physical violence and over 125,000 experienced sexual violence of some description. Indigenous women and girls are 35 times more likely to be hospitalised due to family violence than any other Australian women and girls, a point reinforced by the Doing time report from the House of Representatives ATSIA committee.
This federal Labor government has committed $96.4 million over four years to combat violence against women, including $25 million towards ending violence in Papua New Guinea and throughout the Pacific. The White Ribbon campaign is the only national male led violence prevention program. It targets men in particular and urges us to take a stand and not turn a blind eye towards violence against women.

Sadly, as the member for Fraser pointed out, it is familial danger, rather than stranger danger, which is the risk for most women and girls. As an accredited family law specialist before I entered parliament, I saw the impact of domestic violence on thousands of clients and their children. Sadly, most people turned a blind eye. In fact, it was difficult from time to time to get the courts to take domestic violence seriously. And all too often police only think of it as 'a domestic', when, if perpetrated on the street, it would result in immediate apprehension, incarceration and prosecution.

Too many women and children are victims of domestic violence. The real tragedy is that there is a failure to recognise what domestic violence really is. It can be familial isolation, financial domination, stalking, friendship denial and a host of other things, including spiritual abuse—where people are denied the right to express their spirituality—damage to property and reproductive control, which I have seen perpetrated by men on numerous occasions.

I applaud the government for its attempt—and it has been passed through the House of Representatives—to contemporise the definition of 'family violence' in the Family Law Act. I also applaud the steps taken to recognise domestic violence orders—or apprehended violence orders, as they are described in states other than Queensland—across the country. We need to get rid of the 'dingo fences' which prohibit courts from easily recognising domestic violence orders in the various states and territories of this country.

All men are responsible to make sure we do not turn a blind eye. This is a men's issue, not just a women's issue. It is a men's issue because men have the power to make changes as leaders and decision makers in their homes and their workplaces. It is a men's issue even though a minority of men are violent towards women. Men need to speak out and send a message. They need live to their lives so that violence against women is unacceptable and that message goes down through the generations. I commend the member for Fowler for this motion and I am proud to stand with him and other members of this place in a bipartisan way to protect women and children in our community.

Mr FRYDENBERG (Kooyong) (13:14): I rise to support the motion moved by the member for Fowler to acknowledge White Ribbon Day and to condemn violence against women, particularly domestic violence. This notion of White Ribbon Day has its origins in a massacre in Montreal in 1989 at a university, when 14 women lost their lives. The statistics in Australia about violence against women are quite alarming. One in three women over the age of 15 experiences some form of physical or sexual violence. But the truth is that this is not just a statistic. Each one of those females is a person whose life will be forever changed by the emotional and physical trauma that they suffer in what is often male-dominated violence.

For me, this issue was brought home, when I was a much younger person, through the movies—in particular, the New Zealand movie Once Were Warriors. It was based on a novel by Alan Duff and showed very graphically a level of horrific domestic violence in a Maori family. I remember leaving that film and just being shaken to the core. I and the person with whom I had gone to see the film had to go and have a coffee to talk about the issue because it...
actually challenged us in a way in which I had never been challenged before. There was another movie, called The Bandit Queen. It was an Indian movie about a lady called Phoolan Devi, who was repeatedly gang raped and suffered severe trauma and violence because of her place in a lower caste in the caste system. Those two movies, for me, had a very dramatic effect on my understanding of the level of violence perpetrated against women overseas, but I know violence is also perpetrated against women in our own country.

So governments must do everything they can. The Bsafe pilot scheme is one that we would like to see continued. It allows women who can be subject to domestic violence to alert authorities through a buzzer. Law enforcement agencies must do everything that they can. That is why I welcome the comments of the new commissioner of police in Victoria on this matter. But it is up to individuals, particularly men, to take the oath to commit themselves to ensuring that they never commit domestic violence or violence against women and that they do not excuse or remain silent in the face of violence against women.

What we need in our community is leadership. We need greater knowledge and understanding of this issue, because it is not about statistics—it is about individuals; it is about people. And it is not just about one event or one night of crime or violence; it is about what it does to that person for the rest of their life, affecting their capacity to be a mother or a daughter or a sister or a niece or a wife, because once they have been subject to violence they lose their confidence; they change their outlook. And that is something that they should never be subject to.

So I commend the member for Fowler for this motion. I think it is extremely important that every member of this parliament, male and female, acknowledges the situation as it currently stands—that one in three females over the age of 15 is subject to some form of physical or sexual violence in their lives. It is important that we redouble our efforts and that, where possible, we use leading personalities in the community to educate, and that we reach across the age divide and the partisan divide and the divide between men and women to ensure that we do everything we can to eliminate violence against women in our community, because it is totally unacceptable.

Debate adjourned.

Sitting suspended from 13:19 to 16:00

BILLS

Defence Trade Controls Bill 2011

Customs Amendment (Military End-Use) Bill 2011

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr ROBERT (Fadden) (16:00): I rise to lend some comment from the coalition on the Customs Amendment (Military End-Use) Bill, noting, of course, that the Defence Trade Controls Bill 2011 and the Customs Amendment (Military End-Use) Bill 2011 are being debated cognately. We are now at the end of a road that we have journeyed down for a number of years. The coalition began the process of creating 'trusted communities', whereby
Australian and US companies can trade defence equipment without the need for ostensible export licences. Indeed, the former Prime Minister, the Hon. John Howard AC, and the former President, George W Bush, signed the Treaty Between the Government of Australia and the Government of the United States of America Concerning Defence Trade Cooperation in Sydney on 5 September 2007. The Rudd government signed off on the subsequent implementation arrangements on 14 March 2008. We then waited for the US congress to pass implementation legislation at the end of September 2010. Then the Senate ratified the treaty on the following day, 29 September. The intent of the treaty is to permit the licence-free export of defence goods and services, provided, of course, they meet security and regulatory requirements between the Australian and US governments and between Australian and US companies.

Currently, Australian companies that need access to defence items or technologies in the US need an export licence from the US Department of State. This is to comply with the International Traffic in Arms Regulations, or ITAR, system. The existing export control regime, however, has focused on exports of tangible, physical, tactile goods. The growth of technology, especially computer and software technology, has meant that many defence export services can be provided literally over the net or through a range of brokers. These are not captured easily within existing controls. It is therefore argued that there are currently gaps in Australia's existing defence export controls. Those gaps exist in terms of internal or intangible transfer of technology; provision of services relating to defence and strategic goods and technology; the brokering of the supply of these goods, technologies and related services; and the exportation of goods intended for military end use that may prejudice Australia's security, defence or international relations.

The Defence Trade Controls Bill 2011, therefore, is designed to strengthen the defence export controls and to implement a treaty and provide the framework around the treaty between Australia and the United States of America. More specifically, the bill will establish and manage the 'trusted Australian community'. It will define membership requirements of this community. It will define offences for individuals and companies who fail to comply with their treaty obligations. It will establish monitoring powers and record-keeping requirements.

This process was begun by the coalition as it saw a desperate need to cut red tape, to simplify processes for sharing equipment, information technology and the like between Australian and US defence companies and to deliver new opportunities for Australia's defence industry to work closely with US industry, especially on sensitive defence technology projects. The coalition is fairly proud of the initiative. It sits in well with what the coalition is all about—boosting exports, boosting jobs, cutting red tape, helping companies enter global supply chain contracts, supporting jobs and providing a longer term stability for the Australian defence industry. It was after all the coalition that committed, year on year, to over 30 first- and second-pass approvals through the National Security Committee of Cabinet so that the Defence Cooperation Plan, the DCP, could be taken to a banker. The DCP outlined exactly when Defence would look to procure goods and services, and defence industry were able to plan their R&D, their financing and their people strategies around it. When Labor came to power, the DCP was cut from 10 years to four years. But now it is back again, as Labor have acknowledged the egregiousness of their mistake. Yet, in place of the 33 first- and second-pass approvals granted by the coalition, last year we were down nine—and in the
previous year there were not too many more than that. Fourteen billion dollars worth of defence industry and defence projects have been pushed to the never-never. This is the Labor government's current track record on defence industry, so it is little wonder that they are lauding this particular bill and what has happened with defence industry as a result of it. But let this parliament be in no doubt: the process of cooperation began with the coalition, and my best guess is that when all is finally said and done it will be the coalition who will implement it sensibly and seriously to the very end.

The coalition also saw the need to speed up delivery of the next generation of defence technology through improved military-industrial collaboration, the coalition saw the need for further enhancement of interoperability between Australia and the US, and the coalition saw the need to ensure that the ADF continues to enjoy access to cutting-edge capabilities in the future. We believe that the intent and the spirit of this treaty reflect a significant trade and industrial cooperation between Australia and the US. We believe it will complement the ANZUS treaty and complement our close intelligence cooperation and the current free-trade agreement, and it is made possible by the unprecedented closeness of our alliance with the US.

The coalition are therefore wholly supportive of the intent of this legislation and broadly supportive of the direction in which the legislation is going. We do have a range of concerns, and these have been confirmed through a range of industry consultations. One concern is about the fact that Australia and the US signed the treaty without a regulation impact statement having been made. That is not surprising, considering that regulation impact statements are becoming very short and sweet—or, indeed, non-existent—in most legislation this government is putting through. Their approach is a far cry from their 2007 mantra that there would be a regulation impact statement for everything the government did and that they would do nothing without a cost-benefit analysis. The problem is that there is no cost-benefit analysis for this bill. Neither is there a cost-benefit analysis for the $43 billion NBN, but we digress when we begin to talk of one of the largest expenses in Australian history, which this government is undertaking without a cost-benefit analysis and in direct contravention of its 2007 policy. Why make some sort of comment about its integrity in the 2007 election? We will just move on from that little blip.

The DEPUTY SPEAKER (Mr S Sidebottom): Yes, I think you should.

Mr ROBERT: Although a regulation impact statement is not required under the treaty, in the bill there is an RIS which focuses more on examining proposals to implement a strengthening of the existing defence export controls. Indeed, the explanatory memorandum notes:
The RIS concludes that the proposal to strengthen Australia’s export controls will impose some additional regulation burden on the export of defence and strategic goods, technology and related services …

During the coalition's consultation with industry, concerns were raised about the role of the US State Department in approving Australian companies or individuals as trusted members of the Australian community. Industry was concerned that the process of gaining such approval might be cumbersome, costly and time-consuming, with no right of appeal. We share this concern. To date we have received nothing that would ameliorate this concern, and it was confirmed for the coalition when it was briefed by the Department of Defence, who also
expressed that work was still required in this area. We look forward to seeing the work required in this area and to getting a feel for the cost, the time, the work and the right of appeal involved in the process. These issues will be a major focus of the proposed examination of the bill by the Senate Foreign Affairs, Defence and Trade Legislation Committee.

Coupled with this concern is the lack of confidence within the defence industry in the consistency of decisions made by the Defence Export Control Office about what strategic goods can or cannot be exported. I also have concerns that DECO's replacement IT system will not be operational in time for the commencement of the legislation. Questions on notice to which the government responded on 22 August 2011 said that the government was unable to provide the cost of this system and that the government was unable to provide the cost of running the new system. The government suggested that the new IT system would be operational in the first half of 2012. Well, if this government's ability for implementing IT systems is the same as the Labor government in Queensland's ability for IT systems, especially in health, I suggest we will be waiting an incredibly long time. The government's response to the questions on notice gives the coalition no confidence at all that the IT system which will support the implementation of the treaty is on track, or the boundaries, the costs and the time are known. There has been no indication given on whether or not a contract has been awarded, who to, or when the new system will actually be delivered. According to the government, the old system is terribly outdated, which begs the question: why has it now taken four years to implement a new system when this process started with the signing of the treaty in September 2007? And here we are with the government still unable to provide the opposition with basic questions, in terms of projects, of cost and time. I can only urge the government and urge the minister to take the issue a little more seriously, given Labor's track record in so many projects they have sought to implement.

I have also spoken to the minister with respect to the regulations that underpin the legislation. The legislation is in many respects a coathanger legislation, with much of the grunt work being done through the regulations. The minister has acknowledged that the regulations currently have not been drafted, and there is no regulation to provide to the opposition to understand the full gamut of what is being proposed. He has agreed, of course, that the regulations, when drafted, will be staffed out for comment and the coalition will have an opportunity then. But, of course, the staffing of the regulations will occur after the bill has passed the parliament. So we look forward to seeing the regulations and reserve our right to seek to strike them down if they do not meet the intent of what the minister has brought forward with respect to the bill.

With respect to the Customs Amendment (Military End-Use) Bill 2011, it of course is tied tightly to the Defence Trade Controls Bill 2011. Its purpose is to amend the Customs Act to include a power to prohibit the export of non-regulated goods that may contribute to a military end-use that may prejudice Australia's security, defence or international relations. The bill will implement the treaty between the government of Australia and the government of the United States of America concerning defence trade cooperation, which of course was started in September 2007. The power to be included in the new section 112BA of the Customs Act will enable the Minister for Defence to prohibit the export of specified, non-regulated goods to a particular place or person. In exercising this power, the Minister for
Defence must suspect the goods would or may be used for a military end-use that may prejudice Australia's security, defence or international relations. Where the minister forms such a suspicion, the minister may issue a prohibition notice preventing the export.

Under the new subsection 112E(13) goods are or may be for a military end-use if the goods are or may be for use in operations, exercise or other activities conducted by an armed force or an armed group, whether or not that force or group forms part of the forces of the government of a foreign country. These provisions are being included in the Customs Act to reinforce our export controls by providing authority for intervention at the border of goods not otherwise regulated but nonetheless potentially being exported for military end-use contrary to our national interest. In other words, and quite simply, the bill will increase our compliance with regard to the export of not only military equipment but also non-tangible items such as services and intellectual property.

The treaty is widely held up to provide substantial benefits for defence. We will continue to hold the government accountable to ensure it achieves this stated aim. The intent is that it will improve commercial opportunities for Australian defence industry; that it will create a comprehensive framework for the two-way trade in certain defence articles required for specific end users, projects, research programs and operations; and that it will remove the need for export licences within an approved community of government facilities and private companies in Australia and the US. The minister has stated in conversation that costs associated with onerous security requirements will be met by the government. I look forward to seeing this in action. We remain strongly committed to local defence industry. We support the bills. We will have them referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee upon reaching the Senate, to ensure that the issues I have outlined are discussed and examined and that the concerns are properly dealt with. I look forward to the Senate response and, more importantly, I look forward to the government quickly releasing the regulations so the entirety of what is being considered can be examined in greater depth.

Mr HUSIC (Chifley—Government Whip) (16:15): I am pleased to speak on the Defence Trade Controls Bill 2011. As the Minister for Defence Materiel indicated in his second reading speech to the House, the legislation seeks to achieve some extremely important outcomes, notably helping strengthen our alliance with the US and the relationship between our defence industries; improving interoperability of the Australian and US armed forces; helping deliver equipment to our troops faster and cheaper; providing opportunities for the defence industry to win work in the US defence market; and enhancing Australia's defence export controls to bring them into line with international best practice.

The primary path to achieving these outcomes flows from the implementation of a treaty signed four years ago between the Australian and US governments. In the interests of precision, the title of the treaty is the Treaty between the Government of Australia and the Government of the United States of America concerning Defense Trade Cooperation. This helps provide a tremendously useful platform from which to lift two-way trade in defence items between what are known as trusted communities and without relying continually on export licences. While the treaty was signed four years ago, it has obviously taken time for the parliaments of our respective nations to ratify the document and for it to go through their respective parliaments. It was only in September last year that the US Senate recommended ratification of the treaty. What stands out for me within these arrangements announced by the
minister are three points. Firstly, it cuts bureaucracy and red tape impacting on local Australian defence industry operators, seeking to lift the amount of work and services they can undertake for the US. Secondly, in doing this it will also ensure that existing legislative export control measures are strengthened. But ultimately the biggest benefit will be the way it lifts defence cooperation between our two countries.

We have had great reason to celebrate this cooperation in the previous week, with the visit of the President of the United States in this year, the 60th anniversary of the signing of the ANZUS Treaty. But we strengthen our commitment together year in year out in a number of ways. For example, it is worth noting that around half of Australia's war-fighting assets are sourced from the US and, on top of this, we are looking to replace or upgrade up to 85 per cent of our military equipment over the next 15 years. So there is a great degree of work happening between our two countries, and there is scope for more.

It has been recognised for many years now that Australian industry has played an important role in helping the ADF meet its critical objectives for this country. In fact about 20 years ago my predecessor in this place spearheaded a landmark review into defence industry policy, which he released in November 1992. I tracked it down in the Parliamentary Library. In that work, Defence policy and industry: report to the Minister for Defence, then Parliamentary Secretary Price likened the defence industry, in its support of Australia's Army, Navy and Air Force, to the important fourth arm of our country's defence. At that point in the report he noted that the level of Australian industry involvement in major capital equipment projects within defence under the Hawke-Keating government had almost trebled from about $476 million to $1.4 billion. It was a tremendous reflection on the confidence in the capacity and capability of our local defence industry, and that confidence continues today.

Take, for example, our budget for sustainment, where our spend is set to grow from around $5.3 billion this financial year to over $6.1 billion in 2014-15. Around 70 per cent of that figure will be spent right here in Australia strengthening employment, fuelling scope for innovation, providing commercial benefit for local industry. It is worth noting that a strong defence industry here that is providing and fuelling that innovation in the commercialisation phase, and looking for ways to provide new product, goods and services, spreads to the broader economy, with equipment that may have had in its genesis a defence intent then being used for other commercial purposes. Within the scope of this bill, there are obviously particular protections in terms of the use of technology, but I take this opportunity to reflect on the fact that defence industry suppliers here, through their work within the sector, have enormous opportunity to then provide other goods and services that will spread into the broader economy.

Talking of sustainment, just this year the government announced details of some significant projects—a $100 million contract with General Dynamics Land Systems-Australia to maintain the Abrams tanks and ASLAVs; a $300 million contract extension with BAE Systems Australia and Lockheed Martin to maintain the Jindalee Operational Radar Network; a $70 million contract with Raytheon Australia to maintain tactical data radio systems; and a $20 million contract with CAE Australia to provide training for aircrew on our air-to-air refuelling aircraft. Recently, Minister Clare announced the release of a $300 million tender for the first of Navy's group maintenance contracts. These contracts are being provided to companies that are doing some really fantastic work. For example, an Australian company...
that has been successful in the US defence markets is shipbuilder Austal. Austal built the Navy's current Armidale class patrol boats based in Darwin. The company is based in Western Australia but has set up operations in the US to build a shipyard in Mobile, Alabama. It has a $1.6 billion contract to build 10 Littoral combat ships for the US Navy. The contract was awarded in November 2008.

The government is also helping defence companies access global markets through the Global Supply Chain Program. Around $400 million in contracts have been awarded to Australian defence industry suppliers through the Global Supply Chain Program, and 90 per cent of that money has gone to Australian SMEs. This is a tremendous mark of confidence in our local industry. These are big projects and major opportunities. They are a demonstration of our belief in the great capacity and value of local industry.

While we have a vibrant local industry with work to sustain and grow its capabilities, we can also look for improvement. The bill before the House seeks to do just that. Currently, when Australian companies need to access defence items or technologies from the US, they have to apply for an export licence from the US Department of State in accordance with what is known as the ITAR—International Traffic in Arms Regulations—system. No-one would doubt that ITAR is critical for a range of important reasons, but the current arrangements can be improved, and that is what is being proposed. The legislation tackles the need for individual licences to be mandatory for each individual export application. One can easily appreciate that having to regularly apply for individual licences adds up in cost and adds up in time. Under what is being proposed here, the treaty will lift the requirement for individual licences and provide for licence-free movement of eligible defence articles within what will become known as ‘approved Australian-US communities’. These communities will consist of government agencies, companies approved as community members and their eligible employees. An approval of an applicant for membership of the Australian community will involve the consideration of a range of factors, including, for example—and these are important—convictions for export control offences, the level of foreign ownership or control, and prejudice to security, defence or international relations for Australia.

For the ADF, the treaty will improve interoperability with US armed forces by way of sharing common equipment and spares during exercises and operations. There are benefits for Australian industries but they will, as I mentioned earlier, need to comply with security requirements to ensure the protection of technology, particularly US technology, that they access. Offences will also exist for community members who do not comply. So, while these are understandable, necessary measures, there are significant opportunities for what will become known as Australian community members, with considerable potential to access greater investment opportunities.

I also commend the government for the extensive consultation process with industry, from the biggest companies to the smallest firms whose innovation and know-how have seen them score significant work. That consultation process, managed by Ken Peacock AM, captured a range of views, including the requirement to help, for example, SMEs who are aiming to become approved community members. That was picked up in some of the work done here and it is reflected in this bill. These industries can certainly access opportunities.

I was particularly pleased to see that industry will be able to access better information on the goods that are within the scope of the treaty and that will help them plan and develop lead
times for potential investment and procurement bids. This will also be backed up by our Department of Defence, which will be taking steps to ensure it can help companies comply. Finally, I commend the decision to waive any charges to industry for approvals, registrations or security clearances associated with the bill. I conclude on the point that, as much as we are freeing up red tape, we are taking seriously our responsibility to ensure that security provisions are put in place—requirements to be satisfied by an employee or contractor for Australian community membership, record-keeping compliance and reporting requirements—to ensure adequate oversight in that process. This bill will build on the solid legislative export control measures that exist. As the minister indicated in his second reading speech, these measures aim to ensure the responsible export of defence and strategic goods, and I wholeheartedly commend the bill to the House.

Mr BALDWIN (Paterson) (16:25): The recent visit of President Obama to Australia demonstrated, and the President mentioned it in his speech to the House, that the relationship between our countries has never been stronger. This is a relationship that has been supported by both sides, and it is in that spirit that I rise today to speak on the Defence Trade Controls Bill 2011 and the Customs Amendment (Military End-Use) Bill 2011. The purpose of these bills is to implement a treaty between the government of Australia and the government of the United States of America concerning defence trade cooperation. It is also important to remind the House that this year marks the 60th anniversary of the ANZUS alliance. This bill came about from a coalition initiative that came to fruition when Prime Minister John Howard and US President George W Bush signed the Australia-United States Treaty on Defence Trade Cooperation over four years ago. It might have taken some time, but I broadly welcome the government's decision to bring this legislation forward. It will bring Australia more into line with what Canada has had with the US for several decades now, namely, a special arrangement designed to remove any defence export restrictions on industrial cooperation. This is something that the US and Britain were also able to achieve in a treaty framework.

Although the treaty was signed in September 2007, it has not yet entered into force. It will come into effect once the domestic legislative requirements of both countries have been met. The coalition is responsible for additional parliamentary and Committee on Treaties procedural safeguards that will apply. We take our bilateral and multilateral treaty obligations very seriously, and we are keen that such international arrangements are made with full reviews of the obligation placed on us, including the economic, environmental, social and cultural effects of the proposed treaty; the obligations imposed by the treaty; how the treaty will be implemented domestically; the financial costs associated with implementing and complying with the terms of the treaty; and the consultations that occurred with state and territory governments, industry and community groups and other interested parties.

In respect of this particular agreement, the difficulty with the current setup is that there is need for licences at all stages, and each licence can take from three to 12 months for approval. Licences must be sought even for efforts involving cooperation between subsidiaries such as Raytheon Company based in the US and Raytheon Australia. This is an important feature of any serious export control regime because it prevents cut-out technology transfers. Nevertheless, it does get in the way of relationships between trustworthy allies. These difficulties within the existing arrangements manifest themselves in a number of ways. They even strike at the very initial stages of cooperation by creating huge hurdles and costs for any
discussions and sharing of technical data to even begin exploring cooperation between Australian and American firms. They strike at the active cooperation stage by making full Australian participation in joint projects difficult, to say the least, because licensing slows down the process and makes it easier to select US partners instead. Finally, it gets in the way of transfers of US origin equipment and technical data, slowing down any effort to do more maintenance and sustainability work locally after Australia buys US equipment or upgrades what it has. The US congress agreed to pass a watered-down solution in 2004. It gave the UK and Australian export requests expedited status, which improved but did not fix the situation. US defence industry companies have also banded together on this issue to press for a change in export systems as a whole.

Under this treaty, US exporters working with firms in the 'approved community of companies' can forgo the licensing requirement and just advise the US Department of State that they have engaged in an eligible defence export activity with Australia.

Eligible exports will include exports for: mutually determined security and defence projects where the Commonwealth of Australia is the end user, which will not include the F35, since that is a multinational project with its own agreements; cooperative security and defence research, development, production and support programs; and combined military or counterterrorism operations.

A compliance and audit regime, whose details must still be determined, will be set up to monitor the agreement. This will include accreditation standards for 'approved community' status, covering issues like facility clearance, business history, export licensing and compliance record and relationships to countries of concern. Australian companies that are not a part of the approved community will still be able to use existing US export control arrangements. ITAR et al will also apply to any highly sensitive exports, still to be mutually determined, that are not covered by the treaty. Once in force, the treaty will create a framework for two-way, licence-free trade in certain defence articles between Australia and US members of the approved community. The approved community will include government agencies and private companies in both countries.

The potential benefits of the treaty include: reduced time delivery for new defence projects; improved sustainment by permitting transfers within the approved community without further US approvals; improved business opportunities by permitting Australian and US companies to share technical data without licences; and a greater opportunity for Australian companies to tender for US contracts. That, in particular, is one area I want to focus on and that I will come to later in my speech.

Under the treaty, Australian companies will avoid having to seek US government approval for each transaction. The treaty will remove administrative delays associated with the existing Australia-US export licensing system, while ensuring that sensitive defence technology is appropriately protected. Australian defence companies will be able to apply to become members of the approved community. The approved community allows government agencies and private companies in both countries to trade in defence articles without the administrative delays caused by US and Australian export controls. Applying for membership in the approved community will be a voluntary commercial decision. Those that choose not to join the treaty will continue to operate within existing Australian and US defence export controls.
To qualify for membership, companies must be accepted and must comply with security standards, marking and handling requirements, and regular audit and compliance obligations. Entry into the Australian approved community will be a commercial cost-benefit decision for individual companies, based on the level of business a company is likely to undertake with the US government or with US defence companies. Implementation costs to individual companies will vary depending on the level of access to treaty articles and the level of security they currently have in place.

The Defence Trade Cooperation Treaty is a significant step towards cooperation between the Australia and the US defence industry. In December 2010, the Defence Export Control Office, DECO, conducted consultation sessions with industry in each state and territory. DECO has continued to engage with industry throughout 2011.

The opposition wants the treaty to work as effectively as possible, the initial benefit being the provision of better access to US defence technology, while still maintaining assurances that it will be protected appropriately. However, in the future we hope our companies will be able to use the legislation and its simplified procedures to more efficiently export indigenous technology to the US.

Australia has the capacity to design and develop sophisticated defence technology. An example of that is the uniquely designed Nulka rocket-designed decoy missile, which takes antiship missiles away from their targets. It has already been fitted to more than 130 Australian, Canadian and United States warships and is probably one of Australia's most successful defence exports. Another example is the Bushmaster, the mine protected vehicle which does so much to protect our nation and other nations that are using them in Afghanistan by deflecting away the force from IEDs and other similar devices. I say this to the government: we have a unique technology, a design technology, and I am just amazed that this government has not sought more opportunity to sell the Bushmaster program into the US market. In fact, this government joined up and paid US$40 million to US companies to be a part of the JLTV program, a program now in trouble because it never met its design criteria. Yet Australian companies like Thales, who produce the Bushmaster, have also developed the Hawkeye, a smaller version which can comply with their technology. So what we need is a greater emphasis from this government in promoting Australian defence technologies into other markets and, in particular, the US market, which is a great procurer.

In my area of the Hunter Valley, defence industries provide many thousands of jobs. Forgacs, for example, has played a major role in the air warfare destroyer project, which was started in 2009. It will have built 14 of the 31 blocks that will make up the first ship, HMAS Hobart, and 13 of 31 blocks that will make up the second ship, HMAS Brisbane. The contracts won as part of this project in 2011 are worth $80 million and creates 200 more jobs for that company. Other Hunter companies which have capabilities to profit from defence contracts include BAE Systems, which only this year won a new three-year contract to provide vital usage monitoring services for the Royal Australian Air Force's FA18 Hornets. Under the contract they will gather, track and report fatigue related information about the Hornet's airframes and engines using an unique Australian developed, maintenance diagnostic and service life monitoring system.

There may be great opportunity to export that technology to other countries to help with their aspects of through-life systems and fatigue monitoring but, at the same time, we have the
capability here in Australia and we should use that capability and that initiative to sell into other areas. In fact, the number of companies in the Hunter that do amazing work and are exporting already around the world, but are not able to penetrate the US market in any great way, are companies like C-E Solutions, who manage complex systems engineering, communication and defence projects; Cowan Manufacturing, who construct the most amazing recompression chambers which are fitted to warships throughout the world and in commercial operations; ATSA Defence Services, who specialise in the support of mine warfare underwater vehicles for the Royal Australian Navy; Puzzle Precision, who are an amazing company that develop low-level—in terms of production—but highly sophisticated circuit boards and, at times, one-off circuit boards for defence and related industries; Sisley Clothing, who manufacture the Nomex flight suits and other safety clothing; and, of course, GH Varley, who build a number of defence vehicles and are currently doing some specialised trayback modules for our new defence vehicles. Those companies are innovators. They are just some of the companies involved in defence industries in the Hunter. We have a spirit there of innovation and technology development. What is disappointing is that as they try to approach the US markets, it is all too hard. What we need—and I hope it comes as part of this work on this treaty—is greater access into the US defence systems for Australian technology.

If this legislation is passed, and I assume it will be because it has the support of the coalition, I want businesses in regions such as the Hunter, and small and medium enterprises in particular, to be able to use their expertise to take advantage of future export opportunities to create additional investment and, more importantly, jobs. It is in this spirit of implementation that more work needs to be done to realise the advantages to both the Australian and US governments. So the coalition will be keeping a close eye on how these regulations associated with this legislation are implemented to make sure they do not disadvantage Australian industry. As a part of this we welcome the consultation projects, which should not be just about informing industry but about providing an opportunity for those who will be affected by the arrangements to help shape how these measures will be applied in practice. Australia can ratify the treaty once this parliament has passed this bill and I would ask it to do so without unnecessary delays. This legislation also proposes to strengthen export controls in a number of areas, including brokering, intangible transfer of technology and the provision of services. These enhancements will ensure Australia's position is at the forefront of international best practice, and the passing of this legislation will allow the treaty to be enacted. It is anticipated that it will be introduced into parliament this year. Without any reservation we support this legislation. The legislation framework was commenced by the Howard government. I am glad to say the carriage of it has continued despite the delays in the US, and we ask that it be expedited as quickly as possible.

Mr NEUMANN (Blair) (16:40): I speak in support of the Defence Trade Controls Bill 2011 and the Customs Amendment (Military End-Use) Bill 2011. This comes about because of a treaty that was signed in September 2007, known as the Australia-US Treaty on Defence Trade Cooperation. I intend to deal with what the legislation has to say and then localise the issue and deal with the implications and the consequences for one particular Australian company and one particular platform, or what the Minister for Defence Materiel describes as one of Australia's war-fighting assets, the Super Hornet, 24 of which are located in my electorate of Blair at the RAAF base at Amberley.
Both of these pieces of legislation are important. The Department of Defence conducted a series of information sessions around Australia in December 2010, the first stage of stakeholder consultation. It is important that we improve our relationship and continue our cooperation with the US. As the member for Chifley pointed out, about 50 per cent of the assets that we use in the defence of our great island continent come from the United States and, according to the Minister for Defence Materiel, we anticipate increasing that to 85 per cent in the next few years as we continue to embed ourselves in our relationship with the US.

It was a Labor Prime Minister, John Curtin, in the dark days of World War II who committed Australia, without fear or favour and with true dedication, resilience and commitment, to fight alongside American troops. Since that time we have fought in wars with the United States as our allies and we continue to do so in Afghanistan.

This is an important piece of legislation because it enhances the free trade cooperation between our countries and makes sure that our relationship is strengthened in certain defence contracts. As best as possible, it gets rid of bureaucracy and red tape and reduces delays. It removes the need for export licences within an approved community—which includes government defence organisations, the Department of Defence and private companies—of government facilities and private companies both in Australia and the United States, and that is important. We are committed as a matter of priority to all steps necessary in relation to this ratification. We think it is important. In fact, I notice that the Minister for Defence, the Minister for Foreign Affairs and the Minister for Trade released a joint media statement welcoming the treaty.

It was also discussed as recently as 2010 at the Australia-United States Ministerial Consultations, known as AUSMIN, and was mentioned in the 2010 joint communique of AUSMIN. So it is an important treaty and it has a long history, as previous speakers have said, going back four years, and creating a framework or an apparatus for a two-way trade cooperation between the United States and Australia between what are described as trusted communities without the need for export licences.

In March 2008 the implementing arrangement of the treaty was signed and tabled in parliament for consideration. It was looked at by the Joint Standing Committee on Treaties, and in September 2008 the committee recommended that the Australian government implement the treaty in domestic law. We are following that and I am pleased that the coalition is supporting it. In September last year the US Senate recommended the ratification of the treaty, and this was followed by the passage of the treaty through the US Congress on 28 September 2010.

As I said, what are described as the approved committees will consist of government agencies, companies approved as community members and their eligible employees. There is an opportunity for the community to opt in. I do not imagine that too many companies will opt out, particularly in view of the fact that this is an arrangement whereby they no longer have to apply for a licence to trade in certain defence related articles and technology to the United States. I cannot imagine that too many companies will want to opt out of that type of arrangement. There are, by virtue of the Defence Trade Controls Bill, some additional controls over defence related goods, technology and services, and this will implement our commitments as a member of the multilateral export control regime.
The second piece of legislation amends the Customs Act to include a power whereby the Minister for Defence can issue a notice to prohibit the export of specified non-regulatory goods to a particular place or person if that minister suspects the goods may be used for a military end use that would prejudice our national security, our defence or international relations. So that is a good piece of legislation as well. There are a number of issues that were raised during the stakeholder consultation, and the bill and the explanatory memorandum make that point. The consultation was led by Mr Ken Peacock AM, an experienced former CEO of a major defence company, as the minister said in his second reading speech.

This legislation is particularly important for my electorate of Blair, and particularly for companies that operate across major capital cities and provincial cities. I am privileged to have RAAF Base Amberley in my electorate. It is geographically right in the middle of the city of Ipswich, of which I represent about 70 per cent. All through my childhood growing up in Ipswich I lived next door to RAAF personnel, and there are literally thousands of people living in the Ipswich and West Moreton communities who were former members of the RAAF base and the Royal Australian Air Force.

The Royal Australian Air Force Base Amberley is also the location for a number of defence companies who have established themselves there to support the base. The base is not just a RAAF base these days, though it continues to be called RAAF Base Amberley. The 21st Construction Squadron is also there, as are the 9 FSB armed units of the Army, who played a role in Afghanistan as recently as this year and who continue to play a role in supporting our defence forces over there.

The RAAF base at Amberley was the home of the F111. The F111 was an aircraft beloved by the people not just of Australia but also of Ipswich. The dump and burn was a particular favourite in South-East Queensland. The iconic F111 was a familiar sight around the region. We relied on our international relations, with Defence contracting with American companies to provision it. It was an American aircraft originally; we came to love it in Australia and for 40 years it was on our skyline. I am pleased to say that we will have two retired F111 jets on display as part of the aircraft museum at RAAF Base Amberley.

The Australian Defence Force is of course a vital part of the Ipswich and Somerset communities which I represent and creates additional jobs on the base. The F111s have now been replaced, mothballed after 40 years of fine service. They were affectionately known as the flying pigs in the area, and people in the local area wore baseball caps to support them. We named our football teams and other sporting teams after them; we call our Rugby League team the Ipswich Jets and our basketball team the Ipswich Force. It was an indication of the extent to which the RAAF base is loved.

RAAF Base Amberley is now the home of 24 Super Hornets. The Super Hornets were built by Boeing at its production line in St Louis in Missouri. They were first flown by the US Navy in 2001. The Super Hornets give the Royal Australian Air Force the capability to conduct air-to-air combat, to strike targets on land and at sea and also to suppress enemy air defences and conduct reconnaissance. That is a point that was made by the Minister for Defence Materiel in a press release he issued jointly with me in July 2011 when we welcomed a fourth batch of the Super Hornets. The interesting thing about the Super Hornets is that there is the creation of 74 jobs at the RAAF base at Amberley for three years as a result of the sustainment contract with the Boeing company. Companies like Thales, Raytheon and Boeing
are well known to members of this place in circumstances where there are Defence installations in their communities. The sustainment contract has been vital to the RAAF's fleet of Super Hornets and has been particularly important for the creation of jobs. At the RAAF base at Amberley we have an aerospace industry that is thriving and the base has grown magnificently and massively, to be honest with you, Mr Deputy Speaker. We have committed $2.5 billion for the entire fleet of Super Hornets, with 24 at the RAAF base at Amberley. We have committed $110.1 million for facilities to support the Super Hornet fleet and $331.5 million for the redevelopment works at RAAF base at Amberley in the last year or so. That is an indication of the tremendous commitment of this federal Labor government to the RAAF base at Amberley. These important platforms or assets like the Super Hornets will protect our air lines but will also enhance the economic development of South-East Queensland. It is commonly said that the RAAF base at Amberley brings in about $1 billion a year to the economy in the western corridor between Brisbane and Ipswich, and I can believe that, with thousands of personnel working on the RAAF base at Amberley.

In relation to the Super Hornets, it is important to note that the spare parts and other equipment necessary to keep these wonderful jets in the air come from the United States. The treaty that is the subject of the legislation here has the potential to make it easier for Boeing Defence Australia to get access to these materials, which are important for jobs and for timeliness in maintaining the capacity of the jets to be in the air. It will save the company time and money. The Super Hornets were delivered on time and on budget by this federal Labor government.

I have made the point that the Super Hornet sustainment contract is worth about $20 million per year and creates about 74 jobs at the RAAF base at Amberley. I said that I wanted to talk about the local aspects, and that is a perfect example of why this legislation is important in my community and in South-East Queensland. I dare say there are other members who could stand in this place and say similar things about how important this particular legislation is for particular assets which we have got from the United States and which are maintained by Australian companies or subsidiaries of United States companies. It is that localism and that financial impact in my community which brings me to the conclusion that this legislation is good not just for our nation but for the local community of the Ipswich and West Moreton area, and I support it.

Mrs GRIGGS (Solomon) (16:53): I rise to speak on the Defence Trade Controls Bill 2011 and the related Customs Amendment (Military End-Use) Bill 2011. The purpose of the Defence Trade Controls Bill is to give effect to the treaty between the government of Australia and the government of the United States of America concerning defence trade cooperation. It will align Australia's export controls with international standards and deliver an administrative system to enhance existing defence export controls. The introduction of this bill into the Australian parliament has, as my colleagues have said, come at a significant time in Australia-US relations, with the US President, Barack Obama, visiting Australia last week, including visiting my electorate of Solomon. His visit also coincided with the 60th anniversary of the ANZUS alliance and the announcement that the US will boost its military presence in Darwin in my electorate.

By way of background, in September 2007 Prime Minister Howard signed the treaty between the government of Australia and the government of the United States of America
concerning defence trade cooperation. Six months on, on 14 March 2008, the Rudd government signed off on the subsequent implementation arrangements. The implementing legislation was then passed by the US congress two years later, on 28 September 2010. Approval for the treaty was given the go-ahead a day later, on 29 September 2010, by the US Senate, and it was then signed off without the regulation impact statement because it was not required for the treaty bill provisions in the act. Instead there are regulation impact statements that deal with proposals to improve the existing defence export controls.

The main purpose of the Australia-US defence trade control treaty is the removal of certain agreed defence export restrictions between Australia and the US so that a more cost-effective and productive system can be facilitated between both countries. Under the current US export control system, international trade in arms regulation licenses are sought for every single trade transfer. The treaty will ease the restrictions associated with the current system by the creation of a comprehensive framework that will facilitate defence trade without prior government approval. The coalition will always support any mechanism that reduces red tape for business. We understand that business works better with less red tape when they are dealing with governments. The new process is expected to improve interoperability between both countries, which is of particular importance given the involvement of Australia, and indeed the Northern Territory, and the US in current combat operations such as those in Afghanistan.

It is proposed that the treaty will improve administrative delays caused by export control systems. This can only boost delivery times for new defence projects and enhance business opportunities for Australian companies looking to work with US contracts. Defence officials have confirmed that there will be ongoing compliance costs for businesses in the approved community and that this issue was raised by industry groups during the consultation phase. Other benefits include the fact that individual licences are no longer required for each export. We hope that this will allow for a swifter movement of eligible defence articles between approved Australian and US communities, therefore cutting delays in delivery times.

At the moment, most of the trade in the existing export control regime concentrates on physical goods, but with technology increasing—and we are in the middle of a technology boom—many defence export services can now be sent through brokers, using the internet. The gaps in Australia's existing defence export controls can be categorised into four areas: the intangible transfer of technology; the provision of services relating to defence, strategic goods and technology; the brokering of supply of these goods, technology and related services; and the export of goods intended for a military end use that may prejudice Australia's security, defence or international relations.

Another control which will be included in the series of Australian defence export controls is a new provision to address the export of non-controlled goods for military end use. Currently they are not included in this bill but are dealt with under separate amending legislation. They are, however, contained in the existing powers over the physical export of goods contained in the Customs Act 1901. The purpose of that separate legislation is to provide the Minister for Defence with a catch-all power to issue a notice to prohibit the export of goods which are not otherwise regulated to a particular place or person where the minister considers the export would prejudice Australia's security, defence or international relations.

As I said earlier, the treaty between the government of Australia and the government of the United States of America concerning defence trade cooperation was negotiated and signed...
without a regulation impact statement being produced. There was wide consultation with the defence industry on this bill. The reaction has been mixed, with concerns raised about the role of the United States Department of State in approving Australian companies or individuals as trusted members of the Australian community. The process of gaining such approval is seen as cumbersome, costly and time consuming, and is without a right of appeal. Coupled with this is the lack of confidence within the defence industry in the Australian Defence Export Control Office, DECO, making consistent decisions on what strategic goods can or cannot be exported.

In my electorate of Solomon we have an emerging defence industry. At present, my electorate is home to about 10 per cent of the Australian Defence Force combat personnel. Last week there was a major announcement in Darwin by US President Barack Obama that the US will boost its military presence over the coming years, and this is all set to start next year. I welcome the investment that this partnership with the US will make in the Northern Territory economy and the expected increase in expenditure in the coming years. It sends a clear message that the US wants to continue its relationship with Australia—and in particular with the Northern Territory. The symbolism of basing troops in Darwin is significant. Two weeks ago Darwin was named the No. 10 place to visit by Lonely Planet. Then last week we had President Obama visit us. This is all pretty good for Darwin, and it is no wonder that everyone is talking about us.

So I am pleased that there will now be a bigger focus on the sector and indeed on my electorate. As I said, the Northern Territory has a long history of supporting Australia's defence forces, and I welcome the contribution to the Northern Territory economy. The primary focus of defence support in the Northern Territory is through equipment and infrastructure. According to the figures provided to me by the Parliamentary Library, the Northern Territory as at 30 June 2011 had a $220 million defence industry turnover and over 5½ thousand permanent defence personnel, with 903 defence reserves and around 400 defence public servants. This equates to about 5.8 per cent of defence expenditure in the 2009-10 budget.

As with most businesses, defence support businesses seek longer-term contracts and opportunities to provide certainty of income to enable them to invest in facilities, the workforce and equipment. A number of concerns have been raised with me recently that local suppliers are not receiving regular and continued contracts, which is having a negative impact on their businesses. So, while I am supportive of the bill in principle, it is essential to make sure that local businesses and suppliers will not be negatively impacted, because what the territory needs is a vibrant small-business sector. Everyone knows that small business is the backbone of the Northern Territory.

The coalition remains committed to supporting the local defence industry. The coalition supports these bills and will seek to have them referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee when the bill goes to the Senate. As my colleague the member for Fadden said, the reason for doing this is to ensure that the concerns raised by the industry are dealt with before the legislation is passed into law.

Ms BRODTMANN (Canberra) (17:02): In rising today to speak on the Defence Trade Controls Bill 2011, I think it is worth noting that it is less than a week since we as a parliament were addressed by the President of the United States. During his address, President
Obama reiterated the closeness and the strength of our defence relationship and paid tribute to our continued contributions in support of that relationship. This alliance represents our most significant defence relationship and has provided assurance to our national security and our regional security for many decades. It is a relationship codified in the ANZUS alliance, which has been the cornerstone of our security and defence since the Second World War and which this year celebrates its 60th anniversary.

I make these points because the legislation before us today is a key component of that relationship. The Defence Trade Controls Bill 2011 may not represent the headline components of our security arrangements with the US, but it does deal with perhaps the most important aspect of our defence and security relationship—that is, the sharing of defence technologies and information. While some may assume that the only thing Australia gains from the alliance is some promise of support in protecting our borders in exchange for the deployment of our forces in US operations, that is a simplistic and shallow analysis of what is in fact a deep and multifaceted relationship from which Australia gains great benefits. Most notably—and important to the debate before us today—is the transfer and sharing of defence technologies and materials. As the Minister for Defence Materiel mentioned in his second reading speech, some 50 per cent of our war fighting assets are sourced from the United States. This includes some of the iconic technologies with which we associate our defence forces—Black Hawk helicopters, F-18 Super Hornets and Abrams tanks. Along with their component technologies and materials, they were all developed in the United States and sourced from defence suppliers there.

I would like to commend the Minister for Defence Materiel on today’s announcement of new capability for the special forces in Afghanistan. He announced today that we are getting 437 new Carl Gustav 84 millimetre guns and some thermal sights. I went to Afghanistan earlier this year with my colleague. I very much enjoyed the trip and gained a great insight and understanding of what our troops are doing and what they are achieving in Afghanistan. As with all soldiers, one of the issues they constantly talk about is capability. They are always aspiring for the latest capability they can get their hands on, particularly for the special forces, for whom the best capabilities can often be the difference between life and death. So I commend the Minister for Defence Materiel on the purchase of this new materiel to enhance the capability provided to special forces in Afghanistan. I know it will be greatly appreciated.

The iconic technologies I mentioned beforehand are just some examples of the many technologies, materiel and capabilities that we have gained from our relationship with the US. Trade with the US allows us to benefit from some of the latest and best defence technology in the world. It also allows our forces to be interoperable with US forces in our global deployments in Afghanistan, Iraq and elsewhere and, should the unthinkable occur, in the defence of our own national interests.

It was noted by the Minister for Defence Materiel that some 85 per cent of our military equipment will need to be replaced over the coming 10 to 15 years. This reality highlights the immense importance of maintaining our defence trade relationships, particularly with the United States. The Defence Trade Controls Bill 2011, if passed, will bring into force the Australia-United States Defence Trade Cooperation Treaty and it will close some of the gaps in our current defence trade controls. This treaty between Australia and the United States was entered into in September 2007. Last year the United States senate recommended its
ratification in the US, and the US congress passed implementation legislation to give effect to the treaty. However, as part of the legislation passed by the US congress, the President of the United States is required to be sure that we have legislation enacted here in Australia that strengthens the control over the trade of defence goods and technologies.

It has been noted that Australia's current defence trade controls do need amendment to ensure that they not only meet the requirements of the treaty with the US but also reflect international best practice. Australia's current trade control regime was last looked at in the 1990s, and a lot has changed in the world since then. Indeed, it has been noted that while data held on a CD and exported would be captured under current arrangements, the same data, should it be transmitted over the internet, would not be subject to regulation. Obviously this is neither sustainable nor acceptable and that is why the Department of Defence has outlined four gaps in the current arrangements. The first is the intangible transfer of technology listed in the Defence and Strategic Goods List. The second is the provision of services related to goods and technology listed in the same list. The third addresses brokers arranging the supply of goods, technology and services to states or criminal organisations, including terrorist organisations. The fourth is the export of non-regulated goods that may contribute to a military end use that may prejudice our national security. Considering those issues, it is obvious that we had to do something. To not act would mean that Australia would not only lose the benefits of the treaty but fail to live up to our international obligations in regulating defence trade.

This leaves the government with but two options: to allow industry to self-regulate or to legislate better controls. Legislation has been shown to be the most appropriate and effective method of implementing these kinds of controls. Given the risk which a possible breach of trade rules would pose to our international reputation and ongoing defence treaties, allowing industry to self-regulate is just not appropriate. This does not mean that industry has not played a key part in the consideration of the legislation. Indeed, the formation of this legislation included three phases of consultation with industry, as the member for Solomon has pointed out. There was a treaty awareness phase in 2008 followed in 2010 and 2011 by two rounds of consultation on the legislation itself. These consultations were well attended by industry. As a result, the legislation has been amended to take into account the concerns of industry.

The government understands that there will be some costs incurred in complying with the legislation; however, there will be many benefits from this legislation in the long term for the Australian defence industry, particularly that of being recognised as a member of the approved community. Being a member of this community will remove the requirement for individual licences for each export and will ultimately allow much easier trade and defence relations. Also, the government will not levy a fee for applications, making transition to the new arrangement easier.

As I said at the beginning, this legislation is very important. It is very important for ensuring that our defence industry can trade with overseas partners. It is very important for ensuring that we maintain a technological advantage. It is very important for our ongoing defence and security relationship with the United States. Finally, it is very important for ensuring that we implement global best practice in the control of the trade of defence materiel and technologies. I commend the bills to the House.
Mr CLARE (Blaxland—Minister for Defence Materiel) (17:11): I thank the honourable members for Fadden, Chifley, Paterson, Blair, Solomon and Canberra for their contribution to this debate and for supporting this very important legislation on defence trade. This legislation gives effect to the defence trade cooperation treaty between Australia and the United States. It also strengthens Australia's export controls to align them with international best practice. The announcement by the Prime Minister and President Obama last week highlighted the importance of military cooperation between Australia and the United States. Military cooperation is fundamental to our national security. About half of Australia's war-fighting assets are sourced from the United States and we will spend $150 billion replacing or upgrading up to 85 per cent of our military equipment over the next 10 to 15 years. Strengthening this area of our alliance cooperation is, therefore, very clearly in our national interest.

The treaty removes the requirement for companies to seek individual licences for each export from the United States, allowing for the licence-free movement of eligible defence articles within an approved community. For the companies which join the approved community this will save time and money. It also has the potential to open up improved business opportunities for Australian companies to participate in US contracts.

The potential benefits of this legislation to the Australian defence industry have been well reinforced during this debate. The government recognises that for these benefits to be realised the treaty process must be easier to use and more commercially attractive than the current system, otherwise it will not be a success. That is why there has been extensive consultation with Australian industry during the development of these bills. That consultation was conducted over three major stages. Stage 1 was meetings with industry in eight capital cities and regional centres in December last year. Stage 2 was the establishment of the Defence Trade Cooperation Treaty Industry Advisory Panel in May this year. The panel includes experts from major Australian defence companies, small to medium businesses and the Department of Defence and has provided important advice on the development of these bills. Stage 3 was the release of the exposure draft of the bills for broader industry and community feedback in July this year. These bills are the result of that consultation.

I take this opportunity to once again thank Mr Ken Peacock, who led the consultation process with Australian industry. I also thank members of the advisory panel, who donated their time and expertise to ensure the treaty is a success. I have been impressed by the frank feedback from the panel, which has resulted in important changes to the bills and explanatory memorandums. I also take this opportunity to thank the officials in the Department of Defence and elsewhere who have put a lot of work into the preparation of this bill. They include strategic policy executives Mr Michael Shoebridge and Mr Murray Perks, who is here in the chamber today. I know Murray is retiring next year, and this legislation and its implementation are a fitting conclusion to a stellar career. I also thank their team at the Defence Export Control Office, the Defence General Counsel Mr David Lloyd and his team in defence legal and legislation areas, the drafting team in the Office of Parliamentary Counsel and the export control systems area, and the Defence Industry Security Directorate in the DMO. Their effort and their dedication to the development of this bill are greatly appreciated.
I note some concerns have been raised by the member for Fadden, and I would like to address those. The member for Fadden raised the issue of the government’s record in first, second and other past approvals. The facts are that this year the government has approved 30 defence capability projects worth more than $5 billion. This takes the total value of project approvals since the government came to office to over $11 billion, and there is more to come before the end of this year. The member for Fadden also raised the issue of the Defence Export Control Office’s IT system. As I said in my second reading speech, a procurement process to select a partner to develop and implement a new system is underway, and a contract is expected to be signed early next year. That new system will be set up and tested before the treaty enters into force.

The member for Fadden also raised the issue of regulations to this bill, and he is right to say that many of the important details of this bill will be included in the regulations. The regulations are currently being drafted and will be released for public comment and extensive consultation before the end of this year. It is planned for this consultation process to include consultation and feedback from the Defence Industry Advisory Panel, chaired by Mr Ken Peacock. It will also include engagement with peak industry groups—the Australian Industry Group and the Australian Industry and Defence Network. It will include website release of the draft regulations and explanatory statement; an email notification to approximately 400 industry members and government representatives who attended the treaty road show events in December 2010 and August 2011; the distribution of material to all industry members who are provided with export permits or licences during the exposure period; a DMO eportal banner which will redirect industry to the Defence Export Control Office website; DMO distribution via the Defence access office network; and the Defence Export Control Office 1800 number, which will have an option for industry to seek further information about the regulations.

I understand that some concern has been expressed about the impact the treaty processes will have on small to medium businesses. Defence has already made decisions which will particularly assist SMEs as they transition to operating under the treaty’s ‘approved community’. For example, there will be no membership fee for joining the approved community. Defence will not charge for security clearances where they are required. In addition, to minimise the initial impact on SMEs operating under the treaty, Defence will tailor free training programs upon request to address specific issues and provide assistance in understanding the application process and compliance requirements, including for specific security responsibilities. Defence will also ensure a streamlined case-by-case facility accreditation process, which means that some small to medium businesses may not be required to have their facility accredited, or will be accredited based on needs, subject to certain conditions. Defence will also put in place flexible ICT arrangements whereby ICT system accreditation is only required on a case-by-case basis when an identified business need is demonstrated. It will also produce an approved community manual to assist industry in understanding the requirements of operating under the treaty. It will seek SME involvement in the Pathfinder program which will assess the effectiveness and efficiency of processes and policies under the treaty prior to implementation and will continue active communications with industry through outreach activities including extensive distribution of flyers, website publication of frequently asked questions, an ongoing free-call inquiry line and extensive representation at defence industry events and a number of trade shows. I am advised that if
these bills are passed by the House they will be considered in greater detail by the Senate Foreign Affairs, Defence and Trade Legislation Committee. I understand that committee has commenced its inquiry and has asked for submissions in relation to this legislation to be received by 31 January 2012. I thank members of the Joint Standing Committee on Foreign Affairs, Defence and Trade for their recommendation that both bills be passed without amendment. This will ensure quick passage of the bills through the House and avoid duplicating the examination being conducted by the Senate committee.

As I said in my second reading speech, this is very important legislation. It will strengthen our alliance with the United States and the relationship between our defence industries; improve interoperability of the Australian and United States armed forces; help to deliver equipment to our troops faster and cheaper; provide opportunities for the Australian defence industry to win work in the US defence market; and enhance Australia’s defence export controls to bring them in line with international best practice. I therefore commend the bills to the House.

Question agreed to.
Bill read a second time.
Ordered that this bill be reported to the House without amendment.

**Customs Amendment (Military End-Use) Bill 2011**

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that this bill be reported to the House without amendment.

**MINISTERIAL STATEMENTS**

**Afghanistan**

Debate resumed on the motion:
That the House take note of the document.

Mr ROBERT (Fadden) (17:23): I rise to lend my comments on the Prime Minister's motion. In doing so I acknowledge the Minister for Defence Materiel, who is in the chamber. This is now the fifth statement that I have given on Afghanistan this year. The Minister for Defence indicated he would provide regular updates and, true to his word, he did so four times during the year. I now follow the Leader of the Opposition in response to the Prime Minister's statement. I do so noting the horrendous loss of life Australian soldiers have faced on the battlefield with 11 soldiers killed in action and numerous wounded in action this year alone—with 32 killed in action since the resumption of combat operations in 2001 and over 210 wounded in action. They have paid the price of freedom on behalf of our nation, a price that is borne by so few yet so appreciated by and for the benefit of so many. Let us never forget that we entered combat operations in Afghanistan as a result of the 11 September 2001 attacks against the continental United States of America when 19 al-Qaeda trained Islamic terrorists hijacked four commercial passenger jets and subsequently crashed them, into major
state buildings, being the Twin Towers and the Pentagon, and into a field near Shanksville in rural Pennsylvania. Nearly 3,000 victims, including the 19 terrorists, died in the attacks. On 20 September 2001 the United States stated that Osama bin Laden was responsible for those September 11 attacks and the US made a five-point ultimatum: deliver to the US the leaders of al-Qaeda, release all imprisoned foreign nationals, close immediately every terrorist training camp, hand over every terrorist and their supporters and give the United States full access to terrorist training camps. On 21 September the Taliban rejected unilaterally the ultimatum.

In response President Bush launched Operation Enduring Freedom, the US's global fight against terrorism. The initial military objectives of Operation Enduring Freedom, as outlined by President Bush in his 20 September address to a joint session of Congress, was the destruction of terrorist training camps and infrastructure within Afghanistan, the capture of al-Qaeda leaders and the cessation of terrorist activities in Afghanistan. We make it very clear that terrorist activities have not ceased in Afghanistan. Not every terrorist training camp or the ability to train, indoctrinate and lead has been destroyed. Many in the media profess that Osama bin Laden has been caught and died during that capture operation; therefore, the initial objectives have been achieved. Never forget the threefold initial objectives of Operation Enduring Freedom—the cessation of all terrorist activities in Afghanistan, the destruction of all terrorist training camps and the capture of all al-Qaeda leaders.

Let us also not forget that under the auspices of Operation Enduring Freedom the US assembled an international coalition of the willing, a coalition against terrorism. By 2002, 136 countries had offered a range of assistance: 55 countries had provided military force, 89 countries had granted overflight status for US military aircraft, 76 countries had granted landing rights and 23 countries had agreed to host US and coalition forces. Today over 40 countries continue to fight side by side to achieve the cessation of terrorist activities in Afghanistan. The mission, led by ISAF—the International Security Assistance Force—was put together on 20 December 2001 by United Nations resolution 1386 and has been operating under subsequent US mandates since. Coalition troops in Afghanistan now number over 130,000: there are over 120,000 ISAF troops from over 40 nations and a number of troops, up to 20,000, under Operation Enduring Freedom. ISAF has grown in membership and troop contributions over the last year in line with the revised ISAF strategy. Between November 2009 and August 2010 the US increased their commitment to ISAF through the much documented surge to over 100,000, with President Obama of course recently announcing that 10,000 of those will withdraw by Christmas this year and that a further 20,000 will withdraw by Christmas next year, bringing the US troop component down to 68,000. Australia still maintains 1,550 combat soldiers, sailors and airmen fighting within Afghanistan, with a wider number within the Middle East Area of Operations.

Let us also not forget that for 10 years Australia has been involved in the conflict. Australia's support commenced in October 2001, and the level and types of activities and equipment have varied during that time. From 2001 to 2002 was the initial, post-9-11 force deployment to support the US's Operation Enduring Freedom as well as the initial ISAF operation. Yet, from January 2003 to July 2005, Australia's focus shifted to the wider Middle East, leaving only two uniformed officers—and in many cases one officer—in Afghanistan. From August 2005 to June 2006 Australia once again ramped up its deployment to
Afghanistan with special forces to support the US operation. From 2006 to 2007 a reconstruction task force was deployed to Afghanistan and commenced reconstruction and population protection tasks. Special forces remain to engage with and destroy terrorist operations.

Following the election of the Rudd government, Australia's strategy and operational disposition changed again. From February 2008 to July 2010 a mentoring and reconstruction task force commenced. The mission has changed substantially, with mentoring the Afghan National Army and Afghan National Police while continuing reconstruction and population protection now becoming the order of the day. From February 2010, the Mentoring and Reconstruction Task Force changed to the Mentoring Task Force, focusing solely on mentoring the Afghan National Army. The next change, from August 2010 to today, was post the Dutch withdrawal. ISAF changed the operational disposition within our area of operations towards the Combined Team Uruzgan, or CTU, approach, which has had the Mentoring Task Force and a civilian led Provincial Reconstruction Team focus on reconstruction. MTF1, under 6RAR, was replaced by MTF2, based on 5RAR. MTF3 is currently in place, based on 2RAR, and will be followed by MTF4, based on 8/9RAR, and MTF5, based on 3RAR.

Australia's mission has therefore undergone a range of changes since 9-11 ushered in a new phase in the war against terrorism. The reality is that the strategy in Afghanistan is much bigger than destroying al-Qaeda. As President Bush outlined in his 20 September speech to the joint sitting of congress, it is the destruction of the terrorist apparatus and organisations within the country. The insurgency across Afghanistan is now made up of multiple organisations, including the Haqqani network, the Quetta Shura network, Tajikistan rebels coming down from the north and a range of independence-seeking, anti-West and pro-hardline Islamic organisations. The strategy is to ensure that this insurgency body does not once again wrest control of Afghanistan and allow that country to be used for training, resourcing, financing and assisting terrorism. Let us not forget that, as the Leader of the Opposition outlined, 108 Australian lives have been lost in a number of terrorist attacks, all of which can be linked back to the training, indoctrination, resourcing and basing of terrorist elements within Afghanistan.

Whilst discussions within the Karzai government continue about forming later governments that would include elements of the insurgency, including the Taliban, the fact remains that many of these insurgency groups need to lay down their weapons or they will be destroyed. In war, as we know, perceptions always lag behind reality. Whilst our TV screens are sometimes filled with the horror of suicide bombings as desperate insurgency forces reach out to the only weapon they have left in their arsenal—the destruction of young lives as they force people to strap weapons to their bodies, detonate themselves and enact mass violence—the perception indeed lags behind the reality. The reality is that considerable progress is being made.

The counterinsurgency strategy is working. As I have said a number of times this year in response to the Minister for Defence's statements, I remain cautiously optimistic. The strategy is more than just hearts and minds in terms of what our soldiers, sailors and airmen are doing in theatre. Not only are we reaching out, closing with and destroying the Taliban leadership, supply chains, information and communications and intelligence and surveillance networks; we are also seeking to build infrastructure. The Prime Minister made note of the road from
Tarin Kowt through to Chora Valley. Within a week of that bitumen road going in, the price of palm oil, which in Chora had been seven times the price it was in Tarin Kowt, dropped to two times the price. It is that degree of economic activity that starts to reach out to the local people. When Australian troops reinforce roads, build aqueducts, bridges, mosques and schools and engage with and listen to the population, it makes a difference.

I have noted before in the House that six months ago—my last time in Afghanistan—the Commander CTU and I flew out to the first of the patrol bases in the Mirabad Valley, where, for an hour and a half, we sat down with the local leaders, many of them former mujaheddo fighters. As we sat in shura and talked, not once was the issue of security raised. That was how effectively our forces on the ground had achieved security within the upper parts of the Mirabad Valley close to Oruzgan. I had been to that place before, six months prior to that visit, standing in Tarin Kowt with the Leader of the Opposition whilst a massive battle was taking place on the very ridge line. As I walked, six months ago, stepping over the expended rounds and munitions, so indicative of modern battle, I paused to think about what the future would have been if the coalition of the willing had not been there. We talked with the locals for 90 minutes and all they talked about was their need for economic independence. 'When's the school coming?' 'When's the clinic coming?' 'What are we doing about this?' 'How's the road into the Mirabad Valley up to the greater reaches going?' Those are the questions they asked, not questions such as 'When's security coming to the region.' It is telling.

It is one thing for the Prime Minister to stand in parliament and say, 'All is well'; it is another thing for the wise and old mujaheddin warlords, who have spent their entire life fighting in the area, to sit down and say: 'For the upper parts of the Mirabad Valley, security is not our problem. Economic activity is our issue, the livelihoods of our children is our issue, education is our issue, medical clinics is our issue, roads are our issue, sanitation is our issue and replacing the poppy crop with a self-sustaining agricultural lifestyle is our issue.' That is the most telling aspect of what our combat operations and our Provincial Reconstruction Team are doing.

Indeed, what is even more telling is that, when I sat down with the Commander CTU, with the shurah there in the upper reaches of the Mirabad Valley, I looked around for the head of the Provincial Reconstruction Team—an Australian—and he was not there. He had legged it off to look at a bridge with some of the locals to work out what the PRT could do in terms of building greater access across streams and into roads. The fact that a civilian head of the PRT can spend an hour and a half, out there with the community, looking at how to build and engage while we talked about economic prosperity, says a lot more than any words can indeed say in parliament.

We have had some setbacks in terms of the Afghan National Army. There is an investigation into what drove the issues recently where three Australians were tragically killed by one of the soldiers whom they were mentoring. But if you ask our men and women out there in the dust right now about the motives behind the attack upon our soldiers, they would say that conjecture and discussion are counterproductive. It is imperative we continue to have a close working relationship with the Afghan National Army. They are starting to take over responsibility. Of our 30-odd patrol bases and forward operating bases, we literally only have troops in 11, using mobile mentoring patrols within the rest of them. Seven provinces have now been handed over, with a wide range of provinces being handed over to the Karzai
government. The ANA is on track to reach its goal of 171,000 personnel trained this year and 260,000 by 2014. The security situation is improving. Progress is being made. Only nine per cent of Afghans had access to basic medical care. Today it is 85 per cent. And the statistics go on and on. Now is the time for our nation to stand behind what is being done in Afghanistan and join the parliament in expressing cautious optimism, as we seek to move towards the end.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (17:38): As I stand here before the parliament to make a statement on Afghanistan, it would be remiss of me not to reflect on what has been a very challenging time. Sadly, this year, on three separate occasions, shooting incidents have resulted in the death of four Australian soldiers and the wounding of 10 others at the hands of Afghan National Army soldiers.

These attacks, which claimed the lives of Captain Bryce Duffy, Corporal Ashley Birt, Lance Corporal Luke Gavin and Lance Corporal Andrew Jones, have been extremely difficult to comprehend and to overcome. But, as the Prime Minister reflected today, it is right that in hard moments our hearts ache for all that is lost and all there is still to lose. But, as we know, Australians are reasonable and realistic people. We have always known that sending our men and women in uniform to war brings days of sorrow and sadness, as well as days of progress. While the losses in Afghanistan are a tragedy, it is in our nature that we do all that we can, with all that we have, to defend Australia and its national interests. That is what we have done; that is what we will continue to do. Australian forces remain committed to their mission, recognising that the actions of these assailants are not reflective of the Afghan National Security Forces as a whole and should not diminish the great successes our mission continues to achieve.

It is in our national interest for us to be in Afghanistan. We must ensure it is no safe haven for terrorists. We must stand firmly by our ally, the United States. As the Prime Minister reaffirmed in parliament today, the international strategy in which we take our part is sound. It is focused on counterinsurgency and designed to deliver transition. We are protecting the Afghan people, training the Afghan security forces and building the government's capacity. It is aligned with our enduring commitment to the United States under the ANZUS treaty.

Our military contribution to the International Security Assistance Force, ISAF, includes an average of around 1,550 ADF personnel deployed within Afghanistan. We are, as has been said on numerous occasions, the largest non-NATO troop contribution country to the ISAF. In Oruzgan province, where the majority of Australian forces are based, we are working to train the Afghan National Army's 4th Brigade. More broadly, our Special Forces contribute to the ISAF campaign across southern Afghanistan. We are also contributing to institutional training as the lead partner nation for the combined arms artillery school in Kabul. In Oruzgan, our forces are focused on achieving their mission, which is to put the ANSF in a position to take lead responsibility for security matters in the province by the end of 2014. Our mission of training and transition has not changed, and progress is being made, despite the awful events we have experienced recently.

As a government we are asking a lot of our service men and women in Afghanistan and as a nation we need to contemplate precisely what we do ask. It is right that my highest priority as a minister is to look after our forces and their families, both during and after their service. It is something I am personally committed to and which I care deeply about because we
intuitively know that working in the ADF is a tough and very dangerous job. Our people are exposed to difficult situations in Afghanistan and, as I have mentioned, recent weeks have been especially tough.

In recognition of this, Defence has temporarily increased its support to deployed personnel, with the arrival of two further psychologists to Afghanistan to support the troops affected by these tragic events. This is in addition to the already deployed team that is dedicated to providing quality mental, pastoral and welfare care to our troops in the Middle East. An Army psychologist was also deployed to Germany to assist our wounded soldiers who were evacuated there for emergency treatment. The government takes the mental health and wellbeing of our serving men and women very seriously.

In 2008, I was involved with initiating the commissioning of an independent review by Professor David Dunt to look at the effectiveness of the ADF’s mental health strategy, mental health services and programs. Professor Dunt made 52 recommendations to reform and enhance the delivery of ADF mental health programs and Defence and Veterans' Affairs transition services. As a direct result of this review, Defence is implementing a comprehensive mental health reform program. A total of more than $93 million has been invested by this government in new initiatives supporting the mental health of our service men and women and veterans.

Recently, we launched world-leading research into the prevalence of mental health disorders in the Australian Defence Force. The 2010 ADF mental health prevalence and wellbeing study is the first comprehensive assessment of the overall mental health of the ADF’s serving population. It surveyed about half of the ADF workforce between April of last year and July of this year. The research has been described by independent experts, most specifically Professor Ian Hickie of the Brain and Mind Research Institute, as ‘world's best practice'. Professor Hickie said that defence will set the national standard for mental health reform and that, through its leadership and this type of research, defence has shown that it is serious about addressing major challenges and has chosen gutsy, smart, collective and informed strategies to address them. He also said that defence leads the world in emphasising prevention, early intervention, use of e-health strategies, easy access to care, peer and family support and, most importantly, collective action.

The study has already helped the ADF tailor its mental health support to suit the needs of its service men and women. The study provided the foundations for the development of the 2011 Mental Health and Wellbeing Strategy. This strategy focuses on both strengthening resilience and enabling recovery. It is specifically aimed at providing a solid foundation for good health and well-being within the ADF and ensuring that services targeting mental health care are promoted and available. With the strategy, defence is developing the 2012-15 Mental Health and Wellbeing Action Plan.

Findings of the 2010 ADF Mental Health Prevalence and Wellbeing Study have highlighted some initiatives that warrant our immediate attention. These eight priorities include: a communication strategy to address stigma and barriers to care; enhanced service delivery; delivery of e-mental health tools; mental health upskilling for health providers; improving pathways to care; strengthening the mental health screening continuum; and implementation of a comprehensive Keep Your Mates Safe peer network.
Defence is also committed to providing comprehensive health care to serving members from enlistment to discharge. The priority of this health care system is to maintain ADF capacity by ensuring its personnel are fit to deploy and by providing high quality rehabilitation services for those that should require it. The ADF is committed to ensuring that personnel who are wounded, injured or ill have access to high quality health care and that their recovery, rehabilitation and return to work is the focus of our health practitioners—and this is a first priority of mine. High quality medical and specialist treatment and rehabilitation services are available from garrison health services and programs such as the ADF Rehabilitation Program.

We have an obligation to support not only our troops but also their families, and we want to do this because we think it is important. Being a spouse or family member of one of our service men or women is a tough job, particularly for those who are deployed. Deployment, postings and long absences from home combine to disrupt partners' careers and children's education and sever families' community support networks. For this reason, we are committed to supporting the families of ADF members and helping them to make the most of the challenges and opportunities provided by the military way of life. Ann we are there to support them.

The Defence Community Organisation is integral to this process. It offers a broad range of programs and services to support defence families. The Defence Community Organisation's local teams include social workers, military support officers, regional education liaison officers, community development officers, family liaison officers and administrative staff. DCO's programs have a very real and positive impact on the lives of ADF families.

I recently launched a suite of training programs called FamilySMART, which aim to empower defence families to build their wellbeing and psychological health. This program aims to foster resilience amongst defence families and will help them manage the challenges of the ADF lifestyle. FamilySMART is part of defence's overarching strategy of supporting the mental and physical wellbeing of ADF members and their families through prevention-based training. FamilySMART will help defence families to further develop their resilience, providing them with the psychological resources to manage stressful situations such as deployment, parental absence from home, moving houses or a partner returning from a long time overseas. I want to mention Defence Families of Australia, which is celebrating its 25th anniversary this year. It was originally set up by the then responsible minister, and now Australian Ambassador to the United States, Kim Beazley, and is a very important organisation.

Finally, let me refer briefly to DSTO and its role in supporting operations in Afghanistan. In outlining the support provided to our military personnel, it is right that I acknowledge the considerable efforts of the Defence Science and Technology Organisation. DSTO's highest priority is supporting ADF operations in Afghanistan, providing direct technical advice, technology insertion and operational analysis support to our personnel in theatre. DSTO analysts are deployed in Afghanistan providing direct support to military operations. DSTO has established a science and technology fly-away team capability that Australian commanders can call on. This technology insertion capability is deployed strategically on operationally urgent issues. As part of this capability, DSTO scientists provide ADF
personnel with expert advice and assistance in the introduction of new technology. DSTO is a very important element of our support for our personnel in so many different ways.

As the Prime Minister noted today in parliament, we are asking much of our deployed personnel in Afghanistan—often maybe too much. We are proud of the courageous work our soldiers are carrying out in very difficult circumstances, and they are extremely difficult. Because of their bravery and their service, we are making progress in our mission. But it is a difficult mission. There will continue to be challenges and no doubt we will need to think about the way in which we support our Defence Force personnel on an ongoing basis. But we must applaud their service and they need to know that they continue to receive our full support, and providing this support is an absolute priority of this government. I commend the motion to the House.

Mr Turnbull (Wentworth) (17:52): The war in Afghanistan is long, arduous and extremely dangerous. It is a war in which we are asking our soldiers, and our allies are asking the soldiers that they have sent there—100,000 or more in all, as the Prime Minister said earlier today—to undertake an extraordinary task of counterinsurgency. The military arm, our armed forces, are asked to hold up the martial shield to kill, to isolate and to disarm the enemy, the Taliban in this case, in order to give a breathing space for the host government, the Karzai government in this case, to put down its roots and grow, develop and build its capacity in such a way that it can ultimately, as the Prime Minister and the Leader of the Opposition said today, take over the task of governing and defending that country and maintaining internal security without foreign assistance.

This is a profoundly difficult task because the tactical success, for example, of the American surge in killing Taliban units, in picking off their leaders and in preventing them from doing their work will be of no long-term effect unless the host government is able to build its capacity and its credibility with the Afghan people to take over the task. As the US ambassador to Afghanistan, Karl Eikenberry, said at the time in his opposition to the surge, if the Karzai government in this case is unable to develop that capacity and confidence, then all of those tactical successes will turn out to bear little fruit and may indeed prove thoroughly counterproductive. So we are asking our soldiers not simply to be warriors. Yes, there is plenty of fighting to do, as we have seen from the many deaths and injuries that were discussed in the House earlier today, but we are asking them also to be nation builders in the most difficult to imagine environment.

Much has been said about this very difficult war in Afghanistan, and we should debate it more often in this place. One of our omissions as a parliament has been that we have committed Australian troops to this long war for a long time but have given relatively little attention to debating why they went there in the first place, why they are staying there and what the strategy is for them to leave and finally come home. We owe our troops much more attention. Loyalty, devotion and gratitude are a given, but we owe them our responsibility, our intellect, our care and our consideration in determining whether and to what extent the mission remains warranted. It should always be a matter of constant justification to the Australian people and our serving men and women as to why they remain in harm's way.

Today, however, I want to speak directly to the Australians serving us in Afghanistan, to the Australians who will serve us there in the future and to the families who support them when they are there fighting on our behalf. It is not only soldiers fighting for us in
Afghanistan. The Australian Federal Police fight against narcotics networks and organised crime syndicates. They fight to train the police in a country that has known neither policing nor justice for many, many years. Specialists from AusAID fight to improve access to education for skills and to the basic amenities of life that all of us here take for granted. Diplomats fight to carve out a space in which democratic government can function in a country which has known neither democracy nor, in most places, government for hundreds of years.

I say to all those Australians: your task is not an easy one. It is hard for Australians at home to understand the work you do in that distant nation. We do not know what it means to mentor an Afghan soldier, to teach an Afghan carpenter or to explain the rule of law to police who have never known it. We cannot envisage the magnitude of your task in a province where travel takes days and deadly bombs are hidden under the roads, maiming children and killing you, your colleagues, the soldiers you are working with and the people whom you are seeking to help. We try to compare your work in Afghanistan with the wars we think we know about—Vietnam, World War I, perhaps, or smaller engagements such as that in East Timor. But you know that each war is different, and our task in Afghanistan—your task—is more complex than many of us realise here at home. Explaining your work is not easy, and we have often struggled both to thank you for doing it and, more importantly, cogently and persuasively justifying why we have sent you there.

But for you, as for the soldiers of many years passed and many wars passed, there will come a time when you return home. We do not get to determine that date now, for your war is being fought in a place where the tide of progress ebbs and flows daily and the enemy can still shape your environment. But you will return soon and we should envisage what that return will look like. When you return we will not declare victory. Afghanistan will look much like it does today. There will still be violence and grief, peril and passion, corruption and crime, but there will be the promise, thanks to you, of what is possible. The work you have done has shown Afghans that progress is indeed possible, that women can be educated rather than shunned and that disputes can be resolved with wisdom and justice rather than with wounds and violence. You will leave a province where families can speak across valleys on mobile phones, where new roads lead to new markets and where Afghan soldiers know how to conduct a security operation. You know that you will not have eradicated the Taliban or corruption, but you will have made a difference. You will have lit a spark of progress in Oruzgan province that may take many years; it may even take a generation to grow beyond a flicker, but grow surely it will, and it would never have been lit without you and your sacrifice. At some point you will pack away your tools and weapons, you will say goodbye to the Afghans with whom you have worked and sweated and shivered for months and you will get on planes to return to our shores. What will returning with honour look like for you in Australia? When you return we must all learn from your experience. We must ensure that your hard-won lessons are recorded, that your knowledge of Afghanistan and her people do not go to waste. But we must also learn more about how and why we get into and out of wars—notoriously easier to get into than to get out of. We must examine our military strategy in Afghanistan and our foreign policy goals and honestly judge and examine, unclouded by patriotic sentiment and the desire to support the efforts and courage of our troops, in a hard-headed way how effective we have been in our efforts in Afghanistan, both in the conduct of operations and in our decision making to commit and ultimately to depart. We must think
deeply and debate honestly about how and where we are willing to use military force in the future.

We honour our dead and we respect and care for our living in the ADF best when we are honest and open and use our keenest intellects to assess the merits of commitment, the manner of engagement and ask always whether we, in putting you into harm's way, are doing so in a manner that serves our national interest. We honour you, we respect you, your service, by ensuring that at all times we can say, 'Yes, we are not committed to this conflict simply because we made a decision years ago and we have not reviewed it.' We respect and honour you by examining that commitment and justifying it anew in the light of the present circumstances.

When you return we must ensure that we protect those Afghans who protected you. As we did in Iraq, we must do all we can to protect our Afghan interpreters and their families from recrimination. We must remind the leadership in Oruzgan that we can still provide advice, even if we will no longer provide a permanent presence. When you return we must never take our eyes off Afghanistan and Pakistan again. We must maintain the ability with our allies to know if terrorist groups are developing sanctuaries and to assist our allies in striking at those sanctuaries and destroying them. When you return we must establish long-term sustainable methods of supporting the fledgling, fractured democracy of Afghanistan. Where we can help in developing democratic mechanisms and supporting the infrastructure of that nation, we should. We Australians are a nation with long experience in educating children across remote areas and vast distances and we should seek to bring that expertise to Afghanistan's growing education system. We must help to maintain the access the Afghans are having to knowledge today, thanks to your work, so that the Taliban cannot return their country, Afghanistan, and the people of that country, to darkness. When you return we must not forget you. We must make sure that we treat your invisible wounds as well as the visible ones. We must not repeat the mistakes of past wars and forgotten soldiers. We should be at the cutting edge of research into post-traumatic stress, into mild traumatic brain injury, and into methods to reintegrate you into your families and communities. We must remember that these invisible wounds affect diplomats, police and aid workers as well as soldiers. Only recently, I was at the Randwick Barracks and met with two of your comrades who are suffering from mild traumatic brain injury—a mysterious illness that crept up on them. After an incident, one of these soldiers led his company for several weeks until finally, bit by bit, it became apparent that he was suffering from a very serious injury, an injury that he struggles to understand. Regrettably, the bureaucrats who should be caring for him struggle to understand it too. We have to lift our game there enormously. We are simply not coping. We as a nation, as a government, are not coping well enough with the challenges of the injuries you have suffered. We have to do much better. When you return we must support your families who have supported you for so long, and without whom you would not be able to do your job in the stressful and dangerous circumstances you found in Afghanistan for months on end.

Returning with honour, and you will return with the greatest honour, will not, however, be easy. Transition from war, from Afghanistan, will be hard. But we must, as a nation, prepare for it now and support you in what will be a difficult process so that you always know that you do not simply have our support in the 'rah rah' sense of 'we're with you boys'; you will have the support of our intellect, our judgment and, above all, our commitment to ensure that
the values you fought for are defended in the future and that the injuries that you have suffered, no matter how new to medical science they may be today, are dealt with compassionately and comprehensively. *(Time expired)*

**Mr CLARE** (Blaxland—Minister for Defence Materiel) (18:07): Since the House debated our military commitment in Afghanistan last year, I like many members have visited Afghanistan. It has given me a better understanding of the scale of our mission and the challenges that we face. This is a long and difficult war—2,812 ISAF personnel have been killed in action in Afghanistan since those planes hit the towers in New York just over 10 years ago; 32 of those personnel are Australian, and 11 of them have died in the last 12 months. Many more Afghan troops and Afghan civilians have been killed. Australia has spent more than $4 billion on operations and force protection in Afghanistan and the Middle East. The United States spends that much each fortnight. Progress has been hard won. It has taken a long time to get to where we are now, with preparations underway for a nationwide transition of security led responsibility to the Afghan national security forces by the end of 2014. Every loss of an Australian life tests our resolve, especially when the circumstances in which they lose their lives are so incomprehensible. But this is a just cause and the strategy is finally the right one.

We are not in Afghanistan alone; we are there with 47 other countries—one-quarter of the nations of the world. We are there at the request of the government of Afghanistan and under the mandate of the United Nations. We are there like the other 47 countries in ISAF because it is in our national interest to be there. The threat posed by an unstable Afghanistan reaches beyond its own borders. A decade ago it took the lives of more than 3,000 people in New York, Washington DC and Pennsylvania. A year after that it took the lives of 88 Australians in Bali and injured 202 more. That is why we are in Afghanistan: to ensure that it never again becomes a breeding ground for terrorists to plan and train for attacks on innocent people.

This is not a conventional war, one sovereign state against another, and it will not be won by conventional means. We cannot kill our way to victory. Preventing a repeat of the events of the past requires the establishment of a competent and capable army and police force in Afghanistan. This is the only way to ensure that the Taliban and other extremist groups cannot just wait us out. They cannot just wait us out, because we will leave behind an Afghan National Army and an Afghan National Police Force capable of providing security and stability. This is no easy task as the events of the last few weeks remind us, but it is the right one and we are making measurable progress.

When I was in Afghanistan in July, I spoke with soldiers who had been deployed there on more than one occasion and I asked them what progress they had seen. They told me that in places where they were fighting a few years ago, things are now relatively stable and we have expanded our operations into new areas. Several years ago, they were leading all patrols; now many patrols are being led by the Afghan National Army with Australian assistance.

Some sections of the 4th Brigade are developing faster than others. As the Prime Minister advised the House in her report to parliament today, one of the brigades' kandaks, or battalions, is now close to being able to conduct fully-independent operations with Australian advisers. The others are making steady progress with more expected to be capable of conducting independent operations next year. Australian forces have now handed over 11 forward operating bases to the ANA under Afghan control. Places taken by the Afghan...
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National Army and ISAF over the last summer have been held through the fighting season. The insurgents have not been able to take those places back. When they fight in the field, they lose. This is why they have adopted a hit-and-run strategy using IEDs and high-profile suicide bombings.

I arrived in Afghanistan the day after one of these high-profile attacks in July this year. Insurgents launched an attack aimed at killing the Governor of Oruzgan, Mohammed Omer Shirzad, and a number of other important Afghan officials in the province. The attack failed. None of the insurgents' targets were killed but a lot of innocent civilians were, including many children at a school next door to the governor's compound. The incident proved the progress the Afghan National Army units are making. Our commanders in Afghanistan told me that the ANA performed very well that day, responding to the attack with a well-managed security response. There is a little more work to do, but the strategy we have is the right one and we are on track to transfer responsibility for security in Oruzgan to the Afghan National Security Forces by or before the end of 2014.

My job is to make sure our soldiers have the equipment they need to do this job, and it is a responsibility that I take very seriously. A lot of work has been done in the last 12 months. As a consequence, the equipment our soldiers are wearing and using in Afghanistan has changed significantly since the Prime Minister reported to parliament a little over 12 months ago. In the last 12 months we have rolled out new combat body armour, new combat uniforms, and longer-range machine guns to our troops in Afghanistan. We have also upgraded our Bushmaster Protected Mobility Vehicles in Afghanistan to make them even safer. This upgrade includes the installation of protected weapon stations to reduce the exposure of crew operating vehicle-fitted weapons, internal spall liners that provide vehicle occupants with better protection from direct fire and side blasts, and new seating and flooring that give troops in the vehicle better protection against spinal and lower-limb injuries from the blast effects of improvised explosive devices. Earlier this year we also installed a counter-rocket system at Tarin Kowt and at a number of our forward operating bases to warn troops of rocket attacks. To date they have provided advanced warning of 23 rocket attacks, giving precious seconds for troops to hit the deck or find cover. All up we are spending more than $1.6 billion on new equipment to better protect our troops in Afghanistan. It is a lot of money, but I am sure all members of this House would agree that it is money well spent. It is money that is saving Australian lives.

No-one knows what a soldier needs in Afghanistan better than someone who has actually been there. That is why this year we set up a group called Diggerworks. It is a team made up of scientists, engineers and soldiers who have recently returned from Afghanistan. Their job is to fix the problems that are identified by our troops. It is led by Colonel Jason Blain, who commanded our soldiers in Afghanistan last year.

Twelve months ago the biggest concern our soldiers had with equipment in Afghanistan was the MCBAS body armour. It is very heavy and it is designed for patrolling in vehicles in Iraq, not for patrolling on foot in Afghanistan. It is also very bulky, with a lot of soft body armour that makes it very difficult for soldiers to get in a firing position to use their rifles. The team at Diggerworks worked with Australian industry and have fixed this. They developed new lighter combat body armour called TBAS. I can report to the House that our soldiers are now wearing it in Afghanistan. I have spoken to our soldiers in Afghanistan and the feedback
on the new body armour is incredibly positive. Two weeks ago with the shadow minister for defence personnel I visited our troops in Queensland who are training to deploy to Afghanistan and the feedback on the new body armour was the same.

Diggerworks have also done a great job in improving the helmets worn by our troops. An upgrade to 2,000 helmets was completed last month and that included fitting new padding and harnesses inside the helmets to increase comfort and functionality. Next year 1,500 more helmets will be upgraded for troops who are due to deploy in the future.

None of this means that everything is perfect. There is a lot more to do, particularly to counter the threat posed by IEDs.

A division having been called in the House of Representatives—

Sitting suspended from 18:17 to 18:33

The DEPUTY SPEAKER (Ms K Livermore): It being past 6:30 pm, in accordance with standing order 192 the debate is interrupted. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

PRIVATE MEMBERS' BUSINESS

Exceptional Circumstances Exit Grants Program

Debate resumed on motion by Dr Stone:

That this House:

(1) notes that:

(a) in the 2011 Budget, the Labor Government announced the extension of the Exceptional Circumstances Exit Grants program as part of its drought assistance measures;

(b) less than 6 weeks into the extended 52 week program, the Government announced that funds had run out;

(c) this Exit Grant was often the only means by which some farmers could exit their farms with sufficient support to transition to a new livelihood;

(d) many farmers who applied and were assessed as eligible for the grant, proceeded to put their farms on the market, and had sold their farms through exchange of contracts, prior to the announcement that the funds have now run out;

(e) many of these farmers, on the basis of the Exit Grant support, have made financial commitments to buy alternative accommodation so they can transition to their new locality and employment; and

(f) many of these farmers who trusted the Government's commitment and Centrelink's documentation approving their eligibility are now in dire financial straits with no capacity to borrow, no income, and no opportunity to become re-established; and

(2) calls on the Government to provide the Exit Grant to the farmers that have sold their farms through exchange of contracts by 10 August 2011, and were eligible under the guidelines for the exit grant had funding not run out.

Dr STONE (Murray) (18:33): This motion is about the great distress and hardship that is now afflicting some farming families who have been caught up in a backflip, a change of mind, in relation to Exceptional Circumstances Exit Grants. We hope through this motion that the government will change its mind and put less than $5 million into making good on what, we believe, was a commitment that will give some farm families a chance to restructure their lives.
The recent eight-plus years of drought extracted an enormous human and financial toll over much of south-eastern Australia. In northern Victoria over half of the dairy farms were driven out of business. Equity in farm properties was eaten away and in quite a few cases the level is beyond recovery. The exceptional circumstances payments literally put food on the table for farm families who could not generate income from their properties and their hard work. The EC interest rate subsidies meant that more farms could remain in business while we all waited for the rains. Over $2.74 billion was committed to EC support in the last four years of that drought. That investment helped keep farm families on the land so they would still be there to claw their way back with the return of better seasons. That is what they are now doing. For some the drought was too long and they needed to think about the unthinkable—the sale of their farm. Hence, there were available Exceptional Circumstances Exit Grants designed to help the farmer driven off the land to re-establish in another industry. In all, some 504 exit grants were made, while nearly 33,000 families were helped to stay on the land with the equivalent of Newstart allowance for household support through exceptional circumstances grants.

The $600 million in EC support per year over the last four years pales into insignificance when you look at what that sector is now contributing, with the rains returned. In fact, it was a great investment in the future economy. ABS data shows that, in 2009-10, agriculture alone contributed $39.6 billion to the economy in that one year when the drought broke. Estimates for 2010-11 are that gross production value will be $40.1 billion. So the EC payments were a comparatively small but very sound investment in a hardworking and enormously contributing sector. EC exit grants were a vital part of that investment, making sure that farm families defeated by the drought were supported into new employment. While by 2011 it had rained in most areas—flooded, in fact, in some—incomes were not always restored, equity was depleted and some farm families still, tragically, needed to exit the industry to survive financially.

On 10 May this year the Minister for Agriculture, Fisheries and Forestry, Minister Ludwig, delivered his 2011-12 budget overview. In the accompanying facts sheet, the Department of Agriculture, Fisheries and Forestry identified the extension of the EC exit grants to 30 June 2012, with their three components: the exit grants up to $150,000; the advice and retraining grants up to $10,000; and the relocation grants up to $10,000 per client. Revised exceptional circumstances exit package policy guidelines were duly released in July 2011 in support of this decision. On the front page in bold lettering it said:

These guidelines apply to the period 1 July 2011 to 30 June 2012.

It stated that the Australian government had allocated $9.6 million for the EC exit package for 2011-12 and the program would close on 30 June 2012 or earlier if funds were expended before that date. In fact, 21 times in the 21-page policy document it says that the closing date is the middle of next year, June 2012. But we could not believe it when on 10 August, only six weeks after that policy document was released, while agriculture minister Ludwig remained deathly silent, the Department of Agriculture, Fisheries and Forestry slipped a statement onto their website. In a stunning reversal of policy, the website stated that exceptional circumstances exit grants were fully subscribed. Centrelink was told to close the books because the government had run out of money for the program. As you can imagine, this was a sickening blow for those who had decided to sell their properties at what was,
usually, a hugely discounted rate only because there was the expectation after they spoke to Centrelink that they would be eligible for the $150,000 exit grant plus the retraining money if they sold the farm.

A lot of people do not understand that in country areas selling your farm is not just like selling a suburban home or some other business, because, too often, there are intergenerational families under consideration in farm families. Family farms are often brothers working together or their grandparents and sons, and indeed grandsons, working the same property. The expectation is that the farm is also your home. It is also where people go to school. They belong to small communities. They go to the Country Fire Authority and keep it going. They go to their sporting clubs in those small local communities. So a decision to sell your family farm is a life-changing decision for anyone to make and it is a decision that often leaves families in enormous distress. There is a lot of family marital breakdown associated with selling the family farm. The decision is not taken lightly.

Unfortunately, these people took counsel from Centrelink, who said: 'Yes, while you’re not going to make anything out of selling your farm—your debt is too great—with your $150,000 exit grant, with that little amount of money, you can put a deposit on a new house somewhere else. You can have some training with the $10,000 that goes with this grant. You can start a new life.' They had sold their farms before 10 August—as you know, the state declares it a sale of the farm when you have exchanged contracts and a deposit has been paid. So you can imagine the shock to numbers of my constituents, as well as those of the member for Mallee, when Centrelink said to them: 'No, until you actually get the full cheque in the mail—in other words, settlement in 60 days, 90 days or whatever is agreed—we are not going to deem that as you having sold your farm, so you are not going to get the $150,000, because, sorry, we have run out of money.'

I have farm families now whose lives are ruined. There is one family who had sold their livestock, their household goods, their water and their plant and equipment. They had put a small deposit on a small, modest home in Bendigo. Their three children were told they would have to leave their beloved school. That farm family could only survive—and indeed was only making the decision to move off that farm—with the $150,000 EC exit grant. They received a phone call from Centrelink saying, 'We know, we understand, the trauma that this entails, but we cannot pay you that cheque.' This is the sort of thing that is occurring in case after case across the electorate of Murray and also in my neighbour's, and the member for Mallee will soon speak to his situation.

We are begging the minister for agriculture, in conjunction with the minister for finance and with this government, to look at act of grace payments for these people. They acted in good faith. They took an incredibly traumatic and distressing decision on the basis that the government would support them into a new life. It is not a decision they would have taken or could have taken without the expectation of this grant.

How come—six weeks after the announcement of a 12-month extension of a budget, with $9.6 million committed to that extension—someone did not know that, in fact, the funds had run out? Where did the funds go to? We are looking at less than $5 million to solve this problem, yet, just today, this government announced $50 million for the state governments to be coerced into going along with the new environmental forum—$50 million. We could have had $5 million of that, thank you very much, and saved these people's futures. We are not just
talking about the mothers and fathers but their children as well, who are now traumatised, with no income and with no alternative but to wonder what their future will hold.

This motion is deadly serious. It is about a malfunction of a government agency under the guidance of this government. This motion talks about a lack of caring and a lack of understanding of consequences. It also talks about, I think, some extraordinary mismanagement of budget. Centrelink must have been keeping the minister informed about how many grants had been committed to. It takes between four and six months to work through one of these grants, from the time that you agree to sell your property, to selling your property if you are lucky, to selling all the other parts of your property and then, finally, waiting for the settlement. In six weeks, I cannot understand how you could have committed the whole of the next year's budget; that just seems amazing to me. There are a lot of questions that the minister needs to ask his department and Centrelink.

Meanwhile, let us have those act of grace payments out there in the communities before too much more emotional and financial trauma occurs with these families. It is not too late now, but it is beginning to be too late for some of these farm families. They need a future. It is not their fault it did not rain for seven years. They kept working through that time. They invested all that they had emotionally, physically and psychologically. They agreed to move on through great family distress in making that decision. This government has let them down. This government needs to make it good.

Mr ADAMS (Lyons) (18:43): I appreciate the opportunity that Dr Stone has provided to speak about the Exceptional Circumstances Exit Grants program, as my state, as well as many others, of course, has been through some most devastating drought periods in recent years. Fortunately, that has been relieved to a certain extent in Tasmania and, I believe, in other parts of the country as well. And, of course, we have seen flooding in some areas in the last year or two. But I do understand that there are some cases of people who took it very hard during that period and have had to continue to make decisions about their farming future. Firstly, I would like to say that the Gillard government has stood by rural and regional Australia throughout the drought and that it will continue to support rural and regional Australia. As most people have now gathered, improved seasonal conditions have brought relief to farmers and to rural Australia. The area of agricultural land declared under exceptional circumstances fell from 26.1 per cent of Australia in June 2010 to only 0.3 per cent in June 2011, which is a great relief to many people on the land.

ABARES is forecasting a strong outlook in 2011-12, with positive crop and export forecasts. This includes positive projections for grain, rice, cotton, livestock, fisheries and forestry. However, the government knows that some people are still doing it tough after years of drought and has provided assistance to manage the transition, and there always is the transition period. The government has provided EC exit grants. These were set up at a capped amount, and many were taken up. Funding of $9.6 million was allocated in this year's federal budget, and additional funding was provided, taking the total amount available to around $14 million. As at 30 September 2011, 504 farmers have received EC exit grants since the program commenced in 2007, and a number of applications are still being assessed and finalised.

This program was designed to assist those in severe financial difficulties whose farms were located in an exceptional circumstances declared area and who had decided to leave the land.
Just as this government stood by farmers during the drought, it will continue to stand by them as it works to reform drought assistance. The Gillard government has provided significant support for farmers in exceptional circumstances declared areas. Last year, expenditure on EC assistance was almost $400 million, and this included exceptional circumstances relief payments to over 12,000 households and an exceptional circumstances interest rate subsidy to over 5,000 businesses.

EC grants are just one assistance program; there are other forms of assistance available to farmers experiencing hardship. They include transitional and income support, which is available to eligible farmers, regardless of location or industry, who are in need short-term income support to assist in the recovery from drought and to help them to manage the impacts of changing climate.

Closing the program when the funds were fully subscribed has not reduced the number of people assisted. Any person who believes they have been adversely affected by the closure of the EC exit grant program is entitled to seek a review or to appeal, and this can be done through Centrelink standing practices. Additionally, redress can be sought through an act of grace claim. Under the act of grace rules, each case will be considered on its merits and the government is encouraging people to apply so that their case can be assessed.

The honourable member for Murray might note that, in 2008, the Productivity Commission report on government drought support clearly stated that exit grants are inefficient and should be used only sparingly. In fact, it recommended that exit grants be terminated through transitional arrangements. That is why the government has been trialling drought reform measures in Western Australia, a key part of which is an exit grant system that is designed to move farmers from a crisis-management approach to risk management and to increase skills and training. The national review of drought policy found that the current system of exceptional circumstances does not represent best practice when it comes to helping farmers manage the risks associated with drought and climate variability.

Once again, the task of preparing the Australian farm sector for the future is left to a Labor government, after 11 years of inaction and inefficient programs from the coalition. If the coalition had their way, farmers and primary producers would be locked into a cycle of debt from which they could not escape. There has to be more than handouts when those on the land are facing exceptional circumstances. There must be a means by which farmers and land managers can be assisted to adjust to changes in weather patterns, which are likely to continue through ongoing climate change. The do-nothing attitude of the coalition when it comes to drought assistance and helping to find better models with which to support Australian farmers is simply galling to me. The other side never gets on a positive foot; they always oppose and are negative. They are always saying that there is no future, that the government is always doing it wrong and that we can never achieve anything et cetera. That is not true. We do need to change and look at the risk management processes and get away from just piling on the debt or looking for total handouts when it comes to drought. We need to find a way to support enterprises that are productive and that can deal with changing weather conditions.

Rural and regional Australia can see through the cheap tricks that the Liberals are playing with drought policy. When it comes to reforming drought assistance and boosting our agriculture productivity, it is Labor that is doing all the heavy lifting. And it is Labor members, through their committee work, who get in with the minister and make things
happen in a positive way for rural Australia, because we look at the rural industries as industry and we work towards making them better industries in the interests of Australia.

I know that the member for Murray is really interested in the plight of her farmers. I would not deny that; I know that she is very passionate about that and would endeavour to do what she can to further assist them. As I said, there are circumstances that can be followed. I would also say to the member for Mallee that he should follow that course where he can for his constituents who might need the assistance. I believe that we can assist many through the process if they are on the edge, but we cannot continue to have a total process. We must endeavour to learn from the Western Australian pilot program. We must endeavour to train people to get enterprises onto the front foot, to understand risk, to understand how to change and drought-proof a property and how to deal with a lack of rain, as this country has ever since it has been settled by white people. We need to go that way and not hang on to some of the old ways of yesterday.

The government is working by helping the rural industries transition to other land uses and occupations, and there are avenues to assist individuals who are not coping and who need extra assistance; the opportunities are there. But if people need to move on they need to move on and decisions have to be made. It is not an easy decision. It is never an easy decision. I have had some in my electorate who went through difficult times. With a change in pricing of produce and properties not big enough to make things pay, people have to make a hard decision. So I cannot and will not support this motion but I am glad I have had the opportunity to speak about it.

Mr FORREST (Mallee) (18:53): I have to say to the member for Lyons that I am just a bit disappointed. I am on my feet to make an appeal, which I have been making ever since 10 August, to the government. I am going to talk about real people, real families. I agree with some of the contribution that the member for Lyons has made; we have to move on, but at the moment I am trying to deal with 13 real families who, in good faith, went about the process of selling their farm, with all the emotional steps that take. Often it is a third-generation farmer, and they have to get over thinking about what grandad would say. They brought themselves and their families to the position of entering into an irrevocable contract of sale. They have taken a deposit and, in two cases, have used that deposit to enter into another irrevocable contract of sale to buy a house in town; they have to live somewhere once the farm has been sold up. My purpose is to appeal to the government on this, with all the advice it has had from the department that the drought is over and the package is not needed anymore. At the moment the member for Murray and I are dealing with real families. In fact, in one case the head of the house is 71 years of age. He now has to borrow to fund the house he has contracted to buy, because he cannot get out of it—it is an irrevocable contract for sale. I just do not understand Centrelink saying that it is not an effective sale until settlement occurs. It is just not true. It does not happen in any other part of the business world.

I raised this matter in the House on 17 August and since then I have placed questions on the Notice Paper and I have written to the minister, Senator Ludwig, twice, on 12 August and 29 August. To this day I have received no response. I did receive a response to the question on the Notice Paper, but it was completely inadequate. It is very poor form, especially when I am dealing with real people, people who are emotionally stressed and wondering what they
are going to do. Sitting at their kitchen tables we have people, grown men, crying, 'What have we done?' Well, you have not done anything; the government has let you down.

So, this is an appeal. There are plenty of processes the government can use. I think the member for Murray has half a dozen such constituents, and I have 13. There are a lot more who are complaining but are not caught in the circumstances, but I want to help them. An act of grace is an opportunity for the government here. Seven of my constituents have already applied for that through Minister Gray. My purpose for being here on my feet is to confirm this appeal. It is not right to stand behind what the bureaucratic departments have advised. The member for Murray and I have to deal with real people who have families, and they are distressed and in poor emotional shape.

I express my disappointment that the member for Lyons has not understood that point. He knows me well enough to realise that I well understand the points he makes about the need for a better safety net for the primary producers around the nation. Nobody in this place has fought harder than me to do that. At the moment we are dealing with real people in real distress, and the member for Murray and I expect a positive response. Perhaps it could be a phone call from the minister, as a result of this contribution tonight, saying, 'All right, give me the information,' or whatever. But to not respond is very poor form. My constituents do not feel as positive about the Labor government as the member for Lyons has suggested. They feel very let down and disappointed.

I am advised by a number of my constituents that the senator has responded to their correspondence. This was facilitated through my office, but I felt they might get their message through better if they wrote and told their torturous story, rather than doing it via me, because the government might think I was playing some silly political game here. They were offered act of grace payments. They have been back into my office and we have assisted them with filling out the application forms.

I think the government needs to eat some humble pie here and maybe even apologise to some of my constituents. A blunder has been made. The member for Murray and I want to know how long before 10 August the government knew that it would not honour the program beyond that date. The rural councillors in my electorate, who put an enormous effort into assisting families like those we are talking about tonight, told me that at 4.30 on 10 August they received an email saying that if settlements had not occurred by 5 pm that day the exit grant would not be honoured. That is despite the fact that all of the constituents looking for some assistance here had letters of commitment from the department, from Centrelink. They were acting in good faith. Maybe it did not happen as fast as the department wanted it to, but it takes a lot of time to sell a farm, especially horticultural farms. Most of the families I am trying to help here are engaged in horticulture to do with Sunraysia, Robinvale and to some extent Swan Hill. Horticulture is not in good shape at the moment, so it takes a lot of time to set up a purchase. The department obviously does not realise that that is the difficulty. But they have kept at it and in most cases, if they received an offer, accepted a lesser value for their property, knowing that the $150,000 exit grant would help them transition into their new future.

Some of these cases are worse than that. Sundry debtors now look like they are not going to be paid a settlement. These are the people who supply chemicals, fertilisers, machinery parts and so forth. They have been waiting patiently, persuaded by the imprimatur that the
government is facilitating an exit grant sale here and that it will be paid. Imagine how these farmers now feel, having given commitments like that. They are so embarrassed. They are out of small communities. They made a commitment: 'If you give me some space I'll pay you out of what's left of the exit grant.' It is a real mess. I am hoping the government responds positively and constructively, and I hope that other government members who are listed here to speak will give a much more passionate response to the appeal that the member for Murray and I are making. The member for Lyons did, and I am expecting big things from that. I hope my appeal for compassion has been heard and that act-of-grace payments will be delivered.

Mr ZAPPIA (Makin) (19:02): The member for Murray and the member for Mallee know that I too have a good knowledge of the farming communities that they represent. In fact, I spent some time with both of them as a supplementary member to the Standing Committee on Regional Australia, when we toured the basin and spoke to communities throughout. So I have no doubt whatsoever that they bring their genuine concerns into the House by raising this motion that is before us tonight.

I want to begin by outlining and clarifying some of the facts, Mr Deputy Speaker Adams—facts that you yourself referred to in your own contribution to the debate. Firstly, the exit grants offered time-limited, one-off assistance for those farmers whose farm enterprise is or was located in an area covered by an exceptional circumstance declaration on or after 1 July 2010. The program was clearly stated to be available until 30 June 2012, or until funding was taken up—and I repeat: or until funding was taken up. The program indeed did close in August of 2011, after additional funding to the tune of $4.4 million was allocated to the original of $9.6 million.

The program was closed when it was fully subscribed. It is as simple as that. The government has subsequently said that any person who believes that they have been adversely affected by the closure of the program is entitled to seek a review or appeal—and I think that is quite appropriate. I also understand that the government is working with individuals to lodge act-of-grace claims, meaning that each case will be considered on its merits. As both the member for Mallee and the member for Murray have said, they have raised this matter with the minister, and I understand that the minister is looking at those matters. Therefore, I think everything that could be done is being done by the minister right now. And I certainly accept that both honourable members are waiting for responses from the minister. I want to talk about this issue in a broader context, however. I said at the outset that I toured the Basin with the member for Murray as a supplementary member of the Regional Australia Committee that looked into the Murray-Darling Basin issues more broadly. I and other members of the committee heard from individual farmers and rural communities right throughout the Basin. There was no doubt in my mind whatsoever that those rural communities were doing it tough. I also understand from more recent reports that, as a result of the good rains we have had in the last 12 months or so, things are looking up and in many parts of the Basin there has been a substantial turnaround. However, I accept that for some they had sunk so low that even the end of the drought has made their own recovery near impossible.

The situation has, of course, been further compounded by two other events. Firstly, the global economic recession, which has undoubtedly put a damper on farm exports from this country. Secondly, the high Australian dollar. The high Australian dollar has had, I guess, a
twofold effect. On one hand it has meant that our own exports have had to compete with exports from other countries and, therefore, sales of our own produce has not been as easy as it might have been if the Australian dollar was lower. Secondly, it has meant that the imports of foods that compete with the very foods that our irrigators grow come in at prices well below what we produce here in Australia and, in turn, it keeps the prices back home much lower than they would otherwise be as well. So the Australian dollar, as I say, has had a double effect, and then to that you add the global economic recession and, thirdly, the long drought. You can understand why the irrigators in the Murray-Darling Basin area have been doing it so tough.

But I am not, however, convinced that exit grants are the way to go. Whilst I accept that they have been a strategy and a policy area that this government has adopted, I have to say it would not be my preferred policy area if I were determining how we should assist people in the same situations. Interestingly—and, Mr Deputy Speaker Adams, you made this point yourself—the Productivity Commission has also commented about the use of exit grants and generally, I think, made the point that it is not so supportive of them. In fact, I understand it determined that they were ineffective and should only be used sparingly. My concern with the use of exit grants relates to a couple of matters. One is a matter that the member for Murray would know only too well and that is this: in the course of our work throughout the Murray-Darling Basin we were constantly told that the water buyback provisions that the government had committed to were causing a term we constantly refer to as 'the Swiss cheese effect', where it was causing inefficiencies throughout irrigation communities. It was a matter that was raised with us time and again.

It seems to me—and I cannot understand the difference—that the water buybacks were a form of exit grants. What they enabled many of the irrigators to do was to sell their water, exit their property although retaining ownership of the land but retaining a property that was no longer productive as a farm. And, if it was producing anything, it was certainly not producing the kind of income that would make it sustainable. So it was a form of exit grant and we were criticised for doing that. We were, in fact, told that we should stop providing money for water buybacks because it was having a detrimental impact on those communities. It seems to me that the use of money to directly assist people to get off the farms has exactly the same effect. If you assist a farmer to get off the farm then surely, whether you buy the whole lot or not or whether you simply pay the farmer to leave the farm, the end result is that you have one less productive farm in the system and therefore the so-called Swiss cheese effect that we were criticised for putting money into is being duplicated. I frankly see little difference, other than the management of the process—but the outcome, I believe, is exactly the same. For that reason, I do not believe it is the best way to assist farmers. The second point that concerns me is this. Given that we know that in the future there will be a greater demand for our food resources because of population growth around the world and given that the Murray-Darling Basin generally is a place where I believe our farmers produce some of the best food in the most efficient manner anywhere in the world, we have an enormous opportunity to ensure that in the future we might be in a position to supply food not only for Australia but for the rest of the world, and in so doing boost our own economy. In 1950 the agricultural produce in this country amounted to some 30 per cent of our GDP; it is now just over 2.5 per cent. That is how far it has dropped back. But we have an opportunity in the future to rebuild that, and we are not going to do so by paying farmers to get off the land. We need to find alternative
methods of supporting them during the time that they go through difficulties, without throwing out the opportunity that the farming sector presents to them and to the nation as a whole in the future.

This is a very serious issue because, quite frankly, it is not only about opportunities for this country; it is about opportunities for the world, where we know we have got some of the best farming methods available at our disposal and our farmers have proved that they can produce the food that is necessary. Given that, even though it might change from one period to another, if we now have an opportunity to get these farmers back on their feet that is exactly what we should be doing. It does concern me that farmers out there are still doing it tough, but it concerns me just as much that we are being encouraged to promote policies which get them off the land, off the farm, rather than doing the exact opposite, which I believe would be in the long-term interest not only of the farmers but of the nation.

Mr TEHAN (Wannon) (19:12): I commend the member for Makin for his efforts in trying for 10 minutes to justify the unjustifiable. It was a valiant effort. He tried to go around the subject matter as best he could, but I do not think anyone could say that in any way what the government has done here is just or is fair. The motion notes that in the 2011 budget, the Labor government announced the extension of the Exceptional Circumstances Exit Grants program as part of its drought assistance measures. Very good. Less than six weeks into the extended 52-week program, the government announced that funds had run out. The exit grant was often the only means by which some farmers could exit their farms with sufficient support to transition to a new livelihood. Many farmers who applied and were assessed as eligible for the grant proceeded to put their farms on the market and had sold their farms through exchange of contracts prior to the announcement that the funds had run out. Many of these farmers, on the basis of the exit grant support, have made financial commitments to buy alternative accommodation so they can transition to their new locality and employment. And many of these farmers who trusted the government's commitment and Centrelink's documentation approving their eligibility are now in dire financial straits with no capacity to borrow, no income and no opportunity to become re-established.

This motion calls on the government to do what they said they would do: provide the exit grant to the farmers that have sold their farms through exchange of contracts by 10 August 2011 and were eligible under the guidelines for the extra grant had funding not run out.

Mr Mitchell: Where haven't they done it?

Mr TEHAN: Okay, are you saying that the government is going to go to those 30 farmers who have come to you? Are you making a commitment on behalf of the government to provide these farmers with their money?

Mr Mitchell: You've got no idea.

Mr TEHAN: I have got plenty of idea, clear-cut, right here. You don't like hearing it.

Mr Mitchell interjecting—

The DEPUTY SPEAKER (Hon. DGH Adams): Order! The honourable member for McEwen should stay silent.

Mr TEHAN: Sometimes in this place the truth hurts. We hear from the member for McEwen about the truth hurting. We are concerned about what they are doing and how they are hurting these farmers. I could be very unkind and say it is because the financial
management of this government beggars belief. Their incompetence and waste has led to them pulling the funds six weeks into a 52-week program and leaving these farmers high and dry. That is not good enough. We have this motion today because we want the government to act.

I commend the federal member for Murray for putting this motion forward and for representing her constituents in the way that she has. She has not lain down. She has presented the facts. She has moved this motion. If the member for McEwen wants to know who the farmers are who are impacted, we have the list right here.

The best thing the member for McEwen could do is say to the Prime Minister in his party room tomorrow: 'What we did to these farmers was unjust. We led them down a path that made them think they would be eligible for the next year for exit grants.' No-one wants these farmers to exit their land but, given 10 years of drought, sadly, it was the only option left to them.

I call on the government to support this motion. I commend the federal member for Murray for bringing it to this committee. The member for McEwen should, rather than shake his head, get in his party room and say, 'What we did was wrong,' and defend these farmers.

Mr MITCHELL (McEwen) (19:17): That was just five minutes of rant with no evidence, no support, no facts and no knowledge. It was typical coalition carry-on. They sit on their hands and do nothing when it comes to supporting farmers and rural Australians. As always, there is the talk and the grandstanding. The member for Wannon carries on, but he could not produce one shred of evidence, because it is a political stunt. Not once in this debate have we heard them identify one single cut to the program. That is because there are none. This is where the failure of those opposite quite simply lies.

The government did announce an extension of the program. In fact, they put another $4.6 million in. I would love the member for Wannon to listen. I think he should apologise for what he just said. We extended this program to $14 million from the original $9.6 million. It was fully subscribed, which is why it stopped. He scurries out of here. He could not bring forward one piece of evidence. The government put a program in place and increased the amount of funding. It was fully subscribed and then it stopped. That is what happened.

Mr Tehan: So you led them down the garden path!

The DEPUTY SPEAKER: Order!

Mr MITCHELL: Respect the chair, you dill! Their lack of plan for support for these communities will hold regional Australia back. It is an absolute disgrace that people like that come in here over-refreshed and carry on. In our 2011 budget we announced the extension of the exceptional circumstances exit grants to $14 million, as I said, to ensure that eligible applications that were lodged prior to the program's closure could be processed and funded.

Mr McCormack: Mr Deputy Speaker, I rise on a point of order. I think he has made a bit of an imputation there by using the word 'over-refreshed'. I think that is unparliamentary. I ask him to withdraw it, please.

The DEPUTY SPEAKER: I do not see that as unparliamentary.

Mr McCormack: Or suggesting something that he is not.
Mr MITCHELL: The exceptional circumstances program offered time-limited one-off exit grants for farmers whose farm enterprise was, or is, located in an area covered by the exceptional circumstances declaration after 1 July 2010. This initiative provided an exit grant of up to $150,000, advice and a retraining grant of up to $10,000 to assist in planning for farm exit, and a relocation grant of up to $10,000 to pursue new employment opportunities. It was clearly stated that the program would be available until 30 June 2012 or—and this is the bit that those opposite deliberately ignored—until all the funding was taken up. It is not that hard: you have a pot of money and when you spend it there is nothing left; that is the end of the pot. They say, 'You shouldn't do this, but you're reckless in your spending and you throw money away.' So when we budget things, when we make the funds available, we are bad and if we continually put money in we are bad. It shows one thing: it shows that the only thing those opposite can do is say no; that is all they can do. Also, we made it clear that anyone who believed they were affected by the closure of the program could seek a review or make an appeal. And we are working closely with people to lodge act of grace claims. What that means is each claim will be considered on its merits.

After 11 years of neglect and unsuccessful programs under the coalition government, they are now trying to affect the future of Australia's farming sector. We are trialling two reform measures in Western Australia. Central to this is an exit grant system that moves farmers from a crisis management approach to risk management and increasing skills and training. As Mr Zappia pointed out earlier, we are actually about trying to keep farmers on the farm and keep them going, keep them working and doing what they do best. Those on the other side fail dismally on this part and it is further evidence that they know nothing about farming. (Time expired)

Mr MCCORMACK (Riverina) (19:22): The people of the Riverina in southern New South Wales and elsewhere too, the primary producers in the food bowl of the nation, were dealt a cruel blow by Mother Nature at the end of last year. But this blow from the Labor government has been just as bad, if not worse. There are farmers who survived 10 years or more of crippling drought and then had their harvests thwarted at the 11th hour by one of the biggest floods in the Riverina since the infamous 1974 inundation. This caused an immeasurable loss to the Riverina farming community at a time when they can least afford it. And then, when these people needed the government most, the agriculture minister assured them the government would be there to support them with an extension of the drought exceptional circumstances funding. But, through some foul act of betrayal, the government then claimed that it had miscalculated the available funds and that the exceptional circumstances funding was no longer available, abandoning the farmers and leaving them without a livelihood and without any help.

A farmer from Tarcutta in my electorate provided Centrelink with information about his farm to test his eligibility for the exceptional circumstances exit grant under the exceptional circumstances package 2007. Based on that information, Centrelink advised him that he could be eligible for up to $150,000 in assistance—assistance he greatly needed after floods had devastated his property. On 24 May 2011 he received a letter from Centrelink stating that, as part of the 2011-12 budget, the Labor government was extending the exceptional circumstances exit package with a change to the eligibility criteria. And then on 11 August he received a letter from the rural programs manager at the Department of Human Services
stating that he had a pre-assessment claim approved but all the funding had been fully committed and no further applications were being accepted. This constituent had exchanged contracts for the sale of his farm, but this had not been finalised. He believes that if he had been notified that the program was to end he may have been able to speed up the sale process. Instead, he was never given this opportunity. Shame on this government!

This complete lack of consideration as to the impact of suddenly culling the funding for those who desperately require this assistance is another example of the lack of respect and consideration that this Gillard Labor government has for regional Australia. For a government which claims it is interested in regional Australia, it keeps dealing the good people of the regions blow after blow. Another constituent, Mr Laurin West, from Ungarie, has also faced the inequality of the rules around assistance for farmers. When the December floods arrived, his property was damaged—and it still requires further repairs. As a father he is trying to help his son get out of debt and leases his property to him at a reduced rate. This is Mr West's only source of income. He has had his application for financial assistance declined because the Commonwealth government mandatory eligibility criteria deem that he must be a primary producer and, because he leases his farm, he does not qualify for assistance. The complete inflexibility to factor in Mr West's circumstance being slightly different from the usual primary producer's claim highlights this government's inability to understand the workings of a farm and the handing down of a property between generations. It is about time that this government woke up and started listening to regional Australia and noted that regional Australians are the backbone of this country and, with the weight this government is placing on them the country, real Australia is feeling the strain. Why is this government stripping water out of the Murray-Darling system without environmental justification? Why is Labor allowing apples to be imported without sufficiently stringent quarantine protocols?

The DEPUTY SPEAKER (Hon. DGH Adams): Order! The honourable member will come back to the motion.

Mr McCORMACK: I am, Mr Deputy Speaker. It is a summary of all the things that the Labor government has ignored regional Australians on. Why did Labor cut short the Exceptional Circumstances Exit Grants program just six weeks into the extended 52-week program? Does Labor understand or even care about the farm and food sectors? I think not, and there are hundreds of thousands of regional Australians who would agree with me on that very salient point.

Ms LIVERMORE (Capricornia) (19:27): Despite the descent into political posturing in this debate, in speaking to the member for Murray's motion I first of all acknowledge where she is coming from in putting this motion forward. I acknowledge that her experience as a local member has been very different from mine over the last 10 years as so much of Australia, particularly her part, has been gripped by the worst drought in living memory. Although farmers in Central Queensland have certainly faced their own share of hardship and stress in that time, I can only imagine the journey that members from southern states have travelled with their communities as year after year the rains have failed to arrive in areas much harder hit, and with much more of a reliance on agriculture, than those in my electorate.
I understand that members have stood alongside farmers and farming communities as they have confronted day-to-day hardship and even harder questions about the long-term viability of their farms and what their future might look like if farming were no longer possible for them and their families. There is no doubt that the effects of drought are still being felt in many communities and members from those regions are obliged, as they have been since 2002, to be strong advocates for farmers in communities still needing support. To that extent I support those members, like the member for Murray, in raising issues of concern to people in their electorates.

I cannot, however, support this motion in the terms in which it has been presented to the parliament tonight. The motion reflects the strong emotions associated with the very difficult circumstances farmers have been living through and the tough decisions many have found themselves faced with. But emotion and certainly not politics should not blind us to the facts about drought policy and the facts about these exit grants in particular. As much as we empathise with communities that are finding their feet after so many difficult years, we should not ignore the deficiencies and perverse outcomes obvious to all in previous drought policy and programs. And we should not be deterred from the work that is being done towards a drought policy that is more than an emergency response that only helps farmers once drought has taken hold and they reach crisis point, and even then only helps some farmers if they are on the right side of the exceptional circumstances line. With support from farming groups and states, our new drought policy is designed to give farmers what they need to strengthen their business, build their skills, manage risk and plan for their future. It is this work—the product of exhaustive study and of consultation with those with most at stake in the future of Australian agriculture—that so clearly contradicts the suggestion implicit in this motion that somehow the government is unsympathetic to the plight of drought-affected farmers and communities. In fact, trials are underway in Western Australia of a range of measures that are all about supporting farmers, their families and rural communities in preparing for the future challenges of climate variability and extremes. Support for farmers will be there to manage risk and prepare for drought on an ongoing basis, rather than continuing a crisis-driven system that farmers themselves recognise as unfair and as one that penalised best practice.

Also contrary to the implication in the motion that the government has somehow walked away from helping farmers is the fact that, in the last year alone, exceptional circumstances assistance was almost $400 million. That included exceptional circumstances relief payments to over 12,000 households and exceptional circumstances interest rate subsidies to over 5,000 businesses.

The exit grants that are the subject of this motion have also been part of that package of assistance measures for eligible farmers in areas still under EC declarations. When additional funding was announced in this budget, it was quite clear that the exit grants program was capped, and was only available until all funding was taken up and no later than 30 June 2012. Consequently, the program was closed when it was fully subscribed. Under any such program, the number of people assisted is determined by the funding envelope, and that number is the same regardless of the time frame over which it is allocated. There is no suggestion that funding to this program has been reduced. It was always that amount of money.
Far from neglecting the needs of farmers, the government has in fact lifted the total funding for exit grants from $9 million to $14 million. All farmers who met the guidelines at time of closure, including having lodged their applications, will be paid. Those who had sold and settled their properties at time of closure but had not lodged an application are being actively assisted with preparing applications by rural financial counsellors, and are being assisted with lodging those applications by the department of agriculture. Any person who believes they have been adversely affected by the closure of the program is entitled to seek a review or appeal, and the government is helping people with act of grace applications.

The member for Mallee asserted in his speech that he had not received a reply to his communication requesting this act of grace process, but in fact the minister wrote a letter to the member for Mallee, signed on 14 November, and even offered very active assistance from his department with act of grace applications.

This government's drought policy review showed the way forward for Australian agriculture, but the opposition pretends that we can meet future challenges with outdated policies. Australian farmers know better than that and they deserve better than that.

Mr JOHN COBB (Calare) (19:32): I rise to support the motion moved by the member for Murray and seconded by the member for Mallee. Many farmers only made the hard and very emotionally charged decision to walk away from farming and their whole life up to that point because this program was designed to and did allow them to walk away with some measure of dignity and some idea of where they might go in the future. But instead of helping farmers, as the program was most definitely designed to do, well over a decade ago, the government has just added to their strain and financial stress.

I never cease to be amazed at the ability of this government to stumble over even the most basic government duties and issues—in this case, almost of human rights. In Senate estimates, the statistics provided by the department clearly showed that funding for the exit grants program was going to fall well short of the 12 months if applications and their relative success rate continued at what were then historic levels. Obviously, the Minister for Agriculture, Fisheries and Forestry, Minister Ludwig, knew this, yet he did nothing. The issue at the heart of this problem is not so much that Labor ran out of money as the way they cut off at the knees the farmers that this program was precisely designed to help.

The exit grants guidelines do not provide for the program finishing early, as they require settlement before an application can be lodged. So farmers sold their farms privately or at auction, exchanging contracts and receiving deposits. They then had to wait for the customary two to three months for the settlement date of the contracts before they could apply. These farmers, not through their own fault, did not realise that—they had made these decisions in good faith, and while many had pre-approval from Centrelink and many had accepted lower than market rates because of eligibility for exit grants—their whole financial future was in such danger. Farmers did not realise that the program that was supposed to last for another 12 months from 1 July until the end of June in this financial year was so dangerously low on funds that, with applications in the system, on the first day the program was extended by 12 months, the funds were already gone.

What warning did Minister Ludwig, the Minister for Agriculture, Fisheries and Forestry, give these farmers? None. He just ruthlessly cut the program on 10 August, stranding those farmers that had sold their farms and had not settled. Not only could these farmers not pull out
of the sale of these farms but some had made financial commitments for their future based on program eligibility. Some had put a deposit on a house in town as they strove for a change of life after 10 years of emotionally and financially draining drought only to be totally abandoned by the government after opting to use a program that was designed to help them. This program was designed to help. They made life-reaching decisions on a program that was designed to enable them to do just that. These farmers also missed out on vital retraining grants that were supposed to help them transition to a new life, and that is what happened in Newcastle and Wollongong when they shut down the steel mills. But this did not continue for people who sold their farms in good faith.

Here we have a government that found $100 million to fix up a stuff-up in live exports when the Gillard government unilaterally shut it down without any understanding of the consequences. Now that same government is too mean and too lousy to find the money to help financially stressed and emotionally distraught farmers left out in the cold. In Victoria alone there are reports of at least 30 farmers who have now been left high and dry, missing out on exit grant funds. Some of these farmers have been stranded simply because another government department held up sale finalisation by not issuing the simple approval of water transfers. The Gillard government is downright lousy. The minister either does not care or is too inefficient to go back to his cabinet and sort out the technicalities that excluded the very farmers this program was set up to help. I implore the government to right the wrong and to support the farmers who have been abandoned in this fiasco.

Mr HUSIC (Chifley—Government Whip) (19:37): In this place we have discussed at great length and experienced across the country the pain that was brought as a result of the floods that swept through Queensland and also parts of New South Wales and Victoria. As a nation we responded quite quickly, both in a personal capacity but also through businesses and in particular through government, where we had to take a number of critical measures to help people meet their immediate needs and also to be able to rebuild parts of the country that had been absolutely devastated by flood. By way of contrast for many people, when they cast their minds back a short period of time, there was the disbelief that we could get to a situation where some of the worst floods would hit a few short years after the bulk of the country had been held in the grip of terrible climatic conditions, specifically drought.

Even though I am a city-based MP, I remember how people across the nation had been affected by drought either in their own capacity in cities that were concerned about depleting water supply or by seeing on their TV screens the devastating impact of drought and the way it did require people to make, as the member for Calare mentioned a few moments ago, an emotionally-charged decision to leave something that may have been in their blood for generations, farming, simply because they could no longer make ends meet under the circumstances that mother nature had brought to bear in relation to them. A range of different measures was taken up to assist people—and reflecting on the words of the member for Calare—in making that ‘emotionally-charged’ decision. The Exceptional Circumstances Exit Grants were set up, time-limited, one-off exit assistance for farmers whose farm enterprise was located in an area covered by an EC declaration on or after 1 July 2010—formerly it was 25 September 2007—designed to assist eligible farm families in financial difficulty that chose to re-establish themselves outside farming. The program consisted of a grant of up to $150,000, and it also comprised an advice and retraining grant of up to $10,000 to help in
planning for farm exit and relocation of up to $10,000 to pursue new employment opportunities. A condition under the program was that farmers were required to sell their farm enterprise and leave farming. The program was clearly stated to be available until 30 June 2012 or until all funding had been taken up. The program was closed a few months ago, in August 2011, after additional funding was allocated from the original $9.6 million to $14 million, and all farmers who met the guidelines at the time of closure will be paid.

It is important to note that the program was closed when it was fully subscribed so it did not reduce the number of people assisted. But it is also important, particularly given the contributions made by numerous members in here relating stories from their own electorates, that the government has said that any person who believes that they have been adversely affected by the closure of the program is able to seek a review or appeal, and the government is working with individuals to lodge act of grace claims—and that has been remarked upon during the course of this debate—meaning that each case will be considered upon merit.

We have sought as a government to stand by rural and regional Australia through the drought and will continue to do so. And it is important to note that as at 30 September of this year 504 farmers received an EC exit grant since the program commenced under the previous government in 2007, and a number of applications are still being assessed. Obviously, ABARES is forecasting a stronger outlook for 2011-12 with positive crop and export forecasts and some people will be in a position where they can stay. But for people who have had to make that truly wrenching decision to leave the farm, we are, as has already been reflected upon, certainly there to provide assistance to people who feel that they have been unduly and unfairly affected. This debate will certainly prompt further scrutiny and obviously trigger further review as to what can be done to help people in the circumstances.

Debate adjourned.

World Osteoporosis Day

Debate resumed on the motion by Mr Georganas:

That this House:

(1) joins Osteoporosis Australia and the International Osteoporosis Foundation in promoting World Osteoporosis Day on Thursday 20 October 2011;

(2) notes that:

(a) more than 1.2 million Australians have osteoporosis;

(b) an Australian is admitted to hospital with an osteoporotic fracture every six minutes;

(c) half of all women aged over 60 and one third of men will have an osteoporotic fracture in their lifetime; and

(d) after suffering a hip fracture, about a quarter of people will die within a year;

(3) recognises and supports Osteoporosis Australia in its campaign to raise awareness about this silent disease that affects our health and independence as we age;

(4) acknowledges how simple it is to prevent osteoporosis with calcium from eating the rights foods, vitamin D from safe levels of sunlight and regular weight-bearing exercise throughout life; and

(5) works to ensure all Australians are aware of the risk factors and the measures they can take to prevent this debilitating disease.

Mr GEORGANAS (Hindmarsh) (19:43): Thursday, 20 October 2011 was World Osteoporosis Day, and I am very delighted to assist in helping raise the awareness of this
disease and the impact it has on millions of Australians in this place. I am also proud to highlight the work of Osteoporosis Australia and some of the simple steps that they recommend to prevent the disease from developing.

Osteoporosis is a disease where bones become fragile and brittle, as we all know. As a result, they fracture more easily than normal bones and even a minor bump or very small tap or fall can cause a serious fracture. Osteoporosis occurs when bones lose minerals, such as calcium, more quickly than the body can replace the minerals, including calcium, in them, leading to a loss of bone thickness or bone mass or density. Any bone can be affected by osteoporosis but the most common sites are bones in the hip, spine, wrist, ribs, pelvis and upper arm. Osteoporosis usually shows no signs or symptoms until a fracture happens, and this is why osteoporosis is often called the 'silent disease'. In Australia, there are over 1.2 million people with osteoporosis. Half of all women and one-third of men over 60 years of age in Australia will have a fracture due to osteoporosis at some stage. Every five to six minutes, someone in Australia will be admitted to hospital with an osteoporotic fracture. This is expected to rise to every three to four minutes by 2021 as the population ages and the number of osteoporotic fractures increases. Fractures due to osteoporosis can lead to changes in posture—for example, developing a stoop, commonly known as a dowager's hump, in the back—muscle weakness, loss of height and bone deformity of the spine. Fractures can lead to chronic pain, disability, loss of independence and even premature death.

Figures published in 2007 suggested that approximately 25 per cent of those who sustain a hip fracture die within 12 months of sustaining that fracture. Of those who do not die following their hip fracture, 50 per cent require long-term help with routine activities and cannot walk unaided and 25 per cent require full-time nursing home care. The costs associated are substantial and many are met by the taxpayer through our healthcare system. An osteoporotic fracture places a significant burden not only on those living with the disease through the constant pain they must bear every single day but also on their families, friends and communities.

Prevention is really important because, whilst there are treatments for osteoporosis, there is no cure. For that reason alone it is very important that all governments of all persuasions work harder to bring about more awareness of this disease. A recent study revealed that, while the Australian public has a reasonable understanding of calcium's role in promoting good bone health, 49 per cent, only one in three people surveyed, recognised the need for regular exercise and seven per cent cited vitamin D, sunshine, as being important. So these are some of the messages that we can get out there. Worryingly, one in five respondents could not nominate a single risk factor for osteoporosis.

Low bone density is an osteoporosis risk factor and a clear sign that preventive action needs to be taken. This refers to when bone mineral density, known as BMD, is lower than the normal BMD level but still not low enough to be classed as osteoporosis. As with osteoporosis, women have a higher chance of having a lower BMD than men. It affects a staggering 5.4 million Australians. In the over-50s population 14.8 per cent have osteoporosis, while 51.8 per cent have osteopenia. Fragility fractures are not confined to people with osteoporosis. They commonly occur in people with osteopenia. Intervening at the right time and taking preventive measures may stop many Australians with this disease from developing the next stage, which is osteoporosis.
Osteoporosis is a degenerative disease that affects men and women. Women are more susceptible than men due to the rapid depletion in oestrogen levels during the menopause. Men also lose bone mass as they age, but this generally happens later in life. The risk factors for osteoporosis include having a family history of osteoporosis and repetitive fractures; certain medications, such as corticosteroids, which are commonly used for asthma; some conditions like rheumatoid arthritis, an overactive thyroid and a whole range of other things. There are also lifestyle factors such as smoking or excessive alcohol consumption, diets lacking in calcium, lack of exposure to sunlight, lack of exercise and, for women, early menopause. For men, impotence, lack of libido and other symptoms of low testosterone levels are risk factors. There are risk factors that you can change. For example, physical activity is something we can all do and should do more of. Other things we can change are smoking, high alcohol intake, low calcium intake, low vitamin D levels, and low or high body weight. There are risk factors that you cannot change. Being female, for example, means you are at higher risk because women develop thin bones sooner than men. Genes, menopause, age, certain medical conditions and a range of other things cannot be changed.

It is clear that Australians need more information about risk factors and about the prevention of this disease. A recent study found that 49 per cent of Australians understood the need for calcium but only one-third understood the need for exercise and only seven per cent knew that lack of vitamin D, which is sunshine, is a risk factor. Around 20 per cent of Australians believe that osteoporosis is part of ageing and cannot be changed. In fact, there are three ways you can maintain your bone health: a diet rich in calcium, safe levels of vitamin D exposure through sunlight, and doing regular weight-bearing exercise. Calcium combines with other minerals to give bones their strength. Our bodies cannot make calcium so it has to come from our diet. It is easiest to get calcium from dairy, tinned salmon, sardines and calcium-enriched foods, but smaller amounts can also be found in nuts, bread, cereals and some fruits and vegetables, which I hope all members of this House are consuming on a regular basis.

Vitamin D is essential to strengthen the skeleton. Without it calcium is unable to be fully absorbed into the body. As Australia has such a high level of sun exposure, Australians are often overcautious about the effects of exposure, and so we should be. This overcaution could lead us to not receiving adequate levels of this very important vitamin D. So it is important for people to understand that, while overexposure to the sun can be detrimental to our health, so can underexposure. A study of women living in south-east Queensland, Victoria and Tasmania found that respectively 40 per cent, 37 per cent and 67 per cent of respondents experienced vitamin D insufficiencies during the winter and spring. In Australia the best source of vitamin D is from a safe level of direct sunlight. Vitamin D can also be found in small amounts in a few foods like salmon and eggs. Exercise is important in building and maintaining healthy bones. Weight-bearing exercise such as jogging, tennis and skipping increases the bone mass and also improves balance, which can lead to a reduced fracture rate.

If we were able to reduce the burden of fractures caused by osteoporosis by around 20 per cent, it would significantly reduce both the direct costs of health care and the indirect health costs to families and the economy. Even if just calcium intake and vitamin D levels were addressed, the direct cost of osteoporosis in Australia could be lowered by up to $432 million per year. I congratulate Osteoporosis Australia on all the work they do to help educate the
public and to raise awareness about this disease so that rates of osteoporosis and its social and economic cost can be reduced in the future. Since being founded in 2000, the not-for-profit organisation has accomplished a great deal, bringing awareness, education and advocacy for osteoporosis. It is committed to supporting and funding research into prevention, diagnosis and management with the input of some of Australia's leading experts on their medical and scientific committee. I hope that their work will be supported by all members in this place now and into the future.

Mr HUNT (Flinders) (19:53): It gives me great pleasure to follow the member for Hindmarsh in speaking on this motion. He has done the parliament a service and he has done the elderly community of Australia a service with this motion. In particular, I want to place on the record the elements of the motion. First, the House joins Osteoporosis Australia and the International Osteoporosis Foundation in promoting World Osteoporosis Day on Thursday 20 October 2011 and going forward on similar dates in future years. Second, more than 1.2 million Australians have osteoporosis—that is five per cent and above of the population. Third, an Australian is admitted to hospital with an osteoporotic fracture every six minutes. Fourth, half of all women aged over 60 and one-third of men will have an osteoporotic fracture in their lifetime. Fifth, after suffering a hip fracture, about one-quarter of people will die within a year. I assume this applies to the cohort over the age of 60; but if it does not it is even worse. My assumption is that for the over 60s that is an extraordinary figure, and it was one which was a revelation to me. Sixth, we recognise and support Osteoporosis Australia in its campaign to raise awareness about this silent disease, which affects our health and independence as we age. Seventh, we acknowledge how simple it is to prevent osteoporosis, with calcium from eating the right foods, vitamin D from safe levels of sunlight and regular weight-bearing exercise throughout life. Finally, the House supports action which works to ensure that all Australians are aware of the risk factors and the measures they can take to prevent this debilitating disease.

Mr Acting Deputy Speaker, let me address this motion from three levels—firstly, as a representative in the national parliament looking at the national challenge; secondly, and in particular, as the member for Flinders, which has the oldest population of any seat in Victoria and, on the latest figures I have seen, the fifth oldest population of any seat in Australia; and, thirdly, as the son of Alan, who is now 84 and who has great challenges—but we are working through them—with his own fitness and ability to move, things which are in part linked to the challenges of ageing, of frailness, of control and of exercise.

Let me begin at the national level. The member for Hindmarsh raises an issue which has not, I believe, to date been given the airing it deserves: 1.2 million people have a significant condition which is a vulnerability in many cases and an affliction in many others. The vulnerability is something which can be treated—not cured as such, but managed. The three things which are identified in this motion as being fundamental—diet, sunlight, exercise—are elements which can be offered to our seniors, in particular those who face isolation. As we craft our aged and community care support services, both in residence and in assistance for those living at home, we need to build in the component of wellbeing, not just management. Wellbeing is the key element. It is osteo and it is other conditions which can and do afflict those who are over 60, increasingly those who are over 70 and especially those who are over 80. The answer here is not just education—although education of sons and daughters and of
carers is critical—but active programs where these notions are built into the care and treatment of our seniors.

That brings me in particular to the electorate of Flinders. Flinders has listed on the electoral roll approximately 37,636 people aged 60 and over, although those numbers change on a daily basis. That is about 37 per cent of the entire enrolled population of the electorate, which is close to 100,000. That is a huge population requiring support and care. An incredible number are deeply active, but a significant number, particularly as they get beyond 70 and 80, are vulnerable not just to osteo but to other afflictions of mobility and movement—the ability to take care of themselves. It is the sad fact which accompanies ageing that the joy of being a grandparent is often accompanied by the realities of our physical beings.

Against that background, there are two great tasks which I think are fundamental to the care and maintenance of our seniors within the electorate of Flinders, particularly in this area of osteo. The first is to push unceasingly for a southern peninsula aquatics centre. I am pleased that the council has approved a structure plan which will be the foundation for developing and ultimately achieving the goal of a southern peninsula aquatics centre. I am less fussed than some as to exactly where it is. My preference is the foreshore but, amongst the different options, that does not bother me. I do not want the perfect to be the enemy of the good. I would much rather achieve this earlier rather than later. That means, though, that we must keep pushing until we have the plan agreed within the council, approved by the state, and built and constructed. It is a goal to which I remain committed. It is a goal to which I will be committed. It is a goal which we will simply pursue as a community until it is achieved, because hydrotherapy is fundamental to seniors because of its ability to combat many of the early warning signs and many of the afflictions in terms of bodily trauma which come from osteo and related conditions of frailness.

Having such an aquatic centre is also, of course, incredibly good for families and for teaching young people to swim. It is a great asset as a tourism destination for the southern peninsula. But at this moment we are focused on the needs and care requirements of our 37,000 over-60s. A hydrotherapy centre would be a magnet for wellbeing on the peninsula.

Similarly, on Philip Island we have lost Warley hospital. Warley remains vacant. The owner would prefer to use it as a medical facility, and my view is that it can and should be used as an adjunct to the Bass Coast hospital network. That means it could be linked as a satellite to the Wonthaggi campus. A seniors rehabilitation centre would be a perfect use, although I am not being prescriptive. We have an empty, viable medical facility and so long as it is incorporated into the existing state system and so long as it is an appropriate satellite—it could be used for palliative care, rehabilitation, seniors' services; any one or a combination of these—it would be a great asset to an island with a significant elderly population. So, in the same way that we will keep fighting until we have a southern peninsula aquatic centre, there is just no question that as long as it takes, we will battle, work and push to have Warley hospital facility used as part of the Bass Coast hospital network. That is a goal from which we cannot walk.

I want to turn, lastly, to my role as a son. My father, Alan Hunt, is 84. He is much more frail now. I could not say whether he has osteoporosis. I am a dumb Australian male and my father is similarly—

Mr Ewen Jones: No-one's arguing!

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MAIN COMMITTEE
Mr HUNT: Thank you, Member for Herbert; you did not have to agree so readily! My father is, similarly, an Australian male when it comes to knowing about his own body and health. I guess the answer is that he is certainly frail. He has struggled a lot but I am delighted that, through the work of my brother John and a small amount by me, we have been able to convince him to take up regular exercise in the form of training, which is exactly what was recommended by the member for Hindmarsh.

The member for Hindmarsh has made important suggestions. Osteoporosis Australia should be congratulated for those suggestions. I simply want to give the example of our own family, where the very suggestions at the heart of this motion are making a difference. And around Australia they can and should make a difference.

Ms HALL (Shortland—Government Whip) (20:03): I congratulate the member for Hindmarsh for bringing this important motion to the House. It is a motion that identifies a disease that affects many Australians, particularly Australians over the age of 60—although the risk factor starts kicking in at around the age of 50. Twenty-three per cent of women over the age of 50 and six per cent of men over the age of 50 are living with osteoporosis. As we all know, 50 is not old in this era. By the time they get to 60 years of age, one-third of men have had a fracture caused by osteoporosis, and half of all women over the age of 60 have suffered a similar fracture. If you put this in health terms, you have to acknowledge that this is a very significant illness. It is one that affects so many Australians. It is one of those diseases that, I think, have largely been swept under the carpet. Not enough is known about it, yet it affects so many people.

Osteoporosis is when bones become fragile and brittle, leading to a high risk of fractures. Bones lose their minerals, such as calcium, and the body cannot replace them at the same rate that they leave the body. The most common sites for fractures are the hips, the spine, the wrists, the ribs, the pelvis and the upper arms. My mother-in-law has had a number of fractures to her hip. Also, my mother was diagnosed with osteoporosis and that led to her having some fractures. This is quite significant because if your parents have osteoporosis you are much more likely to suffer from the disease.

There are steps we can take to address it, but I think I need to also point out that about 50 per cent of people with one fracture will have another. Once a person has a second fracture they are much more likely to suffer a cascading effect with fractures. It is essential that osteoporosis paretic fractures are identified and treated as quickly as possible, because once they have been identified the people who suffer from osteoporosis can be put on appropriate treatment.

Family history, medical conditions such as taking steroids, rheumatoid arthritis, the thyroid and a number of other diseases can make it much more likely that a person will develop osteoporosis, and it has different indicators for men and women. Your lifestyle contributes to it: smoking, excessive alcohol consumption, lack of calcium, lack of sunlight, which may cause vitamin D deficiency, and a sedentary lifestyle. I think vitamin D deficiency is a very important issue to identify. These days we are encouraged to use blockout sunscreen and that is blocking out vitamin D. There has been a large increase in the number of people who have been identified as suffering from vitamin D deficiency. This needs to be made public.

The ways to prevent osteoporosis are with calcium and calcium absorption, which is where vitamin D comes in, because vitamin D facilitates calcium absorption. People need to increase
their calcium intake and make sure they have food that is rich in calcium. Also, I must not miss the importance of exercise, particularly weight-bearing exercise and resistance exercise, which are essential.

I congratulate the member for Hindmarsh for bringing this motion to the House. I encourage all members to go back to their electorates and publicise the issue of osteoporosis and how to prevent it.

Mr SIMPKINS (Cowan) (20:08): I would like to join with the member for Shortland and the member for Flinders in thanking the member for Hindmarsh for raising this important issue. When you hear about this disease, osteoporosis, you think of something that affects those in their twilight years. But it surprised me greatly. In our positions here in this great place we find that, until someone comes to see us about a matter or the matter is drawn to our attention, we do not really have such a great understanding of it until we meet someone whose life is affected by it. But it is certainly the case that when you look at the details, at the circumstances surrounding osteoporosis—for instance, on the Osteoporosis Australia website—you begin to realise how very important it is that we as parents should even start thinking about these things for our children. I am the father of a nine-year-old and a 13-year-old—both daughters—and I was really surprised to learn that most of the bone mass development in children occurs in the preteen years. For my nine-year-old, that is right now, so I am very encouraged that she drinks a lot of milk and that she is very much into her sport, because this is exactly the time when the bone mass is being built at its best.

It was also interesting to look through the different ages on the Osteoporosis Australia website. This is mainly about women. Although osteoporosis does affect men, we retain our bone mass until we are quite a bit older compared with women. If you are doing everything possible as a woman, you can still develop some bone mass as late as your thirties, but from then on—I will not say it is 'downhill'; it would be a bit rough to say that—bone mass is beginning to decline. Even in the early forties, we are talking about one or two per cent a year. That is very scary stuff. Then when you get beyond the forties and into the fifties and the sixties, when we are talking about somewhere between one and five per cent loss of bone mass each year, it is hardly surprising that we see the number of fractures we see. I understand that close to 25,000 hip fractures take place a year, and most of these are in women.

As other speakers have said, when we hear about these sorts of numbers and the costs to the health system, as well as the impact on people's lives, it is very important to really start thinking about what we can do to alleviate these problems. We hear about the need for calcium. As we heard from the member for Shortland, we also must have exercise. As parents, we should provide that right now, from the youngest ages—resistance training, such as a bit of weight lifting, as well as load bearing, such as walking and activities like that. These are really important things to do right now. Again, we are faced with the requirement to look at the balancing of sun exposure to make sure people have the vitamin D they need, which also helps with bone mass and the development of bones.

It is a challenge when we are in an environment where, between 10 and two o'clock during the day, if you are out in the sun without protection you face real risks of melanoma and other skin problems. My GP recently said to me, when I went for a blood test and found out I had a vitamin D deficiency, 'You need to get out in the sun more.' I was looking at my arms, which
have quite a bit of sun damage from years of abuse out in the sun. I was a bit worried about that, but he said, ‘No, what you need to do is get out early in the morning so you can get the less-damaging sun on your arms and on your face.’ He probably did not realise that just a week before I had been quite badly sunburnt! But these are very important things. When you combine all these together, this is the right way to act against osteoporosis.

Ms BRODTMANN (Canberra) (20:14): I am delighted to be able to rise tonight in support of this motion on osteoporosis, and I commend the member for Hindmarsh for moving the motion. Like the speakers before me—and I imagine much of the House—I agree that osteoporosis is a significant health problem for Australians, particularly women. It is a pleasure for me, as someone who has a longstanding interest in women's health issues, to speak about it tonight.

As the motion notes, millions of Australians have osteoporosis, including many in Canberra. It is believed that half of all women and one in every three men over 60 will have a fracture as a result of osteoporosis, with a fracture occurring every six minutes or so. Further, 50 per cent of those who do suffer a fracture will suffer further fractures, with the risk growing for each subsequent fracture. This is known as the cascade effect. As an example, a woman who suffers a spinal fracture as a result of this condition is four times more likely to suffer another fracture in 12 months than the normal population. This incident rate increases to 11 times higher for people who have had three or more breaks, compared to someone who has had none.

Many people who have osteoporosis remain undiagnosed and, more alarmingly, those who suffer a fracture attribute the pain and other symptoms to simply growing old, never realising the problem. Indeed, I understand almost two-thirds of fractures go unreported, irrespective of the pain they undoubtedly cause. Our population will age. Increasingly, it is ageing and everyone is aware of that. The fact that our population is ageing and ageing well is a success story. But there are also a range of challenges. These challenges will only continue to grow should this issue remain unchallenged and untreated.

In researching my speech tonight I came across a report by Access Economics, in 2001, that outlined the significance of the problem. This report estimated that, unless more is done to challenge the growth of this disease, almost three million Australians will have osteoporosis by 2021. Further, the rate of fracture would go from every five to six minutes, as it is now, to about every 3½ minutes. As a member for Canberra this is a real concern for me because, like the rest of Australia, we have an ageing population. I recently went to a Property Council seminar on demographic issues around Canberra and it was noted that we have an above-average ageing population. So this is a real challenge for Canberra in the future.

This report also estimated that, in 2001, the cost to the Australian economy was almost $2 billion in direct costs, with a loss of over $5½ billion in indirect costs through loss of income, costs of carers, modifications and equipment. I understand that these figures are somewhat dated but they serve as a good snapshot of the scope of the problem before us. It is obviously an immense problem, which may seem insurmountable. However, this simply is not true and we can lower our risk of osteoporosis. A number of risk factors lead to the development of this disease. Some of these are predetermined and are not able to be prevented, such as family history, genetics and gender. As I and other speakers have mentioned before, women are more susceptible than men to the condition.
However, there are many other factors that we can control. A lack of physical exercise in our younger years has been shown to be a significant risk factor for the development of osteoporosis. Ensuring that we have an active lifestyle that includes exercise is a great way of reducing the risk. Added to this is ensuring that we all eat a balanced and healthy diet, with the appropriate intake of calcium and other vitamins that will ensure good bone development.

As has been mentioned by the member for Shortland and the member for Cowan, it has also been shown that a lack of vitamin D is associated with a reduction in bone mass density, so ensuring appropriate and adequate exposure to sunlight will help. Like the member for Cowan, I am concerned about the number of people who are actually taking vitamin D pills these days, particularly in a country such as Australia. I do understand the challenges of skin cancer, but it concerns me. It is important that we get out in the sun at the right time of the day.

Finally, avoiding smoking and excessive drinking also reduces the risk. These are simple, yet very effective ways of reducing the risk of contracting osteoporosis. They are not daunting. They do not require a huge lifestyle change but they can prevent osteoporosis. It is a simple message and one that all Australians should hear. (Time expired)

Mr McCORMACK (Riverina) (20:19): I endorse the remarks of the member for Canberra and support the motion moved by the member for Hindmarsh. Osteoporosis is often called 'The Silent Thief' because bone loss occurs without symptoms. Individuals may not be diagnosed with osteoporosis until their bones are so weak that a strain, bump or fall causes a fracture. Osteoporotic related fractures cost the Australian community an estimated $1 billion per year in direct costs. The total cost, which includes factors such as carers and lost income, is currently estimated to be $7 billion a year. Aside from these financial costs, fractures due to osteoporosis can lead to changes in posture, muscle weakness, loss of height, bone deformity of the spine, chronic pain, disability, loss of independence and even premature death. Currently in Australia two in three women and one in three men over the age of 60 will suffer an osteoporotic fracture in their remaining lifetime.

Osteoporosis occurs when bones lose minerals, such as calcium, more quickly than the body can replace them. This leads to a loss of bone thickness. As a result, bones become thinner and less dense so that even a minor bump or accident can cause serious fractures. Any bone can be affected by osteoporosis but the most common sites are the ribs and bones in the hip, spine, wrist, pelvis and upper arm.

According to Osteoporosis Australia, every five to six minutes someone is admitted to an Australian hospital with an osteoporotic fracture. This is expected to rise to every three to four minutes by the year 2021 as the population ages and the number of osteoporotic fractures increases. About 50 per cent of people with one fracture due to osteoporosis will have another. People who have had two or more osteoporotic fractures are up to nine times more likely to have another fracture and the risk is 11 times greater for people who have had three or more fractures compared to someone who has not had one.

Earlier this year Wagga Wagga Base Hospital was chosen as one of three sites across New South Wales to evaluate a new chronic care program aimed at identifying people who may be at risk of osteoporosis. Our hospital, the Royal Prince Alfred Hospital in Sydney and the Royal Newcastle Centre were selected by the New South Wales Health's Agency for Clinical Innovation to implement and evaluate a four-month re-fracture prevention program. Wagga
Wagga Base Hospital was chosen as a site for the trial to provide insight into the challenges in setting up and providing this service in a rural setting. If it is successful it will be implemented in other sites right across New South Wales.

The program, which began in September, aims to identify and prevent re-fractures in local residents who have already experienced a bone fracture and are living with or at risk of osteoporosis. The four-month trial is looking at a multidisciplinary approach to better identify and treat people with osteoporosis that will lead to improved outcomes for individuals and better use of health services.

Some fractures may be prevented with an early diagnosis of osteoporosis, suitable medication and treatment from an allied health team. According to Wagga Wagga Base Hospital acting physiotherapist in charge, Dr Claire Schofield, re-fractures in people living with osteoporosis are a growing burden on health services. This project aims to improve pathways for better care and prevention. New South Wales Health have said that the project team have been delighted with the response from the Wagga Wagga community and there has been an overwhelming response from the local Wagga GPs and medical staff across all settings. To date 88 patients have been followed up as part of the trial.

Thanks should be extended to Murrumbidgee Local Health District, Medicare Local, Wagga Wagga Base Hospital, Dr Schofield and the patients willing to participate in this wonderful trial. Because of its success, New South Wales Health's Agency for Clinical Innovation has extended funding until early April 2012 to gain valuable follow-up data from the participants.

World Osteoporosis Day is observed annually on 20 October and launches a year-long campaign dedicated to raising global awareness of the prevention, diagnosis and treatment of osteoporosis and metabolic bone disease. This year's theme was three steps to prevention: calcium, vitamin D and exercise. Calcium and vitamin D are essential for building and maintaining bone density. Exercise maintains and increases bone strength by escalating bone mass or by slowing age related bone loss. Muscle strength is also increased, which is important for supporting the joints and preventing falls. Calcium is more easily absorbed from dairy products than most other food groups. For Australians the main source of vitamin D is exposure to sunlight.

Osteoporosis can be one disease which we as a nation can fight right now. We are fortunate enough to live in a country filled with fresh and nutritious produce and have a constant stream of sunlight. These factors combined with an array of weight-bearing exercise throughout life can significantly reduce the risk of this silent disease which affects our health and independence as we age.

Debate adjourned.

**Meals on Wheels**

Debate resumed on the motion by **Ms Hall**:

That this House:

(1) acknowledges the

(a) important role played by Meals On Wheels organisations throughout Australia in delivering nutritious meals for frail aged and disabled Australians; and

(b) role played by volunteers in preparing and delivering meals;
(2) notes that Meals on Wheels volunteers provide the only social contact to many house bound elderly and disabled Australians;

(3) further notes that the strength of Meals On Wheels organisations is linked to their ability to deliver to their clients in many diverse ways which recognises the needs of their clients and reflects the communities they service.

Ms HALL (Shortland—Government Whip) (20:24): I do not think there would be a member in this House that does not value the role played by Meals on Wheels in our community. Each and every one of us knows that they are a group of volunteers that go to the heart of our community and make the lives of some of the most frail and vulnerable people in our community liveable. They not only deliver nutritious meals but also provide the contact, friendship and happy smiles that are so important to people living on their own. Some of them are confined to their homes, and some of them do not see too many people. That smiling Meals on Wheels person that knocks on the door, brings them in a meal, maybe goes to the microwave and heats it up and helps them to prepare the meal or puts it in the fridge can be so important to those people. The people in involved with Meals on Wheels are very, very special and it is a very, very special organisation that goes to the heart of all of our communities.

Meals on Wheels started in Australia in 1952, nearly 60 years ago. It was first established in the UK after the Second World War, and it has grown here and in the UK. In the course of a year, Meals on Wheels organisations in Australia deliver in the vicinity of 15 million meals. They are delivered by nearly 80,000 volunteers to about 53,000 Australians. I am sure that that number has increased since the figures I have before me were written.

The nature of Meals on Wheels has changed. As society has changed, Meals on Wheels has been able to change with that. Previously the meals were all meat and three veg, but now Meals on Wheels takes into account the multicultural nature of our society and is able to deliver to people the kind of meals that make their lives very pleasant. It remains true to its origins and focuses on people of all ages, particularly old and frail people and people with disabilities.

One of the experiences that I have had as a member of parliament that I have enjoyed more than anything has been going out with Meals on Wheels groups and delivering to people in their homes. I have enjoyed also going in and helping cook the meals and being part of a team. It is a team, and everybody works together—from the person that does the rosters, who is quite often employed, to the person who delivers the meals. Meals on Wheels is about more than just providing meals. It is the heart of our community. It is more than just the meals, not only for the people that are given the meals but for the volunteers involved. They enjoy going and talking to the people they deliver the meals to just as much as the people who receive the meals enjoy talking to the volunteers.

I will talk a little bit about the Meals on Wheels groups in my electorate—forgive me for being a little parochial. I went to the Charlestown Meals on Wheels Christmas party last week, where there were about 120 people present. Certificates were given out for periods of service. The longest time a person had been serving was 38 years, and that was Ellen Kilpatrick, the wife of the previous Mayor of Lake Macquarie. She started delivering Meals on Wheels when her now 40-year-old son was two, and she is still doing it today. That shows a sense of community. There was Ern, who had his name tag in the middle of his head at the
party. He is 94 years of age and goes out delivering Meals on Wheels to people who are younger than himself but frailer. Today, Charlestown deliver over 260 meals. They average 1,000 meals a week. They have been operating since 1969. Their first delivery was of nine meals. Charlestown is one of the last production kitchens working. Three of the Meals on Wheels organisations I am going to talk about are production kitchens, and they take great pride in the fact that they are production kitchens and they want to remain production kitchens. They have 170 volunteers preparing and delivering meals. Belmont Meals on Wheels averages 800 meals a week. From June 2010 to June 2011 they delivered 48,400 meals with 134 volunteers.

Central Coast Meals on Wheels operate differently. They deliver frozen food. They did not have the number of volunteers to be able to have a production kitchen. They provide a really good service to the people on the Central Coast, and they have adapted to meet the needs of their community. They delivered 11,000 meals during October. Central Coast is a lot bigger than the suburbs that I mentioned. They have 580 volunteers. They deliver from Mooney Mooney, which is in Robertson electorate, to Gwandalan, in Shortland electorate. They have also started a new program called Flexible Food, which brings socialisation to frail aged and younger disabled people on a food related theme. It could be something like shopping with them or having a meal or a coffee. That is bringing into play the contact that Meals on Wheels provides and providing an extra service.

Swansea Meals on Wheels average 67 meals per day and they deliver on Monday, Wednesday and Friday. They delivered 739 meals in September. They have around 100 volunteers working for them, including cooking meals and delivering them to people. Swansea Meals on Wheels came to see me earlier this year because there has been a push to introduce a program called the Future Food Project. That is delivering food to people from a central kitchen. It means delivering frozen meals. It is something that Swansea, Charlestown and Belmont would prefer did not happen because they enjoy the preparation, because that is part of that whole teamwork, of everybody joining together and working together to deliver to their community. This is being driven by the Department of Ageing, Disability and Home Care, ADHC, in New South Wales, and I really think that the department in New South Wales needs to look to the history and the purpose of Meals on Wheels. It is a community driven organisation. It is not an organisation that should be dictated to by any government. There need to be proper regulations in place to ensure that food safety standards are observed, in which the Meals on Wheels in Shortland electorate achieve the highest rating.

I conclude where I started, by thanking those thousands of volunteers for their wonderful work and enormous contribution, be it in cooking and delivering meals or in counselling and talking to the frail aged and disabled people within our communities.

Mr BALDWIN (Paterson) (20:34): I would like to start by saying that I am very grateful to have the chance to speak about Meals on Wheels here tonight. For decades I have heard about the wonderful service provided by Meals on Wheels and, since being elected as an MP, I have had the pleasure of meeting the hundreds of local volunteers and seeing firsthand the difference that they make in people's lives. Meals on Wheels is a familiar name to Australians all over and it is at the heart of many communities. It represents helping hands, teamwork, and looking out for each other. It is all about people in the community joining forces to help others.
In New South Wales, Meals on Wheels was started in March 1957 by Sydney City Council. In the first week, 150 meals were served for inner-city dwellers. These were cooked in the Town Hall kitchen and the cost of the meal then was two shillings, which is about 20c in today's coinage. The service quickly spread to other areas and today there are approximately 315 groups which are known as Meals on Wheels or Food Services in New South Wales. From its inception over 50 years ago, Meals on Wheels has grown to become a driving force in the care of the community. In the course of a year, over 14.8 million meals are delivered by more than 78,700 volunteers to about 53,000 recipients Australia-wide in cities, regional and rural areas. Of these about 4.5 million meals are delivered by 35,000 volunteers in New South Wales each year by 190 Meals on Wheels services servicing the needs of over 15,000 clients per day. The client base is broken down to 32 per cent metropolitan and 68 per cent regional clients. It is important to regional and rural communities. Meal prices range from $4.50 to $9. Importantly, meals are provided to clients at production cost.

While the tradition and values of Meals on Wheels remain true to their origin, a focus on engaging people of all ages from all walks of life is unfolding and bringing renewed energy, ideas and visions to help the organisation continue to provide vital services that meet the needs of the community. For decades, I have heard about the wonderful service provided by Meals on Wheels, and since being elected as an MP I have had the pleasure of meeting these volunteers and working with them in the delivery of meals and to see the difference they make in people's lives.

In my electorate of Paterson alone we have almost one dozen Meals on Wheels branches, including East Maitland, Dungog, Stroud, Nabiac, Forster-Tuncurry, Raymond Terrace, Nelson Bay and Tea Gardens Hawks Nest. When you consider that each and every one of those must run on a team of volunteers, it is truly amazing. Consider, for example, that East Maitland Meals on Wheels delivered 34,401 meals in the 2010 financial year. That is equivalent to 94 meals every day. There is just no way it could have been done without the volunteers who donate their time so freely. It goes without saying that each and every team member is worthy of recognition, and on behalf of the Paterson electorate I would like to thank our local Meals on Wheels volunteers. That includes 140 volunteers at East Maitland, 20 at Dungog, 250 in the Great Lakes region, and 100 at Tea Gardens Hawks Nest. In fact, when you add up all the Meals on Wheels volunteers in Paterson, nearly one in every hundred electors who live in my electorate are volunteers for the service.

Of course, there are some very special names that should be mentioned tonight. Just this morning East Maitland held a ceremony for the long-service awards. Moya Kennedy and Edith Lawrence were recognised for 30 years service. Robyn Searle, Rhonda Taylor and Margaret King were awarded for 25 years, while Glen Rose and Shirley Elliot have contributed 20 years of work. The chair of fundraising, Barbara Heckman, was also honoured for her role in securing the vital service, and also awarded Maitland's Citizen of the Year in 2011. At Dungog, Julie Duncan has been volunteering for Meals on Wheels for 40 years. That is half the average person's lifetime. Barbara Fraser has notched up 30 years, Lyn Witt 25 years, Pat Simmons 20 years, and there are another 15 members with more than 20 years service as well, working to deliver fresh, hot meals to the needy every day.
Also a special mention at Dungog is the adopt-a-chef program, which won this year's food service innovation award. The program took students from the Dungog High School and allowed them to work with the elderly people to cook simple nutritious two-course meals. It is fantastic to see partnerships such as these, which are servicing so many areas of the community which would otherwise go without. It is also teaching our kids how to look after themselves and to follow a balanced diet. Students are also working with Meals on Wheels up at the Great Lakes, and organisers are confident that a student volunteer program will continue to grow. In the Forster-Tuncurry area, Lillian Parsons has been volunteering since the local Meals on Wheels service began 37 years ago. George Mazaraki has just completed 25 years. In the small community of Tea Gardens Hawks Nest there are 100 volunteers. Shirley Tearson and Jean Ryan have been drivers for two decades while Sylvia Rapley has been a cook for the same period. Together they delivered meals to the doors of more than 60 people in need. I wish I had the time to go on to the hundreds of other dedicated volunteers. However, I know from my own personal experience working with them that every volunteer would know just how important they are and the difference they make to people's lives. Instead, I would like to spend a few moments talking about the service that Meals on Wheels delivers. From the occasional day of working with and listening to those who give so much of their time, and witnessing the real impact of their efforts on the community, let me say clearly and unequivocally that the real impact is much more than just food in the belly. For many it is a nutritious meal, perhaps the only one they might manage in a day. Often Meals on Wheels is the highest source of nutritional content for a client who would otherwise survive on tea and toast.

Meals on Wheels seeks to actively educate clients and reduce the risk of malnutrition in older people. Improving nutrition reduces falls and other associated health risks in older people. Branches like Dungog will deliver hot, fresh food, whilst frozen meals are also available for the convenience of people and their carers. For some people it is a friendly chat with a volunteer who has come to deliver their food, and that can make a real difference. Sadly, for some it is the only personal contact they may encounter because they live alone or are not able to travel.

Many of my Meals on Wheels branches have also started to offer luncheon days for their customers so that they can get together for a meal and, more importantly, for social interaction. For others who are elderly or disabled, Meals on Wheels is a way to gain support so that they can stay in their own homes longer. Not only does that take the pressure off the aged care system; it provides immense relief for thousands of local residents and their families. There is nothing like being in your own home, with your independence and your familiarity.

When you mention Meals on Wheels, I believe it is most telling that you are hard-pressed to find someone who does not know about the service and the work it does and, in particular, the people who make it happen. The service has adapted and taken on many new partnerships over the years, which have secured its success. The management must be commended on that. Fifty years in the community is a phenomenal achievement and I can only hope that there are at least 50 more years to come.

Ms BIRD (Cunningham) (20:41): I also want to take the opportunity tonight to participate in this important matter before the House moved by the member for Shortland, recognising
the work that Meals on Wheels does in our communities and indeed has done for a very long
time. As the member for Paterson said, all communities would be well aware of the Meals on
Wheels services. They have a long, well-established reputation and are greatly valued. In fact,
before being elected to this place, I got a job working in Sydney. I had been doing some
volunteer work over the years, mainly, I have to say, for organisations associated with my
children, and I was a bit disappointed that, having to commute to Sydney, it would be difficult
to continue some sort of community volunteerism and involvement. I was working in a job
where I had a flex day a month and it was drawn to my attention that Meals on Wheels might
be a good option because you can actually commit to doing it just the one day a month if that
is all you have available. I thought it was a great idea to get out at lunchtime on my day at
home and go round and do that. It was an hour or 1½ hours once a month. So I enlisted as a
volunteer with Meals on Wheels for a couple of years before I was elected to this place.

It was a service that I had been aware of and had valued as a general member of the
community. But once you actually do it you get a whole new appreciation for how significant
and important it is, and the motion by the member for Shortland reflects that. It is about
providing nutritious food to people who are frail, elderly or isolated and unable to access the
family connections and so forth that some of us would take for granted to provide that sort of
support regularly, or indeed they may have just decided to be a bit more independent and to
find ways to provide for themselves without putting that pressure on their families. There are
a whole range of reasons for which people choose to use that service.

But it is more than the provision of meals; it is the fact that somebody comes into the home
and engages with them. When you have the little red bag sitting in the car with all the hot
meals waiting to be delivered you are conscious of the next person down the line, waiting for
you to turn up at the front door, and so sometimes you have to be a bit careful not to get
cought up in too many conversations with the people you are delivering food to. They are
often people who not only want to have a bit of a chat but also have amazing life stories and
tremendous experiences to share. I have to say, that for those couple of years it was one of the
most pleasurable volunteering activities I have ever been involved with. I absolutely
commend all those in our community who do work as volunteers in the Meals on Wheels
service.

It was interesting for me as we gathered at the back of our local club where the meals were
put out from, that probably two-thirds, if not more, of those who were volunteering with me
in that service were retirement-age people themselves—the 'young ones', as they like to call
themselves. I was chatting to some of them one day and they said that perhaps at that point in
life you get a greater appreciation for the role of volunteers in keeping people in their own
homes for longer and that this was something that they saw as a useful community service and
something that they would appreciate later in life.

I think that is a great thing about volunteering. People understand that we strengthen our
whole community. It is not just that you are doing something for someone else; as a
community we all rely in different ways on people participating beyond the paid job, and this
is seen in all sorts of volunteering activities. As I said, from my own experience it starts with
your kids. You do the sports organising, or you do the fundraising for the drama group or
whatever they are involved with.
I think we engage in very effective ways as volunteers in our community. If we want to sustain people in their homes to have a healthy, happy period of ageing, we want to make sure that they can do that in the best way possible. Meals on Wheels is a tremendous service, absolutely worthy of the support and the comments of all of those so far in this debate, and I am sure that those who will contribute later will acknowledge how important and how valued a service it is and our great appreciation for the wonderful volunteers in our communities that make things possible day in and day out. And to those who organise and provide the professional support to them as well, it is a tremendous effort all round.

Ms O'DWYER (Higgins) (20:47): I would like to commend the member for Shortland for bringing forward this motion this evening to honour Meals on Wheels, a truly great volunteer organisation in our nation. I would also like to commend those who have spoken before me tonight—the member for Cunningham and also the member for Paterson—who have given their own personal stories about what this organisation means to them and to their local communities.

Meals on Wheels is an exemplary example of how a volunteer organisation can make a positive contribution to society. Meals on Wheels supplies hot meals to elderly and incapacitated people who may not always be able to provide for themselves. It is an invaluable service and its value extends far beyond the capital that it takes to run it. Its value is very much in the people that volunteer their time to make the organisation what it is. I have said in this House on previous occasions that our nation will be judged on how we care for those who cannot care for themselves. Meals on Wheels is an exceptional example of how a community can work together to improve society and a nation as a whole.

Meals on Wheels was founded in Australia in 1952 and is now one of the largest volunteer programs in the nation. In one year alone, over 14.8 million meals were delivered to about 53,000 recipients. Meals of course are the central component of this program. There are many reasons why people may need to have their meals delivered at home. Certainly I know from the local experience in my own electorate of Higgins that as people get older and sometimes lose loved ones, their ability to prepare a nutritious meal for themselves can become a very stressful experience. Many people who would otherwise be able to lead independent lives would not have that option if they were not provided with the service that is provided by Meals on Wheels.

There are currently more than 78,700 volunteers registered with the program. It is truly one of the nations great volunteer movements and is one that should make every Australian proud. As the Meals on Wheels mantra suggests, though, it is more than just a meal. The volunteers to this program do so much more than simply drop off a meal and leave; they spend time with those people they are servicing, offering friendly conversation, companionship and sometimes just somebody who can check in to see that they are doing okay. Most importantly, they make the people whom they serve feel valued, which I think is probably the most important gift of all.

I would like to particularly pay tribute to the volunteer nature of this program. Giving one's time to assist others while seeking no personal reward in return is a truly noble act and cannot be praised or recognised enough. In Higgins we are blessed with so many people who are committed to serving others. It is this commitment to charity and to community service that transforms our neighbourhood into a community. It is one of the more rewarding tasks of my
job to have the privilege of representing constituents and to be able to present them with grants through such things as the Volunteer Grants program, which was initially implemented by the Howard government under the title Volunteer Small Equipment Grants program. This just makes it a little bit easier for those people who give of their time, and it means some people who would otherwise not be able to give of their time are able to do that.

For those who are not familiar with how the Meals on Wheels program works, the administration within Victoria is conducted by local councils. In Higgins this means the majority of the program falls under the jurisdiction of the Stonnington Council, and I would like to particularly thank them, along with the Boroondara, Glen Eira and Monash councils for all the great work and resources that they commit.

I would like to conclude tonight by reiterating the importance of this service to so many people, not only to the elderly but also to the disabled and those who cannot always look after themselves.

Mr RIPOLL (Oxley) (20:51): It is a great pleasure to speak about the great service that is Meals on Wheels, something that is uniquely Australian and I think something that all members in this place readily and keenly identify with. I think we all acknowledge the important work that the Meals on Wheels organisation does and, even more importantly, the individual people we all talk about who actually make up Meals on Wheels. They are the bedrock, they are the key, they are the most important people of all.

Like every other electorate in the country, I have in my electorate a great Meals on Wheels service in places like Inala, all my Centenary suburbs, in Goodna, in Redbank and in parts of Ipswich. Right across my electorate there are a whole range of people that every single day of the week volunteer their time to prepare top-quality meals and give not only just of their time but often of themselves in a much larger way, and their vehicles and petrol, and they do it with a smile on their faces as it is something they absolutely enjoy doing. I can understand why they enjoy it. It is hard work but it is great work, and when you go around with people from Meals on Wheels and help them deliver those meals you realise that it is more than just sustenance, more than just food.

I want to congratulate the member for Shortland for bringing this motion to parliament so that we can have the opportunity to speak about the important work that these Meals on Wheels volunteers do. It is much more than just the provision of food and sustenance; it is about developing friendships and it is about community engagement. It is also about giving support to people who are quite vulnerable in the community and often do not have a lot of contact with other people. For some I know first-hand that the only contact they get is through the Meals on Wheels volunteers, and it is important that we acknowledge all of those really good people.

When we have recognition ceremonies and awards, particularly when we are recognising volunteers, I can guarantee you that there would not be one volunteer awards ceremony in any electorate in the whole country where you are not giving an award to a Meals on Wheels volunteer. They really are the bedrock of our communities. They provide not only quality service and quality food but they really underpin what it means to have a community. We talk about having a community. It is about making sure that nobody is left all on their own and we have got people connected to other people in our community. So it is quite a special service and something that I am very proud of. As we have heard tonight from other members, some
of the volunteers for Meals on Wheels in my electorate have been doing it for 15 or 20 years. Some of them have been doing it for incredible amounts of time, for 40 years or more, which is really an amazing dedication and service. I can understand why they do it, though. Once you start doing Meals on Wheels it is hard to stop, because you start to develop friendships and connections with people and you feel some sort of responsibility to them to make sure that you deliver the food.

We play an important role federally in supporting Meals on Wheels. I always believe we could do more, but I think that we do a lot. But I think it would be a fair and polite thing to say that we could always do a bit more, and that would be accurate. It is not the service that it was 20 or 30 years ago. The hygiene, food standards and level of quality that are required now are quite high, and that is to be expected. We would not want to eat anything that is substandard or unhygienic and we would not expect that anybody else in the community would want that either. There is a high level of cost now attached to delivering Meals on Wheels and also to the training. The people are expected to be quite professional about the way they prepare meals, including wearing gloves and hairnets. Any time you go to a Meals on Wheels kitchen it is a full production. It is a full facility. It is stainless steel, and it is done the way it should be. It does mean a lot of costs, though, in properly either renovating or setting up all of those facilities. But it is something that is well worth spending the money on and something I know we all support.

There are very few things out in public life that there is absolute agreement on in this place, but I think Meals on Wheels is one of them. I would go as far as saying I do not think anyone would have a bad word to say in any context about Meals on Wheels. It was set up over 50 years ago in Australia. It has provided an incredible number of meals—something like 15 million meals—in that time. When you think about what that represents in providing good quality food to people and also that companionship, I think it does stand the test of time. I want to congratulate not only all of the volunteers and the Meals on Wheels organisation for the great work they do but also the member for Shortland for bringing it to the attention of the House. (Time expired)

Mr EWEN JONES (Herbert) (20:57): I would like to sincerely thank the member for Shortland for bringing this motion forward. As the member for Oxley just said, Meals on Wheels is one of the unifying factors in this House. When I am doing graduation ceremonies or doing my year 12 leaver guides I tell the kids in grade 12 to do something the next year and that one of the things they must do is volunteer—give blood or go and work for someone—to do something for somebody and not expect anything in return. One of those great institutions is Meals on Wheels.

When Peter Parr was CEO of the North Queensland Cowboys he always spoke about surf lifesaving clubs. He said you never found an unhappy clubbie; they were always great places to be. I agree with the member for Oxley: you walk into a Meals on Wheels kitchen and there is not an unhappy person there. They are all enjoying the work. They work hard and they do not stop. I agree with the member for Higgins, who said that the meals are probably the least important part of the day. Yes, that keeps you alive, but it is not only the companionship of the people they go to visit but the companionship of the people who work in the kitchens that gives people something to do. The ladies and men who go there to drive the cars do it not only
because they know they are doing something fantastic for the community; they are doing it as an outlet for themselves.

I would like to raise a couple of points in relation to the St Andrews Meals on Wheels in Townsville, which is run by St Andrews Presbyterian Church and has been delivering meals to Townsville's elderly and disabled for over 45 years. Ray Lazzaroni, who wears some of the worst shirts you will ever see in your life, is the business manager of the centre and he runs the place, as the member for Oxley said, with military precision. It is a very clean place. We have a brand-new facility in Flemming Street Townsville. It is purpose built. It has a drive-through. They were able to overcome objections with the council to get the thing through. It was built by Bern Lancini homes and it is a fantastic facility. Its committee is made up of the Reverend Peter Barber, the chairman; the Reverend Kwangho Song, the vice-chairman; Wendy Lawn, the secretary; John Berry, the treasurer. Justine Alison, Dawn Robinson, Alison McFaull, John McQuaker and Jocelyn Sletten make up the rest of the committee. Jack Ball is the patron. He has been a part of Meals on Wheels since it began in 1964 and has barely missed a day. He is a tremendous bloke.

Meals on Wheels in Townsville caters to over 250 clients and delivers around 1,600 meals per week. Meals on Wheels has proven to be a more vital service as economic times have become harder in Townsville.

The DEPUTY SPEAKER (Ms AE Burke): It being 9 pm, the debate is interrupted in accordance with standing order 41. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The member will have leave to continue speaking when the debate is resumed on a later day.

GRIEVANCE DEBATE

Debate resumed.

The DEPUTY SPEAKER: The question is:

That grievances be noted.

Government Programs

Mr HAWKE (Mitchell) (21:00): My grievance tonight is not the member for Herbert being cut off in the most outrageously antidemocratic fashion!

The DEPUTY SPEAKER: In accordance with the standing orders!

Mr HAWKE: My grievance relates to a fantastic report by Sunday Telegraph state political reporter Barclay Crawford on the weekend. He uncovered a scheme, similar to the pink batts scheme, engaged in by the New South Wales government. It involved the dodgy door-to-door sales of so-called energy efficient showerheads. It is yet another example of the failure of green programs. Without any prompting from me, the Duke of Edinburgh, Prince Philip, today came out and said that wind farms are absolutely useless. But before he had done so, Barclay Crawford's great report gave me the opportunity to look into the great failures of so-called green programs by state and federal governments in Australia today, and it is quite a damning tale, affecting constituents in my electorate and people across the country.

We have heard a lot about what we have to do for the environment. Governments have become particularly interested in spending a lot of money to attempt to do things that have
really been taken advantage of by many sectors and people who are not acting in the interests of the economy or of the environment. In New South Wales in particular, green schemes have been shown to be a complete and utter farce, where former, Labor state government schemes such as the solar feed-in tariff have cost the state billions and produced very little in the way of energy. They have allowed people to, in effect, fleece the government for money for their own purse.

We should not forget the state's impressively large white elephant: the $2 billion Kurnell desalination plant, which was touted as an insurance policy in a period of drought, when in fact, of course, years after the drought has broken we are still paying very high electricity costs for water which we do not need. It is powered by the Bungendore wind farm. The state government set up a regulation whereby, if Warragamba Dam levels went above 80 per cent, the desal plant, which would be switched off at such a point, would be compensated. Today dam levels sit at 78.7 per cent. It is estimated that the Warragamba Dam, which supplies all of Sydney's water, would have been well over 90 per cent full, but the previous, Labor state government turned off water transfers from a series of dams to keep it under 80 per cent, realising it would have to pay out billions of dollars to a desal plant which is now effectively mothballed.

Sydneysiders pay electricity prices, and every individual household and business bill has been climbing steadily. Indeed, in some cases there have been 60 per cent increases over the last four or five years to meet this insane green pursuit which is not benefiting the environment. Bob Carr, the former Premier, described desal water as 'bottled electricity'. He was proven to be right about that—prophetic. Sydney water recycling plants will not be completed until 2015 and while rainwater runs into the sea we pay 70c per cubic metre of desalinated water, completely ignoring the effects of the desal plant on the local environment.

The list of green initiatives gets worse and gets better. There are no fewer than 20 assorted grants and schemes which 'support householders, industry and the community to save energy and reduce emissions'. That is not to say that some of these schemes may not have some sort of place, but when you look into them—when you go to their websites and look at what they are doing—there is all this warm and fuzzy intention, but when you see what they actually accomplish versus how much they cost you end up with the idea that this is a form of complete and utter madness. The notable example is, of course, pink batts, which we should not forget was put together by this federal Labor government, primarily as an environmental program—$2.45 billion, none of it used efficiently; over 4,000 of the 10,000 installers found to be fraudulent; $124 million to fix faulty installation and conduct safety orders; and houses burnt down. How many tonnes of carbon were reduced by this program, which was touted in the name of the environment?

Now, in this report from Barclay Crawford, there is another rort: a $30 million scheme allowing door-to-door salesmen to sell so-called energy efficient showerheads to households in return for tradable permits. To no-one's surprise, it has resulted in shonky tradespeople going door-to-door selling shonky showerheads—getting rich off another government scheme with no environmental benefit.

There is the Energy Efficiency Information Grants Program, supposedly to help industry associations and non-profit organisations provide 'information from trusted sources' about the impact of a carbon price, worth $40 million over four years. The fact that the government's
carbon tax is so complex that it needs to provide grants from $100,000 up to $1 million just to provide 'information from trusted sources' says it all.

Then we go to the Green Car Innovation Fund, part of the $6.2 billion A New Car Plan for a Greener Future, with hundreds of millions of dollars chucked at car manufacturers—Toyota, Ford and Holden—for green innovations, hybrid technologies, things they were already doing and producing and for which demand was already high in the economy. The government gave them money to continue to produce these cars. Let us talk about this for a moment. Toyota had already decided to make its Camry Hybrid in Australia before the government granted it $35 million in taxpayer funding under this scheme, matched by Victorian taxpayer funds for a total of $70 million. We are already subsidising an automotive giant in the form of subsidies from the government. We are giving them an environmental fund to lure them to Australia. Then, of course, the government committed to buying the cars. So the government subsidises the industry, gives them a green power grant when they are already producing green cars and then buys the cars from them. The taxpayer pays three times—a crazy outcome in anybody's language.

The $490-odd million cleaner car rebate, the cash-for-clunkers scheme—most people will know it by that name—provided a $2,000 rebate for householders that traded in a pre-1995 vehicle. Even the government realised the cash-for-clunkers scheme was a clunker, and it had to be scrapped in the wake of the Queensland floods. It was quietly put to bed in that crisis.

The Clean Energy and Other Skills Package was apparently to help educational institutions and industry develop the materials and expertise needed to promote clean energy skills. What are clean energy skills, Madam Deputy Speaker? Why do they need to be promoted; and why does it cost $32 million in government and taxpayer money? These answers are never to be found.

The $3 million Climate Change Grant Program is to 'help the Australian public understand the need to act on climate change' and the opportunities of a clean energy future. There is the $1.3 billion over six years for the improbably named Coal Sector Jobs Package, which provides assistance for a small number of emissions-intensive coalmines to investigate abatement opportunities.

It is easy, when you are spending other people's money, to load millions and millions of dollars into these schemes which are completely inefficient, achieve no environmental benefit and allow corruption on the scale highlighted by Barclay Crawford and others.

These examples of grant schemes, just what I have talked about tonight, come to a total in the order of $4.845 billion of government money—chasing what? Emissions reductions? I do not think we would have even 4.845 tonnes of emission reductions out of all that. That is $4.845 billion on just what I have mentioned tonight. That does not include the entirety of the new car plan, which is another $6 billion on top of that. That makes $10 billion.

Then we had the Green Loans scheme, which instinctively was a good idea, the idea being that the government would lend you the money to upgrade all of your power and efficiencies and you would pay it back interest-free. You take out a loan from the government and pay it back; it is a self-funding scheme. This government of course totally made a hash of that, affecting a lot of people in my electorate in particular who, in good faith, decided to go out there and say, 'I would like to do something to improve the environmental efficiency of my
property and dwelling and take out that loan and pay it back over time”—the right kind of policy, the right kind of instinct. But the government could not manage a self-funding environmental scheme. It was a complete disaster. So again there was no environmental benefit but a lot of money expended.

These are only a few examples of what you can find out there today in terms of the suite of so-called environmental policies that are supposed to generate an environmental benefit. What the government are actually doing is distorting our marketplace in a way that is not producing the efficiencies we need for a better environment. They are actually making things a lot worse. Government inefficiency and waste in the environment sector, in all of these policies that I have mentioned today—up to some $10 billion there—are really producing things a lot worse. We are ignoring big opportunities for advancing both our power generation and other forms of technology which could of course make severe environmental differences. The government really needs to look very seriously at scrapping all of these so-called green schemes, which are prevalent in Australia today, and stop wasting Australian taxpayers’ money at a state and federal level. There is very little environmental benefit, very little economic benefit and, when we look back over this era, I think people will be shocked at how much taxpayers’ money is being thrown away in pursuit of very little gain.

**Gillard Government**

**Ms O’NEILL** (Robertson) (21:10): In contrast with the speech that we have just heard from the member for Mitchell, which exuded a sense of negativity—constant carping negativity—about all the things that cannot be done, all the doom and gloom of days of yore, I am going to offer a much more positive and enabling view of the country to the chamber this evening. In the interests of people who might be listening to this debate, I want to put on the record that, as a parliamentarian, there are some incredibly clarifying moments you get to experience here in the House. For me, one of those was last week, and I am sure it was for many others in this chamber as well, when we heard from the President of the United States and his very clear articulation of ‘The place of freedom is at the heart of all the things that matter.’ That was one moment of clarification for me.

The President told us that democracy and freedom go hand in hand and that prosperity without freedom is just another form of poverty. I agree with him. There is much to be drawn out from that comment by the US President. In the days that followed, I noted some commentary on it in the newspapers. But I refer to it today, because there is legislation before the House this week that reveals this government’s commitment to one of the core tenets of democracy in our Australian parlance—a fair go.

I do not think it is going too far to say that the principle of a fair go is one of the most fundamental of all Australian principles. I dare say it is a quintessential part of understanding Australian principles. Yet, when I look around my electorate, I feel that there are, sadly, too many for whom the fair go does not quite apply. It is a sad fact that, in our country, the gap between the haves and have-nots has grown and is continuing to grow. We can no longer afford to ignore that. Figures released last month by the Australian Bureau of Statistics showed that, since 2005-06, the wealthiest 20 per cent of households have increased their average net worth by 15 per cent, with a CPI adjustment in there. But, in contrast, the poorest 20 per cent of households saw only a four per cent rise. That 20 per cent of wealthy households had an average net worth of $2.2 million per household and accounted for around
two-thirds of total household wealth. Again, by contrast, the poorest 20 per cent of households had an average net worth of $32,000 per household. What a contrast! They accounted for only one per cent of total household wealth. This stark reality is detailed in the data contained in Household Wealth and Wealth Distribution, Australia, issued this year, on 14 October. Unsurprisingly, at least to those of us in regional areas, the Australian Bureau of Statistics data shows household wealth is actually much more concentrated in metropolitan areas. This is the data; it gives us a picture. But most of us do not need that data to know that the distribution of wealth in our country is not what it should be. So in that context it is clear that, if we are to hold true to our expression of fairness, we need to attend to that burgeoning gap. And that is what the Gillard Labor government is committed to doing. When I express a belief in that notion of a fair go, I mean a fair go for all, not just for some. And that is where the distinction between those opposite and those on this side is perhaps most stark. It is at its most evident right now in two completely contrasting views in this parliament on the Minerals Resource Rent Tax. As I said, Labor in government are in the process of enacting the type of reform we know will ensure that all Australians share in the wealth of this nation as we move forward together. At this time, when the mining sector is booming and some companies—indeed, many overseas owned companies—are making record profits, super profits, we see this as an opportunity to advance the benefit of all Australians by making sure that the profit boom is shared. We have determined to share it in a number of ways.

We are going to increase superannuation for eight million Australians from nine to 12 per cent. It is not a surprise that it is a Labor government that is making sure that this superannuation advantage is established and extended; it was Labor, after all, who started it off. Just as I am speaking here this evening, 20 years ago there was another member for Mitchell and I would not be surprised if he would have been saying that there was no way that Australians could afford superannuation. Thank God it was a Labor government that was in at the time and made it happen; otherwise, we would still be in a situation where there was no superannuation.

It is important, based on the Australian Bureau of Statistics data, that we do attend to the reality of superannuation, because it was the main financial asset held by Australian households, according to the ABS data, with three-quarters of all households having some superannuation assets. For households with superannuation, the average value of their superannuation was $154,000, but for half of these the value of their superannuation was actually less than $60,000.

So we are certainly going to make sure that a share of that boom profit from the mining sector is going to assist eight million workers. But that is not all we are going to do. We are going to reduce company tax from 30 per cent to 29 per cent. Again, those opposite will be whingeing and moaning, declaring that it is impossible and cannot be delivered—there will be a whole lot of negative diatribe going on around that. Further, we are committed to funding key infrastructure projects with that super profits tax that we are going to collect from the mining companies, and this will change the profitability of those communities and the benefit to all of those communities.

But tonight I particularly want to speak to the fact that 2.3 million small businesses will benefit from an instant asset write-off of any item up to the value of $6,500. This is a massive
change and a fantastic incentive to small business. Certainly it will have an incredibly positive impact on small business cash flow.

The government and key Independents in this House are working to ensure the passage of this legislation, to see the practical implementation of the concept of a fair go for our particular time in our history as a nation. In contrast, the Leader of the Opposition has only one word to utter: 'No,' over and over again, to the point where the Leader of the Opposition is well described as a walking vuvuzela.

But to those 2.3 million small businesses, those people who employ half of the workers in Australia, that sector that is one-third of the economy—what does 'No' mean? I would just like to put on record what it means to Ross Wouters, a local bricklayer in my area. He needs to get a new trailer next year, a new brick saw and a new computer for his home office. Each of those items is under $6,500 and each of them will be able to be written off instantly. That is a massive positive impact on his cash flow. And when the cash flow of a business is established and moving through well then it is possible for employment to be sustained and there is even the possibility of taking on another staff member. In the end, it is really all about jobs. Our freedom is certainly tied to our capacity to work. Local businesses such as the Kincumber quarry, which is being run by the second generation of the Norman family, need to replace computers in their offices. At Kincumber they need to replace some of the items out in the quarry. They will be able to write off items up to the value of $6,500. Rory's hairdressers in Gosford, where I was well looked after the other day, need a new cash register and a new hair dryer. They will be able to write those off as assets for their business. The man in the pie shop just around the corner from my office needs a new pie oven. These are small businesses that employ really great local people in the area where I live. We know that freedom depends on all Australians having a fair go and getting their fair share of the profits of this country, and our mining resource rent tax legislation will ensure that.

**Bruce Highway**

**Mr CHRISTENSEN (Dawson) (21:20):** In light of the fact that we are all about to go on a summer holiday from this place, I suggest we take a little tour—two tours, in fact: one on paper and one in a motor car. I will start with the last one first. I would like to invite the Prime Minister, the Treasurer and the Minister for Infrastructure and Transport to come on a little tour with me. We will call it a magical mystery tour. In fact, I can even put that outstanding Beatles album of the same name in the six-stacker for their listening pleasure.

I challenge these people to come for a drive with me from Rockhampton to Townsville. It will be a lovely little tour along a scenic track that we in Queensland like to call the Bruce Highway. But it is probably better known to this government as 'Penny Lane'—which I think is track No. 9 on the *Magical Mystery Tour* album—because a penny is about what this government wants to spend on the Bruce Highway in this region. They love to tax this region. They will happily bleed all the revenue out of this part of Queensland, but they do not want to stand for anything but returning the barest of minimums.

By the end of the tour they will see what I mean. The drive from Rockhampton to Townsville is approximately 725 kilometres—almost half of the total length of the Bruce Highway, which connects Brisbane in the south-east corner to Cairns in the Far North of Queensland. I chose this specific piece of highway for our little summer holiday drive for a couple of reasons. Firstly, for 400 kilometres of the trip we will be driving the length of my
electorate of Dawson, but I have also included 325 kilometres to the south, in the electorate of Capricornia. The second reason I want them to enjoy the scenic drive from Rockhampton is that this stretch of the highway services the absolute powerhouse of the national economy. This stretch of highway is crucial for the service of the coaling industry that these three guys are so keen to tax the hell out of. This stretch of the highway runs through that part of Queensland that generates billions and billions of dollars in revenue to state and federal governments every year. But it is off the radar for real investment. That is a shame, because, without the vital investment to support the resources boom, the resources boom will cease to exist. That should make the Greens happy. Maybe we could put a dog trailer on the back so Bob can trail along—or maybe he would be in the front and someone else would be in the dog trailer.

I would like to begin this trip at the beginning of February—enough time to enjoy a Queensland summer before parliament kicks off again. We can head out from Rockhampton at the start of February and see how far we get. You see, there could be a few obstacles to overcome. Firstly, in Rockhampton, at the notorious Yeppen crossing, it can be a little damp at this time of year. I am sure the Prime Minister, the Treasurer and the Minister for Infrastructure and Transport have experienced delays getting home in their own electorates. You know the drill—peak-hour traffic, traffic jams and maybe even an accident closing one lane. Dinner might be cold by the time they get home. Well, their dinner might go mouldy if they were waiting for the Bruce Highway to open at Yeppen during flood time. Earlier this year it was closed for 10 days straight—and that is the main artery for the entire state of Queensland. This is the artery that seven million tonnes of freight goes along each year to North Queensland, including luxury items—like food.

When the highway at Rockhampton is closed, Mackay is on rations. During the closure earlier this year, we saw fisticuffs over the last loaf of bread at supermarkets in Mackay and fast food chains rationing chickens at one per family. If the Bruce Highway is open at Rockhampton and we make it through to Mackay unscathed, we can actually fight the traffic, battling with Datsuns and dump trucks alike—as the Mackay ring road is about as close to reality as a Labor surplus. Despite the Minister for Infrastructure and Transport skiting in question time today about funding for the Mackay ring road, it is still very much a pipedream. This government has made a commitment to make a plan, to fund a study on how to plan the ring road. This government will be a distant memory before tar is ever laid on that project.

If we get through Mackay without being run over by the dump trucks, then there is Goorganga Plains to negotiate in the Whitsundays. It is not too bad if it is dry, but then again February is the wet season. The problem with Goorganga Plains is that when it floods it not only stops traffic on the state's main artery, once again, but also stops traffic from the Whitsunday Coast airport from getting through to the Whitsunday Coast. As you can imagine, that is a problem for the Whitsundays, which is absolutely 100 per cent dependent on tourism for its survival.

If we can get past the Whitsundays and make it up to Bowen then there is the rather tricky Sandy Gully that we have to worry about. Again, it is not bad if it is dry but, as a constituent said to me this year in not-so-polite language, 'It only takes a cane toad to whiz on the side of the road to close the highway at Sandy Gully.' Again, that not only stops traffic on the state's major artery but also stops workers who live in Bowen and further south from getting to the
job site at Abbot Point—a multi-billion-dollar facility being constructed at Abbot Point—all dependent on the integrity of a cane toad's bladder!

If we can keep the cane toads away from the bar for a week, then this magical mystery tour takes us further up north where we only have a few obstacles left, apart from the ever-present potholes and patchy road repairs. Yellow Gin Creek is another spot that is not bad when it is dry but I have to tell you that it is a great place to camp for a long time if it is raining. And the Haughton River bridge is a test to be taken only by the most strong willed and bravest of drivers. If you have the misfortune to be heading north across the Haughton River bridge at the same time as a truck is heading south you will have a very strong urge to hold your breath and think skinny thoughts: 'If we can make Brisbane to Townsville in one piece and without having to camp by the roadside it will be a miracle.’ The Bruce Highway is a joke, and the locals know it, so you would think that this government would be doing something about it.

Let us now take a trip along the Bruce Highway a different way—on paper. The state government has put out a paper called the Bruce Highway Upgrade Strategy, and it is clear that the Labor Party in Queensland shares the lack of care about this region—my region—as the federal government does. This strategy lays out a plan for upgrading the highway over 20 years. It points out on page 5 that this strategy builds on a previous paper called the 2007 Brisbane to Cairns Corridor Strategy. So what has been done in recent years? According to the new strategy:

Over recent years, a number of projects have either commenced or have been completed to improve safety, capacity and flood immunity. Projects funded or jointly funded by the Australian and Queensland governments …

Let us look at them in three sections. In the first section, everywhere south of our magical mystery tour saw major progress on a 12-kilometre realignment of the highway south of Gympie; the completion of $305 million in widening works and the provision of six lanes at Caboolture; the completion of a $71 million duplication at Gympie; and the completion of a two-lane motorway. Every single one of these projects is either starting, continuing or finishing real projects—you can drive on today.

Now let us look to the north on our magical mystery tour. We saw the start of a $115 million realignment at Cardwell Range; flood immunity and safety work between Townsville and Cairns, at a cost of $347 million; the start of the duplication of the Douglas Arterial, at a cost of $110 million; and the completion of the two-lane motorway of the Townsville ring road, stages 2 and 3, at a cost of $119 million. Again, every single one is starting or finishing real projects—improvements you can drive on today.

Now let us look at what has happened on our magical mystery tour stretch, which is almost one-half of the Bruce Highway: the completion of a $4 million urban congestion study; the completion of planning for a highway duplication; the commencement of a $5 million Fitzroy River flood plain study—two studies started and a plan completed. The shovel did not even make it out of the shed. Will this region ever get taken seriously? Will the obstacles our magical mystery tour face ever be addressed? Here is when things are planned in the study: the Mackay ring road is to commence in 10 years; Goorganga Plains planning is to commence in up to 10 years; the Sandy Gully is to be built higher in up to 10 years; Yellow Gin Creek will be up to 10 years; and the Haughton River bridge will be up to 10 years. There is a decade to wait. That is a shameful plan for the region, which these Labor governments want...
to bleed dry. It is a plan that the good people of Central Queensland and North Queensland will not ever forget. I have to tell you, if the Prime Minister, the Treasurer and the Minister for Infrastructure and Transport want to come on this tour with me, it will be one that they will not forget either.

**Gillard Government**

Mr Ripoll (Oxley) (21:30): Tonight I want to talk about some complex issues that I think are really important. I want to talk about where we are in a parliamentary sense, in a social sense and in a party sense. I want to talk about issues that go to the core of where ordinary people are in their everyday lives. Often in this place, and through the media, we hear all sorts of discussions and commentary—and see newspaper articles and front-page stories—telling us what the big issues of the day are. I am sure that all members of parliament and many people out in the street would easily be able to recount what the so-called big issues are. But I do not think they are always that clear and I do not think that the issue that is on the front page is always a big issue for everybody in the community.

This has been a very interesting year, in more ways than I care to recall. In particular for my electorate it has been a year that saw devastating floods which caused massive upheaval. It has been a politically volatile year with lots of ups and downs for everybody. As we draw close to the end of the year, I think it is important that I note some of the things that I think are most important to my electors in the electorate of Oxley. My comments are not navel gazing; they are not criticising or critiquing anybody in particular; they are just some points about what I think the big issues are in this country—and I do not think they are the ones that we would most commonly jump to.

I do not think gambling reform is one of the big issues. As big an issue as it is—and certainly it is a loud issue—I just do not think it is really big. I do not think too many families when they wake up in the morning and brew their coffee or tea and put the toast on are discussing what gaming reform will mean to them. They are probably talking about what they are going to do at work, what the kids are going to do at school, whether somebody needs to go to the doctor and maybe the cost of living, the price of fuel and all those types of issues. But I can guarantee you almost 100 per cent that, on a day-to-day basis, they will not be talking about gambling reform. That is more the preserve of a very specific slice of the community. As with a lot of change and reform, this is difficult. There is good intent behind this, and there is good delivery. But, while it is made out to be the biggest issue since sliced white bread, in the end you will find that the community impact is actually very, very small, if not almost insignificant. It will come and go and later on you will wonder why anyone ever made a fuss in the first place.

Then there are the migration issues. Dare I even mention them? There are the issues of boats and migration. Yes, these are big issues in the community. They certainly polarise people on one side of the debate or the other. You will often see it as part of any media cycle. I think in the Liberal-National Party tactics group in the morning, before question time, they go: 'If we run out of ideas, we can always throw boat people back on the table. I'm sure that'll cause a little bit of controversy and spark something up.' But how much is it an actual issue for people, for ordinary families, when they wake up in the morning and they are brewing their cup of tea and they are talking about what is important to them as a family? The issues then are: who is working today; who has got a job; how are the kids going at school?
Grandma or grandpa might not be feeling too well; somebody might have to stay home. I bet you any money that the vast majority of Australian families are talking about those issues rather than how many people are coming to this country through a migration program. If you did a calculation in percentage terms, or in number terms—any calculation you like—with 23 million people in this country, the tiny numbers involved when we start talking about immigration are insignificant and play very little to no role in people's ordinary day-to-day lives. Yet you will find these issues on the front page of every paper once or twice a week, because we are told these are the biggest issues. I actually disagree. I do not think they are the biggest issues at all, and for ordinary families I do not think they even come close to being the biggest issues.

Looking at the other big issues, some are a little bit more complex. If we look at the Clean Energy Future package and climate change, this does impact on people's lives every day. But, again, I think that when people get up of a morning and they are thinking about their day they will probably do a number of things in this area. They will look at saving water. We have grown used to that, particularly in Queensland. Even though we have had a horrendous year of floods we are still conscious about saving and conserving water. We turn off the lights a bit more than we used to, and we use energy-saving light bulbs, because we all agree, we all understand and we all acknowledge—and perhaps children acknowledge it more than adults—that we actually need to conserve our resources and conserve energy; we need to look after the planet. There is a real sense of that and that we all need to do something.

I am prepared to stake a wager. I am not a gambling person; in fact, I cannot recall the last time I gambled on anything, although perhaps in politics we gamble every day. But I am prepared to wager substantially that once the climate change debate has been and gone—once there is the introduction and people see it, experience it and live it—it will be a whole different debate. In fact, the debate will come and go. As we know now through a CSIRO study and other good economic modelling, the impact of the climate change bills is just one-tenth of the impact of the GST. I talked to people today, and people are saying, 'What GST?' It has come, it has gone, people are used to it, and it actually works. So it is fair enough—just like the climate change bills and what we are doing in the Clean Energy Future package, which will deliver something significant in this country.

The real big issues, the ones that should be on the front page in a positive fashion almost every single day, include what we did in every single school in this country, primary and senior: new school halls, science labs and classrooms. That is the really good stuff. There must be some dichotomy out there in the community or with certain people. Many people are happy to acknowledge the great work done and the need for the biggest infrastructure spending program in schools in over a generation, 30 years. Yet it seems that the media's only focus is the very small percentage, the very few, where it did not quite go perfectly to plan. I would rather focus on the 99 per cent. Again, I would stake a fairly large wager that you could go to any school in the country and ask that school community what they think of their new hall and science lab—what they think about their kids' education and the infrastructure that this government delivered—and the response would be positive. No other government in the prior 30 years had the gumption to do it. We did, and it cost a lot of money, but it is an investment—it is money well spent. You do not just spend it in bricks and mortar; you spend it in people, and that is what we have done.
Look at what we are doing in terms of hospital reform, in trying to wrestle one of the biggest issues in this country. If any issue is the single biggest issue, that is probably people's health care. We have a first-class system, a better system than any country in the world, but there is one significant problem: whether it is the Pharmaceutical Benefits Scheme, the Medicare system or general health delivery, at the current rates we will not be able to sustain this beyond 2026, because all of the revenue of state governments will be needed to sustain the current spending levels. It will take a courageous government, a good government and a government that sees beyond itself, beyond the horizon and beyond the next election to have the guts to stump up in this place and make the significant reforms that will benefit my children, your children and their children. That is what I think is the government's role.

That is what I wanted to say tonight. I wanted to put on the record that it takes more than just the political cycle, more than just what is popular and more than just the cheap shots and the stuff that is not on the front page of the papers; it takes doing the right things, the things that you know are right for this country, for ordinary families, for working people and for children's health and education. We have to make sure we get those things right.

I heard before one of the opposition members talking about road infrastructure and how we have promised and delivered a significant study on a road that needs upgrading but will not be built for 10 years. I would like to say to him: that is two years fewer than the previous government's, the Howard government's, 12 years of doing absolutely nothing in their own electorates. If there is one thing that this government can be absolutely proud of—and there are many things—it is infrastructure spending. We introduced the largest infrastructure spending program in this country's history.

I have an example of it not only in my electorate in Queensland but in Blair and beyond, through to Toowoomba and back through the other end, through Liberal Party seats and Labor Party seats. When you spend on infrastructure—and this was the whole point of Infrastructure Australia—you deliver it for everybody. You deliver it across state and local government boundaries and you do it in corridors because it needs to be done. You do it on a strategy delivery process, one that is beyond the electoral cycle. That is what good government is about. That is what courageous government is about. While it may be that polls go up and polls go down and sometimes you are at the bottom of the polls—and I have been there a few times—and sometimes you are at the top of the polls, regardless of what the polls say you still know what is right. You still know the things that you have to deliver and it takes a Labor government to have the guts to actually do it. (Time expired)

**Liberal Party**

**Mr FRYDENBERG** (Kooyong) (21:40): We are all familiar with the ancient proverb: the more things change, the more they stay the same. Nowhere is this more applicable than in the field of politics. Just recently I came across a seminal speech by the Liberal Party's great founder, Sir Robert Menzies, delivered at the Camberwell Town Hall in the Kooyong electorate on 29 August 1946. The speech launched the Liberal Party's first ever federal election campaign. In so many ways, Sir Robert's words that evening could be a template for today's contest between Labor and the coalition. His statement, 'We need to return to politics as a clash of principles and to get away from the notion that it is a clash only of warring personalities,' is a battle cry relevant to today's political debate. Afraid to confront its poor record in government, Labor is shamelessly and relentlessly trying to paint Tony Abbott as Dr
No, against every government idea regardless of merit. But this is without foundation. Why would we not oppose a carbon tax that was a blatant breach of the fundamental promise made just five days before the last election? Why would we not oppose a mining tax that will cost jobs and send investment offshore, increasing as it does the sovereign risk profile of our resource rich nation? And why would we not oppose the Malaysian solution when Malaysia’s refusal to become a signatory to the refugee convention breaches the Gillard government’s own key criteria? In each case, our position today is entirely consistent with what we said to the electorate before the election on 21 August last year—a statement which, unfortunately, does not equally apply to our political opponents.

The test for the coalition will always be what is good policy and what is in the national interest. As Sir Robert Menzies has said, the duty of an opposition is not just to oppose for opposition’s sake but to oppose selectively; no government is always wrong on everything, whatever the critics may say. Menzies is right. This is why we have offered bipartisan support for the national disability insurance scheme, better resourcing for mental health services and a 2014 exit date for Australia’s military commitment to Afghanistan. These are important areas where the policy positions of government and the opposition have converged. But as a party we will not and must not compromise on those fundamental issues that go to the philosophical heart of what the Liberal Party stands for—lower taxes, smaller and efficient government, freedom in the workplace and an individual’s freedom to choose.

In the 1946 speech, Menzies said of the Chifley government, 'It has by way of outstanding example been most reluctant to grapple with the problem of tax reduction. This is partly because it seems to believe that the government departments can spend our earnings for us more wisely than we can, which is a common socialist delusion, and therefore that it is more important to maintain government expenditure than to reduce the taxes that maintain them.' In contrast, Menzies said of the Liberals, 'We are a tax reduction party, understanding, that real tax reductions would be the best of all incentives to increase effort, earnings and production.' Tragically, the Rudd-Gillard government have become addicted to spending, squandering the strong fiscal position bequeathed to them in 2007. In just four years they have taken government spending from 22.9 per cent of GDP to 26.2 per cent. They have turned a $20 billion budget surplus, $50 billion in the bank and record low inflation and unemployment into a $107 billion debt, a $250 billion debt ceiling and an interest bill of $20 million per day, which alone equates to five new teaching hospitals being built each and every year. What is more, Labor have fostered a culture of expectation with their lavish handouts from pink batts to school halls, from computers in schools to set top boxes. With the introduction of or increase in 19 separate taxes, Labor are penalising the taxpayer to fund their spending habits. It has got to a point where nobody can believe an economic promise from this government. We are told that Wayne Swan will deliver a budget surplus in 2012-13. First it was a rolled-gold guarantee. Now it is simply a pious objective. With accumulated deficits in the last four years of over $150 billion and no Labor surpluses for 20 years, how can they be believed?

In addition to expanding government debt, increasing taxes and bloating the bureaucracy with more than 20,000 new public sector employees, Labor has also reregulated our workplaces, causing a disconcerting rise in industrial disputation among our workplaces. As Menzies said in 1946, 'strikes and other forms of direct action are the greatest facts now standing in the way of production, higher real wages and the restoration of civil freedom.' He
went on to point out that Labor's reluctance to see the industrial law enforced was encouraging class war. Listening to the rhetoric of the union bosses in the recent Qantas dispute, it has eerie parallels to Menzies' important message 65 years before.

Another interesting point from Menzies' 1946 speech was his complaint that the Chifley government would do its best to avoid legitimate scrutiny of its actions with its bills 'frequently guillotined or gagged in the House' and that Labor frontbenchers would more often than not dodge questions in the House, preferring to 'retort to a perfectly proper inquiry by a volley of coarse personal abuse'. It is an accusation that any fair observer today of Labor's tactics in question time or in the parliament with regard to Labor's NBN or carbon tax legislation could legitimately make.

Sir Robert Menzies in his 1946 speech at the Camberwell Town Hall did us all a big favour. He provided a practical roadmap that applies Liberal values and philosophy to the practical issues of government. From immigration to defence, regional development to family policy and of course taxation to industrial relations, it is all there. Ironically, so much of what he said then is relevant to today's political debate and the graphic and persistent failures of the Gillard Labor government. Sir Robert Menzies and the Liberal Party may not have defeated Prime Minister Chifley in 1946 but their time and that of the Liberal Party's philosophy and values soon came, and it will too under a future Abbott government.

**Payday Lenders**

Mr SYMON (Deakin) (21:48): Last sitting week in the adjournment debate I spoke about the scourge of payday lending affecting low-income Australians. I spoke about the huge profits generated and the massive payments made to fat cat executives of a company called Cash Converters. It is very clear to me that the only conversion of cash where this company is concerned is conversion of its clients' Centrelink benefits to its executives' pay packets. I referred in particular to the operation of this payday lender trading as Cash Converters, which charges an effective annual interest rate of 420 per cent per annum plus fees and charges. I also referred in particular to the chief executive, Mr Peter Cummins, who received a total package of $1,703,631 for the company's 2011 year—an amount that was triple what he received in the 2010 year. It is very surprising to me that this company has not changed its name to Cash Cow.

This multinational company, Cash Converters, has run half-page advertisements in my local papers attacking the Gillard government's Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011 that will regulate rogue operators that offer payday loans. These ads, which cost thousands of dollars, also attacked me for not considering the issue. But they have certainly drawn my attention to the issue, of which I had some knowledge before and have far greater knowledge now. Indeed, as each day passes and I find out more about payday lenders, I have become increasingly outraged that operators such as Cash Converters have been able to rip off vulnerable customers for years, with virtually no Commonwealth action and only patchy state attempts to stop these rorts.

The payday lenders certainly do not like the 48 per cent cap on loans over $2,000 proposed in the bill. They do not think that charging nearly seven times the average household mortgage rate is enough. And they do not like the 24 per cent cap plus fees on loans of less than $2,000, as proposed in the bill. But I suppose with an executive remuneration bill in 2011 of $4.149 million, Cash Converters may well have to look at cutting their expenses—
just like their customers have to do in order to repay the massive fees and charges that come with a Cash Converters loan. As reported in the *Australian Financial Review*, Cash Converters charge $35 for every $100 lent per month.

It is well worth quoting some of the responses to this issue as collected by the Consumer Action Law Centre from community and welfare agencies. The first one is from Eastern Access Community Health, which is in my electorate of Deakin. Jackie Bramwell, the financial counselling and problem gambling manager, had this to say about their experience of dealing with clients who had been to payday lenders:

Eastern Access Community Health financial counselling has been an indignant witness to the harm caused by payday lending. Payday lending has historically left clients with a bigger monetary shortfall than they originally began with, creating a downwards debt spiral.

Many loans have been inappropriately issued by payday lenders. A common example of this is inappropriate loans for utility bills. With suitable information from a payday lender, many loans could be avoided by using alternative and less unsettling borrowing options.

For people with identify problem gambling, payday lending has contributed to enabling gambling and worsening the downward debt spiral.

Simon Schrapel, the Chief Executive Officer of Uniting Care Wesley Adelaide, wrote:

Our financial counsellors and staff working with homeless persons and in other programs regularly assist people in financial difficulties and on low incomes who are struggling with payday or small contracts loans. People who are desperate for money see these loans as a quick and easy solution. However, they are only a short-term fix.

The people we see are on low incomes, generally Centrelink-only income, and cannot repay these high cost loans as well as their normal living expenses. Often they will have taken out another loan to pay out the first, which leads to a cycle of repeat or roll-over loans.

These loans are not only ineffective in resolving clients issues with day-to-day living expenses or other financial issues, but actually exacerbate or directly cause financial hardship and financial problems.

The small amount lending inquiry of 2008 undertaken by Victorian MP Robin Scott at the request of the then Victorian Minister for Consumer Affairs, the Hon. Tony Robinson, is well worth a read. This report examined payday lending in other jurisdictions right across the world—in the US, Canada, the UK and Ireland—as well as in Australia. I found its report on the situation in the US particularly interesting. Although the report found that payday lending is legal and regulated in 37 US states, it is illegal or unviable in 13 states due to the imposition of interest rate caps or legislation. Common features of payday lending in the US states that do allow payday lending are: loans are limited to $500 or less, loans can only be renewed once, borrowers can rescind a loan within one day, lenders cannot use threats of criminal prosecution as a lending tool, lenders must obtain a licence to operate, and fees are capped at 20 per cent of the first $300 loaned and 7.5 per cent for funds over $300.

Although that is a fair distance away—it is across the ocean, of course—there is a much closer and, from a Victorian perspective, very real example in the very stark difference between what happens on one side of the Murray and on the other. In New South Wales and the ACT there is a legislated cap of 48 per cent that includes all fees and charges which has applied since 1 March 2006, and in Queensland a similar provision has applied since 31 July 2008. Victoria, however, lost its 48 per cent cap on pawnbrokers' interest rates in the mid-1990s. That leads me to the findings of the report titled *Mission incomplete* by the Consumer
Law Action Centre. This report illustrates the experience of 12 clients who have used high-cost short-term loans since July 2010. The cases are very much about the impact of using high-cost short-term loans on the individual. The cases highlighted the following issues for high-cost short-term loan users. Excessively high loan costs are being charged in states and territories where there is no comprehensive interest rate cap. The total amounts to be repaid and short-term repayment schedules themselves are still causing hardship as consumers struggle to repay loans. Loans are still being provided to fund recurrent day-to-day living expenses. Consumers are obtaining loans where their financial issues are not short term or minor and they should be referred to utility hardship programs and free financial counselling services. Repeat borrowing continues to cause problems, with loans being given for the purpose of paying off other payday loans. Self-exclusion requests are being ignored. Lenders are providing loans despite the provision of evidence such as bank statements showing multiple existing loans, clearly indicating financial stress. And this is just the tip of the iceberg.

Users of these loans are often vulnerable and disadvantaged and, in some cases, may not be able to understand the consequences of using these loans. Whilst payday lenders such as Cash Converters hold themselves out as offering a community service, the reality is that this is only a huge money-making operation heaped upon the people who can least afford to pay such massive fees and enormous interest rates. The interim report written by Marcus Banks titled Caught short found that 78 per cent of the survey participants who use payday lenders were receiving a Centrelink payment or pension—the very people who cannot afford to pay back anything like these outrageous imposts.

There is, of course, more than one company involved in payday lending. In fact, I have an example of unsolicited mail deposited in my letterbox last week from a company called the Cash Store. It offers me $400 and I am qualified for express approval, apparently, for the amount indicated on this certificate. It has a picture of a Christmas present and a couple of other things. It says it is quick and easy and no hassle. In other words, you can just get the money by turning up. This is one of the very sad things about this situation: people who need the money most and see something like this coming through their letterbox are quite likely to take up the offer. If they need money in a hurry and they need that amount, their chances of paying it back and getting ahead are very slim.

We keep hearing about more and more of these cases, and I impatiently await the arrival of this bill back into the House from the committee. I certainly think something needs to happen and happen soon. In the meantime, I suggest that anyone who is thinking of using a payday lender should check out the many other low- and no-cost options that are available through Centrelink and various community services to save themselves a lot of money and a lot of time. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke): There being no further grievances, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Main Committee adjourned at 21:58
QUESTIONS IN WRITING

Asylum Seekers

(Question No. 427)

Mr Morrison asked the Minister for Immigration and Citizenship, in writing, on 16 June 2011:

In respect of the $65.7 million of funding over the next four years for agencies under the proposed arrangement with Malaysia on irregular maritime arrivals: (a) specifically what is it for (b) how will it be distributed (c) what sum is to be allocated for capital, building or refurbishment works for facilities in Malaysia, and (i) at what facilities (ii) of what nature, and (iii) at what cost (d) what sum is to be allocated (under this arrangement or any other program) for training the approximate 500 000 RELA members in Malaysia, (e) what sum is to be allocated for health, education, accommodation, meals, transfers (including airfares), immigration processing, refugee status assessments, legal support, (f) will service providers such as those in the areas of education, health, accommodation, meals, be paid a fixed rate or on consumption, and (g) what sum is estimated to be spent on administration by agencies under the agreement.

Mr Bowen: The answer to the honourable member’s question is as follows:

On 13 October 2011 the Government announced that it will not be in a position to proceed with offshore processing of asylum seekers due to an absence of support for necessary amendments to the Migration Act.

In view of this, the funding set aside in the 2011-12 Budget for implementation of the Malaysia Arrangement will be re-examined in the context of the Mid-Year Economic and Fiscal Outlook.

Asylum Seekers

(Question No. 430)

Mr Morrison asked the Minister for Immigration and Citizenship, in writing, on 16 June 2011:

In respect of the $10 million of funding allocated to departmental expenses under the proposed arrangement with Malaysia on irregular maritime arrivals, what is the breakdown of costs for staffing, including the number of full-time equivalent staff, accommodation, travel, training, contractors, and other.

Mr Bowen: The answer to the honourable member’s question is as follows:

The allocation of funding under the Malaysia Arrangement was a matter to be settled in the context of the establishment of funding agreements with organisations delivering services.

On 13 October 2011 the Government announced that it will not be in a position to proceed with offshore processing of asylum seekers under the Malaysia Arrangement due to an absence of support for necessary amendments to the Migration Act.

In view of this, the funding set aside in the 2011-12 Budget for implementation of the Malaysia Arrangement will be re-examined in the context of the Mid-Year Economic and Fiscal Outlook.

Asylum Seekers

(Question No. 431)

Mr Morrison asked the Minister for Immigration and Citizenship, in writing, on 16 June 2011:

In respect of the additional 4000 refugees to be accepted under the proposed arrangement with Malaysia on irregular maritime arrivals, what is the estimated (a) average resettlement cost to his department for
each refugee, and (b) annual additional cost in Centrelink payments, and any further associated additional costs.

Mr Bowen: The answer to the honourable member’s question is:
The Government has made it clear following the parliamentary impasse that while it will honour its commitment to the Malaysian Government to take 4,000 refugees from Malaysia over the next four years, this will not be in addition to the standard 13,750 places set aside in the annual Humanitarian Program. Costs will therefore come from within annual program funding.

Child Care
(Question No. 485)

Mr Oakeshott asked the Minister for Employment Participation and Childcare, in writing, on 16 August 2011:
In respect of proposed changes in the regulation of childcare ratios to be put before COAG in 2011, is it a fact that the ratio of staff to children in smaller centres for the age group of 2-3 years is proposed to be changed from 1:8 to 1:5, commencing in 2012, and that this ratio will also apply to larger centres, but not until 2016; if so, what is the Government doing to overcome the competitive disadvantage that this will have on smaller centres.

Ms Kate Ellis: The answer to the honourable member’s question is as follows:
Under the National Quality Framework, the ratio of staff to children for the age group of 2-3 years in all centres will move to 1:5 from 1 January 2016. In NSW, the current ratio of 1:8 will continue for this age group in all centres until that time. All services may of course choose to operate at ratios that reflect improved educator to child ratios and are encouraged to do so as part of transitioning to the new ratio but the requirement will remain at 1:8 until 2016.

Bradfield: Home Insulation Program
(Question No. 498)

Mr Fletcher asked the Minister for Climate Change and Energy Efficiency, in writing, on 16 August 2011:
In respect of the arrangements made through his department for the inspection and removal of unauthorised insulation under the Home Insulation Program at an apartment complex in Hornsby on 6 July 2010 (referred in my letter to him dated 11 July 2010), (a) what are the names of the companies (both main contractors and subcontractors) that actioned or facilitated the inspection and removal of unauthorised insulation, (b) in what location are these companies based, (c) what number of employees undertook the inspection and removal, and (i) in what location was each based, (ii) at what time, by what means, and at what cost did each travel to and from the premises, and (iii) what is the name of the employer of each, and (d) for the three months prior to 6 July 2011, what are the dates and locations of other inspections and/or removals of insulation that each employee undertook pursuant to direct or indirect (ie, contractor or subcontractor) contractual arrangements with the Commonwealth.

Mr Combet The answer to the honourable member’s question is as follows:
Transfield Services, operating on behalf of the Department of Climate Change and Energy Efficiency, sub-contracted Pulse Electrical to conduct safety inspections under Phase 2 of the Home Insulation Safety Program (HISP). Transfield Services is headquartered in Sydney, New South Wales (NSW) and Pulse Electrical is headquartered in Stafford, Queensland.
Two Pulse Electrical employees attended an apartment complex in Hornsby, NSW on 6 July 2011. A total of eight units at 39 Albert Street, Hornsby had booked a safety inspection, with five completed that day and three aborted due to the householder being unavailable.
The total cost of the scheduled safety inspections was $6,545. This amount is yet to be reviewed and accepted by the Department. Costs are inclusive of GST, travel, hire equipment, accommodation, materials and labour.

For the specific three month period, 6 April 2011 – 6 July 2011, Pulse Electrical completed 170 safety inspections.

Although individual inspector details are available via completed inspection reports and provided to the Department, individual inspectors are employees of Pulse Electrical and it would be inappropriate to provide details of those employees.

**Clean Energy Future Booklet**

*(Question No. 512)*

**Mr Hawke** asked the Minister for Climate Change and Energy Efficiency, in writing, on 18 August 2011:

1. What total sum of money did it cost to produce the Clean Energy Future booklet that was distributed in August 2011.
2. What sum was spent on the (a) design, (b) printing, and (c) distribution, of the booklet.
3. What external agencies, organisations, and businesses were used to produce the booklet, and what sum was paid to each of these entities.
4. Can he indicate how many Clean Energy Future booklets were returned to the Government, including those marked as Return to sender to (a) the Prime Minister’s office, (b) the Minister for Climate Change and Energy Efficiency’s office, (c) other Ministers and Parliamentary Secretaries, and (d) Government departments and agencies.
5. How many surplus booklets were never distributed.

**Mr Combet:** The answer to the honourable member’s question is as follows:

A total of $3,855,362.86 excluding GST was spent to produce and distribute the publication. Expenditure was funded under the Clean Energy Future advertising campaign budget and comprised:

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount (excl. GST)</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphic design services</td>
<td>$9,223.90</td>
<td>GRiD Design</td>
</tr>
<tr>
<td>Paper supply and print production</td>
<td>$2,364,611.81</td>
<td>PMP Print Pty Ltd</td>
</tr>
<tr>
<td>Distribution</td>
<td>$1,481,527.15</td>
<td>Australia Post</td>
</tr>
</tbody>
</table>

A number of booklets were returned to the Government; however, exact numbers are unknown as records were not kept of returned items at ministers’ and parliamentary secretaries’ offices or government departments.

The Department of Climate Change and Energy Efficiency estimates that fewer than 500 copies of the booklet were returned to the Department.

Of the 10 million booklets produced, over 9.8 million were distributed via the national mailout. Remaining copies are available on request through the Department’s call centre and at relevant events.

**Passport Refusals**

*(Question No. 541)*

**Ms Julie Bishop** asked the Minister for Foreign Affairs, in writing, on 18 August 2011:

How many debtors have been refused a passport renewal under s 16(1) of the Australian Passports Act 2005, in each year since 2005.
Mr Rudd: The answer to the honourable member's question is as follows:
Since 2005 one (1) debtor has been refused a passport after a competent authority made a request under subsection 16(1) of the Australian Passports Act 2005 (the Act). This was in 2011.

Wispelaere, Mr Jean-Philippe
(Question No. 546)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 18 August 2011:
Since 28 February 2007, on what dates have Australian consular officials (a) visited, and/or (b) otherwise had contact with, Mr Jean-Philippe Wispelaere.

Mr Rudd: The answer to the honourable member's question is as follows:

Families, Housing, Community Services and Indigenous Affairs: Trial Sites
(Question No. 547)

Mr Andrews asked the Minister for Families, Housing, Community Services and Indigenous Affairs in writing on 18 August 2011:
(1) What information did she receive from her department for the purpose of selecting the trial sites for (a) helping teenage parents to finish school and support their children, (b) the Local Solutions Fund, (c) helping jobless families prepare for work, (d) the extension of income management in five trial sites, and (e) supporting job seekers in disadvantaged communities into jobs.
(2) Did the information provided to her in part (1) include a broader list of local government areas, communities, electorates or localities; if so, what criteria were used by her to select the trial sites from this list for the programs in part (1).

Ms Macklin: The answer to the honourable member’s question is as follows:
(1) (a) to (e) Joint advice from my Department, the Department of Education, Employment and Workplace Relations and the Department of Human Services was provided to the Government on potential trial sites. The information provided included:
- unemployment levels;
- skills gaps;
- education levels;
- the numbers of people relying on welfare payments as their primary source of income; and
- the length of time recipients have been receiving income support payments.
(2) The selection of particular trial sites was based on a consideration of factors including:
- the Local Government Areas being in the lower range of socio-economic advantage/disadvantage index (SEIFA);
- lower median individual and household incomes than the national averages;
- higher levels of unemployment;
- higher proportions of people in receipt of Centrelink payments;
higher proportions of non-completion of secondary school;
higher proportions of teenage parents receiving income support payments and jobless families; and
availability of existing infrastructure and support services.

Families, Housing, Community Services and Indigenous Affairs: Senior Executive Service
(Question No. 568)

Mr Briggs asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 25 August 2011:
How many staff were employed by the Minister's department in the Senior Executive Service (ie, SES) on 1 July (a) 2008, and (b) 2011.

Ms Macklin: The answer to the honourable member's question is as follows:
The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) Annual Reports are available on the website at www.fahcsia.gov.au. These provide the relevant information as at 30 June each year.
(a) FaHCSIA 2007-2008 Annual Report—Refer to Appendix 1: Staffing overview, Table 4.4: Staffing overview-staff by classification at 30 June 2008.
(b) FaHCSIA 2010-11 Annual Report—Refer to Appendix B: Staffing statistics, Table B-1 Ongoing staff employed, by classification, gender and location, 30 June 2011 and Table B-2 Non-ongoing staff employed, by classification, gender and location, 30 June 2011.

Climate Change and Energy Efficiency: Senior Executive Service
(Question No. 578)

Mr Briggs asked the Minister for Climate Change and Energy Efficiency, in writing, on 25 August 2011:
How many staff were employed by the Minister's department in the Senior Executive Service (ie, SES) on 1 July (a) 2008, and (b) 2011.

Mr Combet: The answer to the honourable member's question is as follows:
In its Annual Report, the Department of Climate Change and Energy Efficiency provides SES staffing data as at 30 June of the relevant year.
The 2008 Annual Report for the Department of Climate Change states that SES staffing as at 30 June 2008 was 14.
The 2011 Department of Climate Change and Energy Efficiency Annual Report states that SES staffing as at 30 June 2011 was 58. This figure included all SES of the Department, including operative and inoperative staff, and non-SES employees acting in SES positions as at that date.

Dawson and Capricornia Electorates: Home Insulation Program
(Question No. 584)

Mr Christensen asked the Minister for Climate Change and Energy Efficiency, in writing, on 12 September 2011:
By postcode in the electorates of Dawson and Capricornia, (a) what number of homes had insulation installed under the Home Insulation Program, and what proportion (as a percentage) of these homes had foil insulation installed, and (b) can he provide (i) the names of companies used to install this insulation, and (ii) the number of homes each company worked on.
Mr Combet: The answer to the honourable member's question is as follows:

The Department of Climate Change and Energy Efficiency received 15,468 claims for insulation installed under the Home Insulation Program (HIP) in the postcodes which fall within, or partly within, the electorates of Capricornia and Dawson.

The table below provides a breakdown, by postcode, of the installations in postcodes which fall within, or partly within, Capricornia and Dawson and the number of foil installations in those postcodes.

<table>
<thead>
<tr>
<th>Electorate *</th>
<th>Postcode</th>
<th>All Material</th>
<th>Foil</th>
<th>Foil %</th>
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* Postcodes may be split across two or more electorates.

The table below lists insulation installer businesses registered under the HIP that installed foil insulation in the postcodes which fall within, or partly within, the electorates of Capricornia and/or Dawson.

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<td>Fair Dinkum Insulation</td>
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<td>856</td>
<td>Robbo's Insulation</td>
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<td>6456</td>
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<td>G.B.C.B. Pty Ltd</td>
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<td>B&amp;J Caruana</td>
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<td>Allready Roofing</td>
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<td>8449</td>
<td>JG Energy Saver</td>
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<td>8857</td>
<td>Green Frog Insulation Pty Ltd</td>
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<td>9485</td>
<td>G W Consulting Pty Ltd</td>
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<td>10039</td>
<td>Go Green Energy Assessors</td>
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</table>

QUESTIONS IN WRITING
Details on the number of homes each installer business worked on have not been provided as this is considered to be commercial in confidence information.

Dawson and Capricornia Electorates: Home Insulation Program
(Question No. 586)

Mr Christensen asked the Minister for Climate Change and Energy Efficiency, in writing, 12 September 2011:

By postcode in the electorates of Dawson and Capricornia, how many fires or fire-related incidents resulted from insulation installed under the Home Insulation Program.

Mr Combet: The answer to the honourable member's question is as follows:

No fire or fire-related incidents have been linked to the Home Insulation Program in the electorate of Capricornia, and one minor non-structural incident has been reported in the electorate of Dawson — in postcode area 4802.

Agriculture, Fisheries and Forestry: Portfolio Expenditure
(Question No. 592)

Mr John Cobb asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, in writing, on 12 September 2011

(1) What was the total 2010-11 portfolio expenditure for (a) advertising, (b) travel, including business, economy, domestic and international, (c) hospitality and entertainment, (d) information and communications technology, (e) consultancy, (f) education and training of staff, (g) external (i) accounting, (ii) auditing, and (iii) legal, services, and (h) membership or grants paid to affiliate organisations.

(2) What was the 2010-11 expenditure against each item in part (1) for (a) the Executive, (b) the Australian Bureau of Agricultural and Resource Economics and Sciences, (c) the Agricultural Productivity Division, (d) the Australian Quarantine and Inspection Service, (e) Biosecurity, (f) the Climate Change Division, (g) the Corporate Finance Division, (h) the Corporate Policy Division, (i) the Corporate Services Division, (j) Fisheries, (k) Forestry, (l) the Sustainable Resources Management Division, (m) the Trade and Market Access Division, and (n) graduates and trainees.

(3) What was the 2010-11 expenditure against each item in part (1) for (a) Tackling Climate Change, (b) Sustainable Management Natural Resources, (c) Forestry Industry, (d) Fishing Industry, (e) Wool Industry, (f) Grains Industry, (g) Dairy Industry, (h) Meat and Livestock, (i) Agriculture Resources, (j) Drought Programs (Exceptional Circumstances and Western Australia Drought Pilot), (k) Rural Programs, (l) International Market Access, (m) Quarantine and Export services, and (n) Plant and Animal Health.

(4) What number of full-time equivalent staff are assigned to the portfolio (a) areas in part (2), and (b) programs in part (3), and for each, what is the breakdown of staff by classification.

Mr Burke: The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable member's question:
(1) Table 1

<table>
<thead>
<tr>
<th></th>
<th>DAFF Departmental Notes</th>
<th>APVMA</th>
<th>CRDC</th>
<th>GWRDC</th>
<th>RIRDC</th>
<th>SRDC</th>
<th>WAC</th>
<th>WEA</th>
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<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
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<td>Total portfolio expenditure</td>
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<td>156</td>
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<td>966</td>
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<td>-</td>
<td>-</td>
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<td>4</td>
<td>19</td>
<td>6</td>
<td>54</td>
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<td>55</td>
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<td>25</td>
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<td>96</td>
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<td>40</td>
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<td>-</td>
<td>2,237</td>
<td>187</td>
<td>5</td>
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DAFF Departmental Notes
(a) Advertising disclosed on page 279 of the 2010-11 Annual Report includes GST and Administered advertising.
(b) Travel includes - fares, allowances, vehicle mileage, accommodation and meals.

APVMA - Notes
(d) Includes all IT and Communication costs including, internet charges & telephone costs.
(e) Excludes external legal services
(g) (i) Includes an external audit firm that conducts "internal audits" ($49,000), & ANAO audit costs

CRDC - Notes
(b) Travel international - the ICAC meeting in USA 2010
(c) Consultancy includes R&D consultants and general administration services

FRDC - Notes
(c) Approximate derived from FBT entertainment expenses
(g) (i) Internal audit and is included in consultancy
(h) projects expenditure

SRDC - Notes
(h) Comprises of the following:-
(1) Sponsorships;

QUESTIONS IN WRITING
(2) Milestone payments for contracted SRDC projects;
(3) Joint CRRDC expenses;
(4) Includes travel associated with SRDC contracted projects. This travel has not been accounted for again in (b) above;
(5) Includes communication expenses which have not been accounted for again in (d) above.

Notes
(a) Advertising cost includes recruitment advertising and Australian Government Directory entry and website
(b) Travel cost includes airfares, accommodation, travel allowance, taxi and parking fares, travel agent booking fee, conference registration fee etc.

Portfolio Agencies
AFMA—Australian Fisheries Management Authority
APVMA—Australian Pesticides and Veterinary Medicines Authority
CRDC—Cotton Research and Development Corporation
FRDC—Fisheries Research and Development Corporation
GRDC—Grains Research and Development Corporation
GWRDC—Grape and Wine Research and Development Corporation
RIRDC—Rural Industries Research and Development Corporation
SRDC—Sugar Research and Development Corporation
WAC—Wine Australia Corporation
WEA—Wheat Exports Australia
## Table 2

<table>
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<th>(a)</th>
<th>(b) Advertising</th>
<th>(c) Travel</th>
<th>(d) Hospitality</th>
<th>(e) Information and Communication technology</th>
<th>(f) Consultancy</th>
<th>(g)(i) Education and training of staff</th>
<th>(g)(ii) External Accounting</th>
<th>(g)(iii) External Auditing</th>
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<td>10</td>
<td>965</td>
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## Table 3

<table>
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<th>2010-11 expenditure for</th>
<th>(a) Advertising</th>
<th>(b) Travel Domestic</th>
<th>(c) Travel International</th>
<th>(d) Hospitality and entertainment</th>
<th>(e) Information and communication technology</th>
<th>(f) Consultancy</th>
<th>(g)(i) Education and training of staff</th>
<th>(g)(ii) External Accounting</th>
<th>(g)(iii) External Auditing</th>
<th>(h) External legal services</th>
<th>(i) Membership or Grants paid to affiliate organisations</th>
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<td>$'000</td>
<td>$'000</td>
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Note: Portfolio Agency FTE's not included
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Note: Portfolio Agency FTE's not included
Superclinics  
(Question No. 593)  

Dr Southcott asked the Minister for Health and Ageing, in writing, on 14 September 2011:

In respect of the GP Super Clinics Program, (a) what are the 10 program objectives, and (b) according to the latest quarterly report for each of the 15 operational clinics, have each of these objectives been met; if not, what progress has each clinic made against each objective.

Ms Roxon: The answer to the honourable member's question is as follows:

(a) The ten objectives of the GP Super Clinics Program, as indicated in the National Program Guides 2008 and 2010, are as follows:

Objective 1: GP Super Clinics will provide their patients with well integrated multidisciplinary patient centred care.

Objective 2: GP Super Clinics will be responsive to local community needs and priorities, including the needs of Aboriginal and Torres Strait Islander peoples and older Australians in Residential Aged Care Facilities and community based settings.

Objective 3: GP Super Clinics will provide accessible, culturally appropriate and affordable care to their patients.

Objective 4: GP Super Clinics will provide support for preventative care.

Objective 5: GP Super Clinics will demonstrate efficient and effective use of Information Management and Information Technology (IM/IT).

Objective 6: GP Super Clinics will provide a working environment and conditions which attract and retain their workforce.

Objective 7: GP Super Clinics will be centres of high quality best practice care.

Objective 8: Post establishment, GP Super Clinics will operate with viable, sustainable and efficient business models.

Objective 9: GP Super Clinics will support the future primary care workforce.

Objective 10: GP Super Clinics will integrate with local programs and initiatives.

(b) The Department receives Implementation Progress Sheets (IPS) from each operational GP Super Clinic. IPS include information against the ten Program Objectives. The most recent IPS are dated end September 2011.

Information drawn from the IPS is available on the Department's GP Super Clinic website at:


Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.

Superclinics  
(Question No. 600)  

Dr Southcott asked the Minister for Health and Ageing, in writing, on 14 September 2011:

In respect of each operational clinic under the GP Super Clinics Program, what (a) is the total number of (i) medical professionals, and (ii) allied health professionals, providing services, (b) are the hours of operation, and (c) is the bulk billing policy.

Ms Roxon: The answer to the honourable member's question is as follows:
(a) As at end September 2011 there were fifteen operational clinics.

The Department of Health and Ageing reports on workforce data from GP Super Clinics at an aggregated level rather than releasing data at the individual clinic level.

Please note that the numbers reported by the Clinics for the workforce providing services at each operational clinic are presented as full time equivalents (FTE). The number of individuals comprising this workforce is substantially greater.

(i) As at end September 2011, there were a total of 93.8 FTE general practitioners providing services at the fifteen operational clinics. The number of specialists providing services at the GP Super Clinics will fluctuate from time to time as the needs of the local community fluctuate. Information on specialist medical services available at operational GP Super Clinics is available on the Department's GP Super Clinics website at:


Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.

(ii) As at end September 2011, the fifteen operational clinics reported that a total of 108.0 FTE allied health professionals and nursing staff were providing a wide range of health care services for their local communities.

(b) and (c)

Information on the hours of operation and bulk billing policy for individual GP Super Clinics is available on the Department's GP Super Clinics website at:


Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.

The hours of operation and bulk billing policy (as end September 2011) for the four sites that became operational between 1 June and 30 September 2011 are set out in the following table:

<table>
<thead>
<tr>
<th>GP Super Clinic</th>
<th>Hours of Operation</th>
<th>Bulk Billing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarence (TAS)</td>
<td>Weekdays 8.00 am—6.00pm  Saturdays 9.00 am—3.00 pm</td>
<td>Pensioners, health care card holders, children under the age of 16, ‘walk-ins’ and all Enhanced Primary Care MBS items.</td>
</tr>
<tr>
<td>Queanbeyan (NSW)</td>
<td>Weekdays 8.30 am—5.30 pm  Saturdays 9.00 am –12.00 noon  Sundays 10.00 am –12.00 noon  Evening sessions Tuesdays and Thursdays 6.00pm– 9.00pm</td>
<td>At discretion of GP but most bulk bill pensioners, concession card holders and for education sessions, chronic care management, and lifestyle classes.</td>
</tr>
<tr>
<td>Riverina (NSW)</td>
<td>Weekdays 9.00am-6.00pm  Saturdays 9.30am -12.30pm  'On call' doctor 365 days a year through arrangement with Narrandera District Hospital.</td>
<td>Health care card holders, pensioners, children under the age of 16, health assessments and care plans and a number of allied health services. At GP discretion, some patients suffering financial hardship are also bulk billed.</td>
</tr>
<tr>
<td>Shellharbour (NSW)</td>
<td>Weekdays 8.00am-6.00pm  Saturdays 8.30am – 12.00noon</td>
<td>Most patients are bulk billed. Exceptions include workers compensation payments and preventative activities beyond those offered under MBS arrangements.</td>
</tr>
</tbody>
</table>
Superclinics
(Question No. 601)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 14 September 2011:

In respect of the GP Super Clinics Program, as at 31 July 2011, how many (a) GPs, (b) allied health workers, (c) practice nurses, and (d) GP Registrars, were working in operational clinics.

Ms Roxon: The answer to the honourable member's question is as follows:

The most recent information available is for the 15 operational GP Super Clinics at end September 2011.

Please note that the numbers reported by the Clinics for the workforce providing services at each operational clinic are presented as full time equivalents (FTE). The number of individuals comprising this workforce is substantially greater.

(a) As at end September 2011, there was a total of 93.8 FTE general practitioners providing services at the 15 operational clinics.

(b) and (c) As at end September 2011, the 15 operational clinics reported that a total of 108.0 FTE allied health professionals and nursing staff were providing a wide range of health care services for their local communities.

(d) Clinical practice placements for GP Registrars are of limited duration and reporting at a point in time will underreport the total number of GP Registrar placements. Of the 15 GP Super Clinics operational at the end of September 2011, seven GP Super Clinics had already provided one or more placements for GP Registrars. Additional Clinics are in the process of obtaining the requisite accreditation to host GP Registrars.

On-Farm Water Efficiency Program
(Question No. 603)

Dr Stone asked the Minister for Sustainability, Environment, Water, Population and Communities, in writing, on 15 September 2011:

In respect of round two of the On-Farm Water Efficiency Program:

(1) On what grounds was Irrigation Efficiency Partners Pty Ltd deemed eligible for funding of $32 million.

(2) Is it a fact that in order to be an eligible delivery partner under the program, an applicant must: (a) be an entity with direct and demonstrable links to irrigators such as (i) an Irrigation Infrastructure Operator, (ii) a Catchment Management Authority, (iii) a commodity or agricultural industry group, or (iv) a regional irrigation body; and (b) be financially viable as demonstrated through the provision of audited financial statements and related documents (for at least the last three years).

(3) Is it a fact that an organisation is ineligible if it includes 'organisations which directly supply or install irrigation equipment'.

(4) Do any of the partners of the company (in part 1) supply or install irrigation equipment, and is it a fact that the company received its ABN number only days before tenders closed.

Mr Burke: The answer to the honourable member's question is as follows:

(1) and (2) Irrigation Efficiency Partners Pty Ltd (IEP) was deemed eligible by the assessment Panel to be a delivery partner and receive funding because it met all seven of the eligibility criteria in the On-Farm Irrigation Efficiency Program Guidelines for round two. Under the heading, 'Who is eligible to be a delivery partner?' the requirements are that applicants:
1. be an entity with direct and demonstrable links to irrigators such as:
   - an Irrigation Infrastructure Operator;
   - a Catchment Management Authority;
   - a commodity or agricultural industry group; or
   - a regional irrigation body.

   IEP met this criterion.

2. be able to demonstrate it has the authority under organisational governance arrangements to be the lead proponent who is responsible for the delivery partner project and is able to enter into contractual arrangements with others (e.g. project participants and irrigators) to implement the project.

   IEP met this criterion.

3. be financially viable as demonstrated through the provision of audited financial statements and related documents.

   The basis on which IEP was assessed as meeting this criterion is set out below.

4. be a legal entity capable of entering into a Funding Agreement with the Australian Government (note: unincorporated associations are not eligible).

   IEP met this criterion.

5. be registered with the Australian Taxation Office for Goods and Services Tax purposes with a valid Australian Business Number (ABN).

   IEP met this criterion.

6. agree to take all reasonable measures to ensure that permanent water entitlements offered to the Australian Government are unencumbered and are available to be transferred within the specified timeframe after a Funding Agreement is signed.

   IEP met this criterion.

7. be seeking funding for irrigator sub-projects located only within the Lachlan River catchment and the southern connected system of the Murray Darling Basin.

   IEP met this criterion.

It is not a requirement, as suggested in question 2, that documents related to financial viability must be provided for at least the last three years for entities to be eligible as a delivery partner. The formal eligibility requirement is as set out at point 3 above.

In their application IEP made it clear that they were a new entity formed for the purpose of becoming a delivery partner under the program. IEP demonstrated that they were financially viable through financial statements and an unqualified audit opinion in 2011. These were reviewed and accepted by the independent consultants conducting a financial viability risk assessment of all applicants. This financial viability assessment was considered by the Panel which was constituted to make recommendations on the merits of the applications. The Panel included program and economic officers of the Department, an external financial and auditing expert and an external technical (irrigation) expert. The external financial and auditing expert advised the Panel that the documents provided by IEP met the eligibility criteria as they demonstrated financial viability and constituted all the documents that the applicants could reasonably be required to submit under the circumstances. Applicants are asked to provide three years of audited accounts and financial records in the context of the guidelines. This is referable to where an entity had existed for three or more years, but is not formally material to a decision determining financial viability. The Panel decided that the key determinant of financial viability was the independent consultant's financial viability risk assessment report, and they followed the report's findings.
(3) and (4) The relevant statement in the Guidelines precluding ‘organisations that directly supply or install irrigation equipment’ specifically refers to an organisation in the lead proponent role as delivery partner in a proposal. The role of a delivery partner is to manage, on behalf of the Department, the delivery of groups of similar infrastructure projects and ensure that unencumbered water entitlements are transferred to the Commonwealth.

IEP does not itself supply or install irrigation equipment, but entities in the overall consortium are irrigation equipment suppliers. Many of the delivery partners in both rounds one and two lead broader consortia which included members that fall into the categories of an ineligible lead proponent. These consortium members include irrigation suppliers, state government departments and actual irrigators. In all circumstances where an application has been successful, such consortium members are not the lead proponent and do not sign the funding agreement with the Australian Government.

The approval of the IEP proposal was consistent with this requirement of the guidelines. IEP have supplied a written guarantee that they do not mandate the use of particular service providers to proponent farms participating in their projects. Like other delivery partners IEP has systems to benchmark quotes against industry standards. All delivery partners will have the records of how they disbursed their grant funds assessed by auditors working for the Department.

IEP was registered as a company on 21 March 2011 and applications for round two of the On Farm Irrigation Efficiency Program closed on 31 March 2011.

**Townsville Health Service District**

(Question No. 609)

Mr Katter asked the Minister for Health and Ageing, in writing, on 15 September 2011:

(1) Can she confirm media reports that the Townsville Health Service District, which services a smaller population than the Cairns Health District, receives 30 per cent more health funding.

(2) Is she aware that the population of the greater Cairns region is about 250,000, while that of the greater Townsville region is about 225,000.

(3) Can she explain to the people of far north Queensland, the reason for this apparent health funding discrepancy.

Ms Roxon: The answer to the honourable member’s question is as follows:

(1) to (3) The funding for Health Districts in Queensland is a matter for the Queensland Government. Historically the Commonwealth has given funding to states and territories for public hospitals without transparency of where that funding is spent.

I note the Member's concerns and would advise him that the new financing and transparency initiatives introduced through national health reform aim to improve the distribution of public hospital funding.

A number of National Health Reform Agreement (NHRA) initiatives will ensure improved funding, and more transparent and locally responsive planning of health services. For example:

Growth Funding—The Commonwealth will increase its contribution to efficient growth funding for hospitals to 45 per cent from 1 July 2014, increasing to 50 per cent from 1 July 2017. Once this commences, the states/territories and the Commonwealth will share future funding growth in a 50/50 partnership. A guaranteed additional $16.4 billion will be provided by the Commonwealth for public hospital services under this new agreement up until 2019-20. This funding is on top of the level of funding that the Commonwealth would have otherwise provided.

Funding Transparency—All governments will contribute funding for hospitals into a single national funding pool which will be administered by a National Health Funding Pool Administrator. As a result
there will be complete transparency, visibility and accountability of Commonwealth and state/territory
government payments into the pool, then from the pool to LHNs.

Activity Based Funding—As part of the NHRA, agreement has been reached to establish a nationally
consistent approach to activity based funding of public hospital services. Under the new funding
arrangements, the Commonwealth will contribute towards the cost of each service delivered by
hospitals, based on a national efficient price for services. An Independent Hospital Pricing Authority
has already been established to get this important work underway. The Commonwealth will also
provide block funding for small regional and rural hospitals, and to fund teaching, training and research
undertaken in public hospitals.

Emergency Departments, Elective Surgery and Sub-acute Beds—All states and territories have
signed a revised National Partnership Agreement on Improving Public Hospital Services, under which
the Commonwealth will provide them with up to $3.4 billion by 2016-17 for improved emergency
departments, more elective surgery and new sub-acute beds.

Local Hospital Networks (LHNs)—Governance of the hospitals system will devolve to LHNs, which
will be managed by Governing Councils that are comprised of members with skills and expertise in
health, business and financial management, clinical expertise and research expertise. Governing
Councils will engage with local clinicians and the local community to provide quality health care
services to the community. A key role for LHNs will be undertaking local health planning, identifying
gaps in services at the local level, examining opportunities for better targeting of services, and
establishing formal and informal linkages with the primary care and aged care sectors.

The Commonwealth has negotiated these national reforms with the states and territories to ensure
that the health system is put on a more financially sustainable footing, with an increasing share of public
hospital costs being met by the Commonwealth into the future.

Superclinics

(Question No. 611)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 19 September
2011:

In respect of the latest Services and Implementation Assessment report for each of the 15 GP Super
Clinics in operation, what (a) is the number of general practitioners, (b) is the number of nurses, (c) is
the number of allied health professionals, (d) is the number of specialists, (e) is the number of general
practitioner registrars, (f) is the number of students on clinical placements, (g) general practitioner
attendance services are offered, (h) preventive health care activities are offered, (i) chronic disease
management services are offered, (j) are the extended hours of service, and (k) is the progress against
each of the program objectives.

Ms Roxon: The answer to the honourable member's question is as follows:

The most recent information provided was current as at end September 2011.

The Department of Health and Ageing provides workforce data from GP Super Clinics at an
aggregated level rather than releasing data at the individual Clinic level.

Please note that the numbers reported by the Clinics for the workforce providing services at
operational clinics are presented as full time equivalents (FTE). The number of individuals comprising
this workforce is substantially greater.

(a) As at end September 2011, there were a total of 93.8 FTE general practitioners providing services at
the 15 operational clinics.

(b) and (c) As at end September 2011, the 15 operational clinics reported that a total of 108.0 FTE allied
health professionals and nursing staff were providing a wide range of health care services for their local
communities.
(d) The number of specialists providing services at the GP Super Clinics will fluctuate from time to time as the needs of the local community fluctuate. Information on specialist medical services available at operational GP Super Clinics is available on the Department's GP Super Clinics website at:


Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.

(e) Clinical practice placements for GP Registrars are of limited duration and reporting at a point in time will underreport the total number of GP Registrar placements. Of the 15 GP Super Clinics operational at the end of September 2011, seven GP Super Clinics have already provided one or more placements for GP Registrars. Additional Clinics are in the process of obtaining the requisite accreditation to host GP Registrars.

(f) Clinical practice placements for undergraduate health students are of limited duration and have varying time spans and frequency. Reporting at a point in time will underreport the total number of placements at operational GP Super Clinics.

As at end September 2011, fourteen GP Super Clinics reported that they were providing or had provided placements for multiple undergraduate medical, nursing and/or allied health students and the remaining site was anticipating supervising students in the next rotation in early 2012.

(g) The latest presentation data available is at end September 2011, at which time the operational GP Super Clinics reported over 477,000 presentations to GPs.

(h), (i), (j) and (k) Information drawn from the Implementation Progress Sheets is available on the Department's GP Super Clinic website. The information on the website includes preventive health care activities, chronic disease management services, hours of operation and other information on progress related to Program objectives at these GP Super Clinics.

Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.

The Department's GP Super Clinics website can be found at:


Superclinics
(Question No. 612)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 19 September 2011:

In respect of the latest Services and Implementation Assessment report for each of the 15 GP Super Clinics in operation, (a) what is the number of specialists, (b) what specialties do they represent, and (c) for what sessions are they available.

Ms Roxon: The answer to the honourable member's question is as follows:

(a) to (c) The number of specialists providing services at the GP Super Clinics will fluctuate from time to time as the needs of the local community fluctuate. Information on specialist medical services available at operational GP Super Clinics is available on the Department's GP Super Clinics website at:


Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.
**Superclinics**  
*(Question No. 613)*

**Dr Southcott** asked the Minister for Health and Ageing, in writing, on 19 September 2011:

In respect of the latest Services and Implementation Assessment report for each of the 15 GP Super Clinics in operation, what is the number by full-time equivalent of (a) general practitioners, (b) nurses, (c) allied health professionals, (d) specialists, and (e) general practitioner registrars.

**Ms Roxon:** The answer to the honourable member's question is as follows:
The most recent information provided was current at end September 2011.

As at end September 2011 there were 15 operational clinics.

The Department of Health and Ageing provides workforce data from GP Super Clinics at an aggregated level rather than releasing data at the individual Clinic level.

Please note that the numbers reported by the Clinics for the workforce providing services at each operational clinic are presented as full time equivalents (FTE). The number of individuals comprising this workforce is substantially greater.

(a) As at end September 2011, there were a total of 93.8 FTE general practitioners providing services at the 15 operational clinics.

(b) and (c) As at end September 2011, the 15 operational clinics reported that a total of 108.0 FTE allied health professionals and nursing staff were providing a wide range of health care services for their local communities.

(d) The number of specialists providing services at the GP Super Clinics will fluctuate from time to time as the needs of the local community fluctuate. Information on specialist medical services available at operational GP Super Clinics is available on the Department's GP Super Clinics website at:


Information will be available for those GP Super Clinics that have been operational for a minimum of four months. The four month timeframe allows for a period of settling in by the Clinic.

(e) Clinical practice placements for GP Registrars are of limited duration and reporting at a point in time will underreport the total number of GP Registrar placements. Of the 15 GP Super Clinics operational at the end of September 2011, seven GP Super Clinics have already provided one or more placements for GP Registrars. Additional Clinics are in the process of obtaining the requisite accreditation to host GP Registrars.

In addition, the operational GP Super Clinics are contributing to the education of the future primary care workforce through the provision of clinical practice placements for undergraduate medical, nursing and/or allied health students.

**healthdirect Australia**  
*(Question No. 624)*

**Dr Southcott** asked the Minister for Health and Ageing, in writing, on 21 September 2011:

In respect of healthdirect Australia, in July and August 2011, how many calls were (a) made to (i) the after-hours GP helpline, and (ii) a triage registered nurse, and (b) triaged to (i) a general practitioner telephone consultation, (ii) follow-up by usual general practitioner, (iii) an emergency department, (iv) a medical deputising service, and (v) Triple Zero (000).

**Ms Roxon:** The answer to the honourable member's question is as follows:
In respect of healthdirect Australia:

(a) (i) Callers cannot directly access the after hours GP helpline. Patients who call healthdirect Australia in the after hours period will initially be triaged by a registered nurse. If the nurse determines the patient will benefit from a GP telephone conversation, the caller will be transferred to a telephone-based GP.

Therefore, the most appropriate nurse triage disposition to assess the number of calls made to the after hours GP helpline is 'Speak to Telephone GP'.

<table>
<thead>
<tr>
<th>Registered Nurse Triage Disposition</th>
<th>July 2011</th>
<th>August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speak to Telephone GP</td>
<td>12,367</td>
<td>12,381</td>
</tr>
</tbody>
</table>

(ii) The number of calls made to a triage registered nurse in July and August 2011 were 70,303 and 70,858 respectively.

(b) (i) The most appropriate healthdirect Australia nurse triage disposition to assess the number of calls triaged to a general practitioner telephone consultation is 'Speak to Telephone GP'.

<table>
<thead>
<tr>
<th>Registered Nurse Triage Disposition</th>
<th>July 2011</th>
<th>August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speak to Telephone GP</td>
<td>12,367</td>
<td>12,381</td>
</tr>
</tbody>
</table>

(ii) A registered nurse triage disposition to follow-up by usual general practitioner is not available.

The five most appropriate healthdirect Australia nurse triage dispositions to assess the number of calls triaged to follow-up by usual general practitioner are 'See Doctor immediately', 'See Doctor within 4 hours', 'See Doctor within 24 hours', 'See Doctor within 72 hours' and 'See Doctor within 2 weeks'.

<table>
<thead>
<tr>
<th>Registered Nurse Triage Disposition</th>
<th>July 2011</th>
<th>August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>See Doctor immediately</td>
<td>2,794</td>
<td>3,030</td>
</tr>
<tr>
<td>See Doctor within 4 hours</td>
<td>3,681</td>
<td>4,122</td>
</tr>
<tr>
<td>See Doctor within 24 hours</td>
<td>5,279</td>
<td>5,767</td>
</tr>
<tr>
<td>See Doctor within 72 hours</td>
<td>2,470</td>
<td>2,098</td>
</tr>
<tr>
<td>See Doctor within 2 weeks</td>
<td>861</td>
<td>745</td>
</tr>
<tr>
<td>Total</td>
<td>15,085</td>
<td>15,762</td>
</tr>
</tbody>
</table>

(iii) The most appropriate healthdirect Australia nurse triage disposition to assess the number of calls triaged to an emergency department is 'Attend Emergency Department immediately'.

<table>
<thead>
<tr>
<th>Registered Nurse Triage Disposition</th>
<th>July 2011</th>
<th>August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attend Emergency Department immediately</td>
<td>7,248</td>
<td>7,592</td>
</tr>
</tbody>
</table>

(iv) A registered nurse triage disposition to a medical deputising service is not available.

Therefore, the number of calls triaged to a medical deputising service cannot be provided.
(v) The most appropriate healthdirect Australia nurse triage disposition to assess the number of calls triaged to Triple Zero (000) is ‘Activate 000’.

<table>
<thead>
<tr>
<th>Registered Nurse Triage Disposition</th>
<th>July 2011</th>
<th>August 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activate 000</td>
<td>1,999</td>
<td>2,041</td>
</tr>
</tbody>
</table>

1 The after hours period is 6pm – 8am Monday to Friday, 6pm Friday to 8am Saturday, from 12 noon Saturday to 8am Monday, and on public holidays.

Leichhardt Electorate: Mental Health

(Question No. 625)

Mr Entsch asked the Minister for Health and Ageing, in writing, on 22 September 2011:
In respect of my correspondence to her dated 11 August 2011 on behalf of two constituents in the electorate of Leichhardt,
(a) What services are available in far north Queensland to treat depression, anxiety and eating disorders, and
(b) Does a Australian Government travel allowance exist for families with family members suffering from depression, anxiety and eating disorders who are not able to be treated in their home town.

Mr Butler: The answer to the honourable member's question is as follows:
(a) Commonwealth funded treatment services which may be to benefit of people in far north Queensland with depression or anxiety are available under the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule (Better Access) initiative, which provides access for people, with an assessed mental disorder, to Medicare subsidised mental health services provided by General Practitioners (GPs), psychiatrists, psychologists and appropriately trained social workers and occupational therapists. There are a range of private providers registered with Medicare Australia and eligible to provide these services in far north Queensland.

The Better Access initiative is complemented by the Access to Allied Psychological Services (ATAPS) initiative. ATAPS services are targeted to those individuals requiring primary mental health care who are not likely to be able to have their needs met through Medicare based mental health services. Extra funding of $206 million in the 2011 Budget will see a significant expansion of ATAPS over the next five years.

To be eligible for the Better Access or ATAPS initiatives, an individual consumer must be diagnosed as having a mental disorder by a GP and have a Mental Health Treatment Plan prepared. In general these initiatives are suitable for individuals with mental disorders of mild to moderate severity.

Under the ATAPS initiative Divisions of General Practice and Medicare Locals are funded to purchase allied health services necessary to deliver ATAPS services. The Far North Queensland Division of General Practice is currently funded to provide services in far north Queensland.

The Australian Government also provides a range of telephone and web-based counselling services for all Australians, regardless of where they reside in Australia.

Through the Telephone Counselling, Self Help and Web-Based Support Programmes measure, the Australian Government has invested $60.9 million over five years to support services for people with low to moderate level mental health disorders and those experiencing psycho-social crisis, or longstanding mental health problems. Activities under this measure, to date, have included crisis counselling via telephone helplines, online counselling, online self-help and peer support, and self-directed online treatment modules. A suite of evidence-based telephone counselling and online mental health programs...
currently supplements or substitutes for more conventional face-to-face services. Further information on these initiatives is available at www.mentalhealth.gov.au.

The Australian Government is aware of the ongoing concerns within the community about accessing mental health care, and is also aware of concerns that Australia has lacked a consistent and comprehensive approach to eating disorders.

In response to this the Australian Government has committed $3 million for the National Eating Disorders Collaboration (NEDC). The collaboration is being led by the Butterfly Foundation and will aim to develop a comprehensive, coordinated national approach to eating disorders.

People with mild to moderate level eating disorders may benefit from the Better Access and ATAPS initiative outlined above.

With respect to services available for moderate to severe eating disorders in far north Queensland this is a matter which falls within the responsibility of the Queensland Minister for Mental Health.

(b) In regards to financial assistance, each state and territory government administers a travel and accommodation assistance scheme (PATS) for people requiring specialised health care not available within a specified distance from their place of residence. While the PATS have some basic features in common, travel assistance arrangements vary across the states and territories with different administration arrangements, eligibility criteria, subsidy levels, requirements for patient contributions and types of medical care covered. The Commonwealth Government has no role in funding or administering these schemes, but is working with states and territories to examine options to improve PATS and to work towards a more nationally consistent scheme.

**Foreign Affairs and Trade: Hospitality and Entertainment Expenditure**

(Question No. 629)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 22 September 2011:

What was his department’s total expenditure on hospitality and entertainment in 2010-11, and of this, what sum was used for entertainment provided (a) overseas, (b) within Australia, and (c) in conjunction with the United Nations Security Council bid.

Mr Rudd: The answer to the honourable member’s question is as follows:

For the financial year 2010-11, the department spent $4.75 million in Australia and overseas on hospitality and entertainment.

The composition of entertainment and hospitality expenditure overseas and in Australia:

(a) Overseas $4.02 million
(b) Australia $0.73 million
TOTAL $4.75 million

(c) Hospitality and entertainment expenditure relating to the United Nations Security Council bid has been incurred both through a range of specific events and as part of broader hospitality events across the diplomatic network. To collate records to identify this expenditure would entail a significant diversion of resources and, in these circumstances, I do not consider the additional work can be justified.

**Hospitals: Exemptions Initiative**

(Question No. 636)

Mr Laming asked the Minister for Health and Ageing, in writing, on 22 September 2011:

In respect of the 19(2) Exemptions Initiative, what sum has been paid by Medicare to Australian public hospitals for individual outpatient consultations since the introduction of '19(2)'; and can she present
this information by public hospital in each State and Territory, if not, by jurisdiction of hospitals eligible and ineligible according to '19(2)' population criteria.

**Ms Roxon:** The answer to the honourable member's question is as follows:

Annual reports provided by participating jurisdictions to the Commonwealth indicate that exempted sites have claimed approximately $8.72 million in Medicare benefits for eligible services since the commencement of the Improving Access to Primary Care in Rural and Remote Areas (the COAG s19(2) Exemptions Initiative) to June 2011.

A breakdown of these claims by participating jurisdiction and approved site is at Attachment COAG s19(2) Exemptions Initiative Sites

<table>
<thead>
<tr>
<th>State</th>
<th>Exempted Site</th>
<th>Date Granted</th>
<th>Approximate MBS Benefits (claimed to June 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD</td>
<td>Millmerran Hospital</td>
<td>May-07</td>
<td>$202,307</td>
</tr>
<tr>
<td></td>
<td>Mareeba Hospital</td>
<td>Jul-07</td>
<td>$4,583,944</td>
</tr>
<tr>
<td></td>
<td>Dimbulah Hospital</td>
<td>Jul-07</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Collinsville Hospital</td>
<td>Sep-07</td>
<td>$267,688</td>
</tr>
<tr>
<td></td>
<td>Tully Hospital</td>
<td>Feb-08</td>
<td>$1,150,393</td>
</tr>
<tr>
<td></td>
<td>Cardwell Community Health Centre</td>
<td>Feb-08</td>
<td>$75,399</td>
</tr>
<tr>
<td></td>
<td>Miles Health Service</td>
<td>Mar-08</td>
<td>$132,946</td>
</tr>
<tr>
<td></td>
<td>Babinda Hospital</td>
<td>May-08</td>
<td>$658,659</td>
</tr>
<tr>
<td></td>
<td>Monto</td>
<td>Jan-09</td>
<td>$155,907</td>
</tr>
<tr>
<td></td>
<td>Eidsvold</td>
<td>Jan-09</td>
<td>$30,815</td>
</tr>
<tr>
<td></td>
<td>Mundubbera</td>
<td>Jan-09</td>
<td>$54,250</td>
</tr>
<tr>
<td></td>
<td>Oakey Health</td>
<td>Feb-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Chinchilla Health Service</td>
<td>Oct-10</td>
<td>$71,224</td>
</tr>
<tr>
<td></td>
<td>Mitchell Hospital</td>
<td>Oct-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Dirranbandi Multi Purpose Health Service</td>
<td>Oct-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Longreach</td>
<td>Apr-11</td>
<td>Nil</td>
</tr>
<tr>
<td>WA</td>
<td>Exmouth Health Service</td>
<td>May-09</td>
<td>$355,100</td>
</tr>
<tr>
<td></td>
<td>Fitzroy Crossing Health Service</td>
<td>May-09</td>
<td>$675,315</td>
</tr>
<tr>
<td></td>
<td>Carnavon Hospital</td>
<td>Oct-10</td>
<td>$2,400</td>
</tr>
<tr>
<td></td>
<td>Laverton District Hospital</td>
<td>Oct-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Leonora District Hospital</td>
<td>Oct-10</td>
<td>Nil</td>
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<tr>
<td></td>
<td>Meekatharra Hospital</td>
<td>Oct-10</td>
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<td></td>
<td>Norseman District Hospital</td>
<td>Oct-10</td>
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</tr>
<tr>
<td></td>
<td>Plantagenet – Cranbrook Health Service</td>
<td>Oct-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Ravensthorpe Health Centre</td>
<td>Oct-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Shark Bay Nursing Post</td>
<td>Oct-10</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Warmun Health Clinic</td>
<td>Oct-10</td>
<td>$9,545</td>
</tr>
<tr>
<td></td>
<td>Derby Hospital</td>
<td>Feb-11</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Mr Christensen asked the Minister for Families, Housing, Community Services and Indigenous Affairs, in writing, on 11 October 2011:

How many pensioner householders exist in the electoral division of Dawson (a) in total, and (b) by postcode.

Ms Macklin: The answer to the honourable member’s question is as follows:

(a) At 30 June 2011, there were 12,224 Age Pension recipients in the electoral division of Dawson.

(b) The number of Age Pension recipients in each postcode in the electoral division of Dawson can be seen in the table below.

For privacy reasons, where the number of recipients is less than 20, that value has been replaced with <20.

<table>
<thead>
<tr>
<th>Post code</th>
<th>Age Pension recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>4740</td>
<td>5,620</td>
</tr>
<tr>
<td>4741</td>
<td>327</td>
</tr>
<tr>
<td>4750</td>
<td>221</td>
</tr>
<tr>
<td>4798</td>
<td>97</td>
</tr>
<tr>
<td>4799</td>
<td>110</td>
</tr>
<tr>
<td>4800</td>
<td>776</td>
</tr>
<tr>
<td>4802</td>
<td>351</td>
</tr>
<tr>
<td>4803</td>
<td>&lt;20</td>
</tr>
<tr>
<td>4805</td>
<td>1,176</td>
</tr>
<tr>
<td>4806</td>
<td>490</td>
</tr>
<tr>
<td>4807</td>
<td>1,433</td>
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<tr>
<td>4808</td>
<td>125</td>
</tr>
<tr>
<td>4809</td>
<td>86</td>
</tr>
<tr>
<td>4810</td>
<td>&lt;20</td>
</tr>
<tr>
<td>4811</td>
<td>765</td>
</tr>
<tr>
<td>Post code</td>
<td>Age Pension recipients</td>
</tr>
<tr>
<td>-----------</td>
<td>------------------------</td>
</tr>
<tr>
<td>4814</td>
<td>398</td>
</tr>
<tr>
<td>4816</td>
<td>229</td>
</tr>
<tr>
<td>Total</td>
<td>12,224</td>
</tr>
</tbody>
</table>

Source: Centrelink administrative data

**NBN Co. Limited**

(Question No. 650)

Mr Fletcher asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 11 October 2011:

How many of NBN Co. Limited's employees are union members, and to which unions do they belong.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

An employee's entitlement to join a union is protected under the provisions of the Workplace Relations Act 1996.

Union membership is a matter between an employee and their union.

Employees of NBN Co Limited are under no obligation to disclose if they are a union member, or to which unions they belong.

**Superclinics**

(Question No. 657)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 12 October 2011:

In respect of the GP Super Clinics Program, in August and September 2011, how many (a) GP presentations were made at the operational clinics, (b) nursing and allied health presentations were made at the operational clinics, (c) GP presentations were made at early services sites, and (d) nursing and allied health presentations were made at early services sites.

Ms Roxon: The answer to the honourable member's question is as follows:

From 1 August 2011 to 30 September 2011 there were approximately 94,000 presentations to GPs at the 15 GP Super Clinics that were already operational or commenced operations during this period.

From 1 August 2011 to 30 September 2011 there were approximately 27,000 presentations to nurses and allied health professionals at the 15 GP Super Clinics that were already operational or commenced operations during this period.

From 1 August 2011 to 30 September 2011 there were approximately 34,000 presentations to GPs at the 11 GP Super Clinics that were providing early services during all or some of this period.

From 1 August 2011 to 30 September 2011 there were approximately 11,000 presentations to nurses and allied health professionals at the 11 GP Super Clinics that were providing early services during all or some of this period.

**Superclinics**

(Question No. 658)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 12 October 2011:

In respect of the GP Super Clinics Program, as at 30 September 2011, how many (a) GPs, (b) allied health workers, (c) practice nurses, and (d) GP Registrars, were working in operational clinics.
Ms Roxon: The answer to the honourable member's question is as follows:

Please note that the numbers reported by the GP Super Clinics for the workforce providing services at each operational clinic are presented as full time equivalents (FTE). The number of individuals comprising this workforce is substantially greater.

(a) As at end September 2011, there were a total of 93.8 FTE general practitioners providing services at the 15 operational clinics.

(b) and (c) As at end September 2011, the 15 operational clinics reported that a total of 108.0 FTE allied health professionals and nursing staff were providing a wide range of health care services for their local communities.

(d) Clinical practice placements for GP Registrars are of limited duration and reporting at a point in time will underreport the total number of GP Registrar placements. Of the 15 GP Super Clinics operational at the end of September 2011, seven GP Super Clinics had already provided one or more placements for GP Registrars. Additional Clinics are in the process of obtaining the requisite accreditation to host GP Registrars.

Superclinics
(Question No. 660)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 12 October 2011:

In respect of the GP Super Clinics Program, for each State and Territory in August and September 2011, how many (a) GP presentations were made at an operational GP Super Clinic, (b) nursing and allied health presentations were made at an operational GP Super Clinic, (c) GP presentations were made at an early services site, and (d) nursing and allied health presentations were made at an early services site.

Ms Roxon: The answer to the honourable member's question is as follows:

As at 30 September 2011 there were 15 operational clinics.

The Department of Health and Ageing provides presentation data from GP Super Clinics at an aggregated level rather than releasing data at the individual Clinic level. At times there are only one or two operational Clinics in a State or Territory which would make data at this level identifiable to a specific Clinic.

From 1 August 2011 to 30 September 2011 there were approximately 94,000 presentations to GPs at the 15 GP Super Clinics that were already operational or commenced operations during this period.

From 1 August 2011 to 30 September 2011 there were approximately 27,000 presentations to nurses and allied health professionals at the 15 GP Super Clinics that were already operational or commenced operations during this period.

From 1 August 2011 to 30 September 2011 there were approximately 34,000 presentations to GPs at the 11 GP Super Clinics that were providing early services during all or some of this period.

From 1 August 2011 to 30 September 2011 there were approximately 11,000 presentations to nurses and allied health professionals at the 11 GP Super Clinics that were providing early services during all or some of this period.

Finance and Deregulation: Travel Savings
(Question No. 664)

Mr Fletcher asked the Minister representing the Minister for Finance and Deregulation, in writing, on 13 October 2011:

In respect of the Minister's department's Reform of Government Savings Scorecard (November 2007 to May 2010, page 2), what sum of savings (a) has been delivered, and (b) was budgeted to be delivered,
under the new contractual arrangements for the provision of domestic and international air services and Travel Management Services to the Government in 2010-11.

Mr Swan: The Minister for Finance and Deregulation has supplied the following answer to the honourable member’s question:
(a) Savings totalling $160 million over the four financial years commencing 2010-11 have been returned to the Budget, by reducing agencies’ appropriations. It is not possible to be specific about the level of savings retained by agencies because travel patterns change over time to reflect operational needs. However, analysis of the top 30 most travelled domestic routes indicate, that on average, prices paid have reduced by about 30 per cent in 2010-11. This is an indication that agencies are also retaining benefits.
(b) The total savings budgeted were $160 million to be returned to the Budget, with agencies retaining $20 million in benefit annually.

National Authentication Service for Health
(Question No. 725)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 3 November 2011:

What total sum has the Government spent on the National Authentication Service for Health.

Ms Roxon: The answer to the honourable member's question is as follows:
Between 1 July 2009 and 31 August 2011, the Commonwealth has spent $10,901,631.00 (GST inclusive) on the National Authentication Service for Health through the National e-Health Transition Authority (NEHTA), as part of the National Partnership Agreement on eHealth.