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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders
Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker's Panel—Hon. Dick Godfrey Harry Adams MP,
Mrs Yvette Maree D'Ath MP, Mr Steven Georganas MP, Ms Sharon Joy Grierson MP,
Dr Andrew Keith Leigh MP, Ms Kirsten Fiona Livermore MP,
Mr Geoffrey Raymond Lyons MP, Mr Robert George Mitchell MP, Mr John Paul Murphy MP,
Mr Robert James Murray Oakeshott MP, Ms Deborah Mary O'Neill MP,
Ms Amanda Louise Rishworth MP, Mr Michael Stuart Symon MP,
Mr Kelvin John Thomson MP, Ms Maria Vamvakinou MP,
Mr Anthony Harold Curties Windsor MP

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

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Hon. Joel Andrew Fitzgibbon MP
Government Whips—Ms 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 Seeker 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>Vasta, Ross Xavier</td>
<td>Bonner, QLD</td>
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<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
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<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Windsor, Anthony Harold Curties</td>
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<td>Wyatt, Kenneth George</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

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Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
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<td>The Hon Julia Gillard MP</td>
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<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Jan McLucas</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
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<tr>
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<td>The Hon Bernie Ripoll MP</td>
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<tr>
<td><strong>Minister for Tertiary Education, Skills, Science and Research</strong></td>
<td>Senator the Hon Chris Evans</td>
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<tr>
<td><strong>Minister for Industry and Innovation</strong></td>
<td>The Hon Greg Combet AM MP</td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Brendan O’Connor MP</td>
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<tr>
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<tr>
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<td>The Hon Mark Dreyfus QC MP</td>
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<td><strong>Parliamentary Secretary for Higher Education and Skills</strong></td>
<td>The Hon Sharon Bird MP</td>
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<td>Senator the Hon Stephen Conroy</td>
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<td>The Hon Simon Crean MP</td>
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<td>The Hon Anthony Albanese MP</td>
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<tr>
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<tr>
<td><strong>Minister Assistant on Queensland Floods Recovery</strong></td>
<td>Senator the Hon Joe Ludwig</td>
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<tr>
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<td><strong>Minister for Disability Reform</strong></td>
<td>The Hon Jenny Macklin MP</td>
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<td>The Hon Richard Marles MP</td>
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<tr>
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<td>Senator the Hon Don Farrell</td>
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<tr>
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<tr>
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<td>The Hon Tanya Plibersek MP</td>
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<tr>
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<td>The Hon Sid Sidebottom MP</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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<td>Senator Cory Bernardi</td>
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<td>The Hon Teresa Gambaro MP</td>
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<td>The Hon Warren Truss MP</td>
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<td>Mr Darren Chester MP</td>
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<td><strong>Shadow Minister for Employment and Workplace</strong></td>
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<tr>
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<td>The Hon Sussan Ley MP</td>
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<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
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<td><strong>Shadow Minister for the Arts</strong></td>
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<td>Mr Michael Keenan MP</td>
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<td>The Hon Joe Hockey MP</td>
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<td><strong>Shadow Assistant Treasurer and Shadow Minister for</strong></td>
<td>Senator Mathias Cormann</td>
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<td>The Hon Christopher Pyne MP</td>
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<tr>
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<td>Mr Don Randall MP</td>
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<tr>
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<tr>
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<td>The Hon John Cobb MP</td>
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The DEPUTY SPEAKER (Ms AE Burke) took the chair at 14:00, made an
acknowledgement of country and read prayers.

MINISTERIAL ARRANGEMENTS

Mr SWAN (Lilley—Deputy Prime
Minister and Treasurer) (14:01): I inform
the House that the Minister for Climate
Change and Energy Efficiency, Industry and
Innovation will be absent from question time
today for personal reasons. The Minister for
Infrastructure and Transport will answer
questions in relation to climate change and
energy efficiency, and the Minister for
Housing, Minister for Homelessness and
Minister for Small Business will answer
questions relating to industry and innovation.
The Minister for School Education, Early
Childhood and Youth will represent the
Minister for Tertiary Education, Skills,
Science and Research.

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Mr ABBOTT (Warringah—Leader of the
Opposition) (14:01) My question is to the
Acting Prime Minister. I refer him to the
guidelines on the treatment of persons
rescued at sea published by the International
Maritime Organisation that state:
The government responsible for the Search and
Rescue region in which survivors were recovered
is responsible for providing a place of safety …
Why, then, is the government giving people
smugglers a water taxi service to Australia
rather than returning boat people rescued in
Indonesia's search and rescue zone to
Indonesia?

Mr SWAN (Lilley—Deputy Prime
Minister and Treasurer) (14:02): I thank the
Leader of the Opposition for that question. I
am certain that the member for Wentworth
does not thank him. I will deal with the
question in detail. First of all, these are
matters which are decided for operational
reasons at sea. Secondly, those opposite want
to have it both ways. On the one hand they
say they believe in the refugee convention,
and on the other they oppose it and put
forward courses of action directly in conflict
with it. So what we see here, yet again, is the
aggressive negativity of the Leader of the
Opposition, who wants to play politics with
people's lives. He wants to go the biff on this
issue, day after day after day. I know there
are members of the front bench over there
who cannot stomach this approach—it is
playing with people's lives. It is a bit rich for
the opposition to go down this road when
they held up the consideration of

Mr Pyne: Madam Deputy Speaker, I rise
on a point of order. It was a very
straightforward question about why the
government will not return asylum seekers
found in Indonesian waters to Indonesia, as
is required, and the Treasurer should answer
the question.

The DEPUTY SPEAKER (Ms AE
Burke): The Manager of Opposition
Business will resume his seat. It
was a very
long question with many things raised in it
but I do ask the Acting Prime Minister to
return to the question before the chair.

Mr SWAN: This government will
never—repeat, never—seek to direct the
Navy when it comes to operations at sea.
There is a stark contrast between our
approach and the approach of those over
there. It has been nine months since we
offered the opposition a compromise that
would have seen the Malaysia policy and
processing put in place along with Nauru. In
that nine months people have drowned at
sea. The fact is that the minute we could get
a bill through this parliament to set up
offshore processing, we did so. We have been opposed by those here day in and day out—all they want to do is play politics with the lives of people getting on boats. That is what this question is all about. It is a continuation of the aggression of this Leader of the Opposition, who wants to go the biff all of the time. He does not want to have a substantive discussion about policy. We will get on with implementing the Houston report.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:05): Madam Deputy Speaker, I ask a supplementary question. Given that today we saw the 10,000th illegal arrival by boat just in this year, will the government now reintroduce temporary protection visas and turn back the boats, where it is safe to do so, in order to stop this evil trade?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:07): Isn't it interesting—the Leader of the Opposition stands up and advocates a breach of the refugee convention, which was precisely the ground on which he opposed our proposal for processing in Malaysia. No fact demonstrates more that this Leader of the Opposition is not interested in saving lives, is not interested in good public policy—he just wants to play politics day in, day out. I think that those opposite are on to him. The Australian people are on to him. They are sick of his aggressive negativity, day after day going the biff, showing aggression and not getting decent outcomes for Australia.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. The Treasurer is clearly being offensive and I would ask you to direct him to use parliamentary language in answering questions.

The DEPUTY SPEAKER: The Acting Prime Minister has concluded his answer.

Economy

Mr NEUMANN (Blair) (14:06): Will the Acting Prime Minister outline the importance of keeping our economy strong while making sure we support those most in need?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:07): I thank the member for Blair for that question. Our economy still walks tall in the world and we are continuing to grow faster than every single major advanced economy. This is a remarkable achievement given the backdrop of what is occurring with growth in Europe and the global economy generally—and particularly given the turbulence in the June quarter.

We have secured 21 consecutive years of economic growth in this country. We do not seek that as an end in itself. The reason growth is important is that it supports jobs—800,000 additional jobs during our time in government. Growth can bring peace of mind for all of our citizens. It gives us the capacity not only to have more jobs and better jobs but to provide the services we want to provide to all of our people, most particularly when it comes to education and health. It means better incomes for working families and more opportunities for our kids, particularly in education and health care.

These are services which Australians ought to be able to rely on—good health care for their kids when they are unwell and first-class education services to enable their kids to get the best possible start in life. That is why I am so horrified to see the huge cuts currently being made in Queensland to these basic health and education services. These services are being ripped away in my home state by Campbell Newman and the LNP—and all along the way Mr Newman is being cheered on by the Leader of the Opposition and the shadow Treasurer. Mr Newman said
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this about the shadow Treasurer and the Leader of the Opposition:
I talk regularly to Mr Abbott ... He is very understanding, he and people like Joe Hockey
have been incredibly supportive.
Then, last Friday morning, the shadow Treasurer, in talking about the cuts being made by Mr Newman—including almost 3,000 jobs in health—said:
Campbell Newman, all strength to his right arm, he's showing incredible courage ...
What is courageous about sacking nurses? What is courageous about cutting education? What is courageous about cutting doctors?
What we are seeing here is a clear warning. We are getting a sneak preview of what an Abbott government would do to health and education nationally. Today we have had news from New South Wales of some of the biggest cuts in education in 20 years—all supported by the Leader of the Opposition. We know he was consulted by the New South Wales government about these cuts. Huge education cuts in New South Wales and the loss of 15,000 jobs in Queensland—this is what Liberals do. They take the axe to health and education. That is what they do. (Time expired)

QUESTIONS WITHOUT NOTICE

Economy

Mr NEUMANN (Blair) (14:10): Madam Deputy Speaker, I ask a supplementary question. I refer to the Acting Prime Minister's answer in which he talked about helping those most in need while building the economy. What would be the impact for those most in need if vital funding for services like education were cut?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:10): I thank the member for Blair for that question. We are hearing some very disturbing reports about cuts to education in New South Wales. We are hearing that these are the biggest cuts in 20 years. As I said before, similar cuts are also taking place in Queensland. It is in the DNA of the Liberal Party to take the axe to education—and that is precisely what is happening in the state of Queensland and in the state of New South Wales.

We also know that the Leader of the Opposition was briefed about these cuts in New South Wales last week and that the Queensland Premier said that he has fully briefed the Leader of the Opposition and the shadow Treasurer about his program in Queensland—and he says that they are incredibly supportive. There is a very stark contrast between the commitment of this government to providing economic growth as well as the basic services that families depend upon for their peace of mind and, on the other side of the House, the Liberal and National Parties, who are taking the axe to the social safety net.

Some have called Campbell Newman a bully, but what we know about the Leader of the Opposition is that he is a thug. What we are seeing here is that—
The DEPUTY SPEAKER (Ms AE Burke): Order! The Acting Prime Minister will withdraw the comment.

Mr SWAN: I withdraw.

Mr Robb interjecting—

The DEPUTY SPEAKER: Order! The member for Goldstein is not assisting and he should also mind his language on occasion.

Mr SWAN: The only thing worse than a Liberal cutting jobs is three Liberals cutting jobs. That is what those opposite stand for.

Budget

Mr HOCKEY (North Sydney) (14:13): My question is to the Acting Prime Minister. I refer the Treasurer to the Prime Minister's statement less than a month ago that business can have a company tax rate cut 'before Christmas'. How can the government fund its $120 billion black hole of spending commitments, as well as a company tax cut, in a climate of falling revenue? Treasurer, aren't you just making it up as you go along?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:13): This is a breathtaking question from the shadow Treasurer because, first of all, he and the Liberals actually stand for a company tax increase. That is the Coles and Woolies grocery tax they still have on their agenda. Second, when we wanted to cut company tax, who opposed that? The Liberals! This great party of Menzies, supposedly the party of free enterprise, came into this House and opposed a company tax cut. Not only did they do that, but they came into the House and opposed the instant asset write-off, which represents tax relief for up to 2.7 million small businesses around Australia. The shadow Treasurer then has the hide to say, 'Why didn't you proceed with the company tax cut?' Because you opposed it—that is why we did not proceed with the company tax cut. And you are on the record as opposing it. I do not know what parallel universe you live in, but the fact is you opposed the company tax cut. When it comes to taxes more generally, you also have a lot of hide to come into this House and talk about taxation when you were a member of the highest taxing government in Australian history. In fact, if the tax-to-GDP ratio we inherited was there today, there would be a surplus in Australia of $25 billion. So you were the highest taxing government in our history.

What we are doing is the responsible thing—putting in place a range of policies to keep our economy growing, to make sure we distribute the benefits of growth, to invest in the future and, most particularly, to invest in the education of our kids. For everyone on this side of the House, one of the fundamental reasons we got into politics is that we understand that investment in people, particularly in early childhood education, primary education, secondary education and tertiary education, is the foundation not only of our social progress but of our economic prosperity. That goes to the very core of the values of everybody who sits on this side of the House, but it does not go to the core of the values of everybody sitting opposite. That is why there is now such a fundamental difference between what you did and what we are going to put in place in this country for the future—spreading prosperity and opportunity to make sure that everybody, wherever they are born, wherever they come from, gets the best possible education and start in life.

Mr HOCKEY (North Sydney) (14:16): Madam Deputy Speaker, I ask a supplementary question. Will the Treasurer rule out tax increases to pay for his $120 billion black hole?

Government members interjecting—
The DEPUTY SPEAKER (Ms AE Burke): Order!

Dr Emerson interjecting—

The DEPUTY SPEAKER: The minister for trade is not assisting the operations of the parliament. The Acting Prime Minister, in his capacity as Treasurer, has the call.

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:17): I answered this question in full yesterday. I said our commitment is to keep the tax-to-GDP ratio below the level that we inherited. That is what I said yesterday. Once again, there is such a clear contrast between us and those on the other side of the House and their Liberal friends in New South Wales—

Mr Hockey: Madam Deputy Speaker, on a point of order: I ask the Treasurer not to play games. Will he rule out tax increases?

The DEPUTY SPEAKER: The member for North Sydney will resume his seat. Honourable members interjecting—

The DEPUTY SPEAKER: Given the level of noise on all sides of the chamber, it would be virtually impossible to have heard what the Acting Prime Minister said before. The Acting Prime Minister has the call.

Mr SWAN: We on this side of the House are absolutely committed to economic growth and providing the basic services for all our people.

Fisheries

Ms PARKE (Fremantle) (14:18): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Will the minister update the House on the latest information concerning the super trawler recently renamed the FV Abel Tasman? How will the government act to protect our marine life and fishing resources?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:19): This government is very proud of its record in protecting our oceans. This government is very proud that we take a cautious approach to the management of our oceans. I want to acknowledge the member for Fremantle as one of the many members of the back bench—as well as members of the front bench—who have taken an active interest in making sure that any fishing activity is sustainable and that the scientific basis of any fishing activity is completely up to date.

One of the concerns that have arisen with the development of the super trawler previously called the Margiris, now renamed the Abel Tasman, is that, unlike other vessels, it is able to remain in the one location for an extended period of time, which throws up some significant environmental issues that have not been contemplated previously within fisheries management. We must make sure that we properly maintain the protection of the ocean that we need, for the fish stocks themselves but also for the significant issue of bycatch, whether it be dolphins, seals, sea lions or seabirds.
Making sure that the correct protections are put in place was the reason that, some weeks ago, I asked my department for advice on the limits of my legal powers at the moment to be able to take a highly precautionary approach to this issue. That advice came back last Monday—and members would be aware that I put some extra conditions in place—but the legal powers fell well short of where I had hoped they would be. But, when the law falls short, you change the law. That is why I announced that we will be changing the law and moving legislation in this parliament today to be able to provide extended powers over this particular vessel.

There has been a huge outcry about the public interest in all this. People can see the dangers if something goes wrong, whether it be people with environmental concerns or the huge recreational fishing community that has been concerned about making sure that its fish stocks remain in place.

Opposition members interjecting—

Mr BURKE: I hear people opposite calling out 'risk', but you will never hear them call out 'environmental risk'! You will never hear them care for a moment about that. And I do not know what their problem is with the oceans. Why is it that when we try to protect the oceans, as in this case, they are against it; when we put in national parks, they are against it; when we fight with Campbell Newman over protecting the Great Barrier Reef, they are against it? You need to have a cautious approach. You need to adopt a precautionary principle in dealing with the oceans; otherwise, we will end up with decisions that are not science based. We are not willing to rush into decisions when the underpinning information is not yet before us. In this way, there will be a pause on different operations legally available while the expert work is done.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:21): Before I call the member, a loyal South Australian, I recognise in the gallery today many members from the South Australian Local Government Association and with them many mayors and councillors. I believe they have been here meeting with many of their South Australian colleagues.

QUESTIONS WITHOUT NOTICE

Economy

Mr BRIGGS (Mayo) (14:22): My question is to the Acting Prime Minister. If the Treasurer is serious about finding savings to fund his $120 billion black hole by cutting back on waste, why has the carbon tax regulator just spent $20,000 on eight new Nespresso machines, while the government will deck out just two office buildings in Canberra with $500,000 worth of plants? Treasurer, why should the Australian people believe the government will be any more successful at funding its $120 billion black hole than it was at giving away roof batts, the abandoned cash for clunkers scheme or building overpriced school halls?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:23): This is an opposition which is constantly at war with the facts, which is why we constantly get all these aggressive questions with all of the exaggeration. We constantly get this from them because there is no real alternative policy framework on the other side of politics. Of course, they are always changing their story about this. Why is it that every living Liberal leader, except the current Leader of the Opposition, has supported a market price on carbon?

Mr Briggs: Madam Deputy Speaker, I rise on a point of order. The Treasurer should have a look in his brown paper bag to see whether he has an answer.
The DEPUTY SPEAKER (Ms AE Burke): The member for Mayo will leave the chamber under standing order 94(a) and the member for Mayo can withdraw before he leaves.

Mr Briggs: I withdraw.

Mr SWAN: There is an inconsistency in the approach of the opposition when it comes to emissions trading, which they supported for many years. There is a very interesting revelation today in the Australian Financial Review from Christopher Joye. He said:

In November 2009, Nick Minchin and Tony Abbott privately offered Hockey the party leadership on the proviso he dropped his advocacy of an emissions trading scheme. Hockey said no. He was committed to emissions trading. After that, he took that straw poll on twitter and then suddenly found out that maybe he ought to flip-flop on this critical question of an emissions trading scheme.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. This could not possibly be relevant to the question that was asked. It was a very specific question about waste and the Acting Prime Minister should be required to answer the question.

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat.

Mr Albanese: The opposition have already had one—

An opposition member: Oh, boo hoo!

The DEPUTY SPEAKER: The Leader of the House will resume his seat. For the edification of the House, the previous one was ruled out of order, so I am going to give the Manager of Opposition Business the ability to be relevant—because the other one was a complete abuse. It is a note of caution to anybody else who uses a point of order as a complete abuse that they will be joining the member for Mayo outside the chamber. The Acting Prime Minister has the call and will answer the question before the chair.

Mr SWAN: I was asked about implementation of a clean energy package and about the emissions trading scheme. I was asked about expenditure in our relevant authorities.

Opposition members interjecting—

The DEPUTY SPEAKER: Order! The Acting Prime Minister has the call and will be heard in silence.

Mr SWAN: The government thinks it is very important to put in place a market price on carbon, to get a reduction in carbon pollution at the least possible cost to our economy. We are committed to that and there are many over there who used to be committed to that but of course now they have changed their story. It is not infrequent for the Leader of the Opposition to change his story. He is doing it all the time and I am sure he could change it back, because we know that in their heart of hearts they are committed to market principles and they want to keep a price on carbon.

Same-Sex Marriage

Mr WILKIE (Denison) (14:27): My question is to the Acting Prime Minister. Acting Prime Minister, you would be aware that the Tasmanian government plans to legislate for marriage equality and the bill has already passed the state lower house. What are the federal government's intentions in this matter. In particular, does the federal government intend to try to overturn any successful Tasmanian move to legislate for same-sex marriage?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:28): I thank the member for Denison for his question. I am aware of the bill to provide for same-sex marriage and it will shortly I think be
considered by the Tasmanian Legislative Council. This is a matter which is properly considered by the Tasmanian parliament and it would be inappropriate for the government to offer a running commentary on the progress of the bill. As to the general issue, the member would be aware that the ALP member for Throsby has a bill before this House to provide for same-sex marriage under federal law. When this bill comes before the House, ALP members will be free to vote on it according to their conscience. It is not the case on the other side of the parliament and I think that is regrettable.

Mr Andrews: We stick by our policies.
Ms Macklin: Yes, but not your conscience!

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Menzies. The Acting Prime Minister has the call.
Ms Macklin: So much for the once great—

The DEPUTY SPEAKER: The Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform!

Mr SWAN: The Labor Party recognises that this is an issue on which members of our caucus have deeply held personal beliefs and it is therefore appropriate for our members to vote on same sex marriage according to their conscience.

Mr Simpkins: That's not what you said before.

The DEPUTY SPEAKER: The member for Cowan is warned!

Mr Wilkie: Madam Deputy Speaker, I rise on a point of order as to relevance. I think the Tasmanian community would be very grateful to know simply the answer to the question: does the federal government intend to overturn it if it is successful in the Tasmanian parliament?

The DEPUTY SPEAKER: The Acting Prime Minister had resumed his seat when the member for Denison sought the question. If he is seeking a supplementary, I will advise that there is only one allowed for Independents during a sitting week. That was my understanding; I can stand corrected on that. We have not had one this week and I am just saying that, if he uses it, it is gone for everybody else. The member for Denison has the call.

Mr WILKIE (Denison) (14:30): Madam Deputy Speaker, I ask a supplementary question. Does the federal government—a simple yes or no would be fine, please—intend to try to overturn any successful Tasmanian move to legislate for same-sex marriage?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:30): I do not intend to offer a running commentary on the deliberations of the Tasmanian parliament.

Mr Dutton interjecting—

The DEPUTY SPEAKER: The member for Dickson may stuff up his chance to be in the House for much longer!

Education

Ms OWENS (Parramatta) (14:30): My question is to the Minister for School Education, Early Childhood and Youth. Will the minister outline why we need to invest in a national plan to improve all of our schools?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:31): I thank the member for Parramatta for her question. For students to reach their full capacity and for the nation to have sustainable prosperity, investing in education is absolutely crucial. I think I heard President Obama say that education is a gateway to the future for students and for the nation. It certainly is that, and that is why we have announced a
national plan for school improvement. But improving schools requires funding—funding to train the teachers, funding to buy the books and materials and funding to employ specialists to give extra time to students who need it—and that is why this government is spending almost double what was spent by the Howard government previously. This is investment that is making a difference, particularly to students who are struggling at school.

Critically, under our school improvement plan, every school's funding will continue to rise. There will be no cuts; no schools will have their funding frozen. This is important because, at this point in time, wherever we look across the state landscape, all we see are cuts—whether it is cuts to TAFE or cuts to education—and, when we look across the chamber to the comrades of the coalition governments in power in the states on the opposition benches, all we see here is cuts as well. The fact is that the coalition have promised to cut $2.8 billion—cuts that would affect education in Australia across both the government and the non-government school sectors. We are very concerned about the impact of cuts to education that are proposed by the Leader of the Opposition. Even though we did see some crocodile tears cast in the shadow party room today about what is in our DNA and what is not in our DNA, the fact is that, when the shadow Treasurer applauds the Queensland Premier for his 'incredible courage' and when the opposition leader clearly knows and converses with the Premier in New South Wales about his plans for the state, we understand clearly that cuts lie at the heart of the agenda of the opposition on education.

Making $2.8 billion in cuts to education will affect students right around Australia at a time when what we really want is a national improvement plan for schooling. I have to say that, as I see those cuts in place, I want to make it perfectly clear—

Opposition members: What cuts?

Mr GARRETT: The cuts that you have on the record at this very moment. I want to make it perfectly clear: we have invested and will continue to invest over time to make our schools amongst the best in the world, but we will not invest where state governments take out that investment in the expectation that we will make up the difference. We are on the record as having a national plan for school improvement, which means supporting schools; all they want to do is cut.

Ms OWENS (Parramatta) (14:34): Madam Deputy Speaker, I ask a supplementary question. Minister, what would be the impact of cutting funding to schools and education systems, particularly for my home state of New South Wales?

Mr Morrison interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The Minister for School Education, Early Childhood and Youth has the call and will be heard in silence, the member for Cook.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:34): I thank the member for Parramatta for that question. Incidentally, in the member's electorate she has some 43 buildings—$100 million of investment in new education infrastructure. She has some 9,700 computers in place. She has eight schools in Parramatta benefiting under the smarter schools partnership. Each member in this House—and Labor members know this—has been the beneficiary of the investments that this government has made in education and will continue to make in education over time.

I am asked about the impact of cutting funding to school systems, particularly in
New South Wales. It is disturbing to hear these reports that there are potentially $1.7 billion worth of cuts going into education in New South Wales, including cuts to government schools and to TAFEs. At a time when we have on the table a plan for national school improvement—a commitment to invest in education, because that is what the Gonski panel told us—if we want to deal with the needs that students face in schools in New South Wales and around Australia then we need a national plan for school improvement, and we are committed to doing that.

The member for Parramatta and members on this side can have confidence that this government will continue to invest in education. But, as far as the coalition goes, in the state of New South Wales and Australia wide, all they seem to be interested in doing is cutting. (Time expired)

Revenue

Mr ROBB (Goldstein) (14:36): My question is to the Acting Prime Minister. I refer to Labor's claim that it would bring the budget back to surplus this financial year despite collecting much less revenue than forecast and needing to fund its $120 billion black hole. Will the Acting Prime Minister rule out changes to the taxation of diesel fuel in order to achieve a surplus this year?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:36): I thank the shadow finance minister for his question. I think I answered this question yesterday, and I have answered it already today. The fact is that we are determined to bring our budget back to surplus. We have put in place over five budgets very substantial savings to make room for our priorities, and I have made it very clear today that we will keep the tax-to-GDP ratio at or below the level we inherited.

Those opposite, when they were in government, were the highest taxing government in our history, and as is consistent—

Mr Pyne: Madam Deputy Speaker, on a point of order, the Treasurer is now not being relevant. He was simply asked if he would rule out extra taxes on diesel fuel in order to fund his $120 billion black hole. He is now straying from the question.

The DEPUTY SPEAKER (Ms AE Burke): The Manager of Opposition Business will resume his seat. The Acting Prime Minister has the call.

Mr SWAN: I do not accept the very premise of the question. The only hole around here is the $70 billion hole in their budget bottom line, which the shadow Treasurer admitted to on breakfast television, right beside the minister for the environment. He was sitting there and saying there was a $70 billion crater in the budget bottom line. As I said yesterday, if he is so concerned about financing, he can duck around to the Parliamentary Budget Office—it is not as far as Aussies; he could get there pretty quickly—and get all of his costings in. He has also told us that he has got them all done. He said that a few weeks ago. Every single one of their costings is done.

The fact is that we will produce a mid-year budget update and a budget next year. The big question is: are they going to do a Campbell Newman and keep their plan hidden prior to the election? The only way to be sure that that is not going to happen is for them to submit their fully costed policies, they claim, to the Parliamentary Budget Office. Of course, they are not doing that.

The DEPUTY SPEAKER: The Acting Prime Minister will return to the question before the chair.

Mr SWAN: I was asked a question about so-called holes in budgets. I have also said that, in going through and having all of our deliberations about what we will put in
various mid-year statements and budgets, we will do that in the normal way.

Health

Mr PERRETT (Moreton) (14:38): My question is to the Minister for Health. Will the minister inform the House how the government is investing in health for all Australians? How is the government working with states and territories to deliver front-line health services for our communities?

Ms PLIBERSEK (Sydney—Minister for Health) (14:39): I thank the member for Moreton for that really important question. We know that the cuts that we are seeing in the Queensland health budget are just the curtain raiser on the cuts that this Leader of the Opposition would preside over here in Canberra. They have made deep cuts in Queensland, deep cuts to staffing numbers—2,700. We know that you cannot cut 2,700 people out of a health system and not affect front-line services.

Mr Randall: There's a lot of fat.

Ms PLIBERSEK: We have a list here of the reports of the cuts—nurses, pathology, cancer screening, allied health, physios, occupational therapy, prevention services, flu vaccine, whooping cough vaccine. The list is a long one. This is just a precursor to the 20,000 public servants they say they are going to cut. You cannot cut 20,000 public servants from areas like health and have no effect on service delivery.

Who are the people who are employed in health? They are the aged-care nurses who check that the nursing homes are safe for our older Australians. They are the people who work at the TGA, who make sure that medicines and medical devices are safe for Australians to use. They are the people who make sure we have enough flu vaccine around the country and that it can get to where the outbreaks are if there is an outbreak. We have seen this list of cuts in Queensland day after day and we have seen the effect the cuts will have on front-line services.

The member for Moreton asked this question. The reports in his electorate are for cuts to counsellors at the local morgue—the people who are there counselling the relatives who turn up to identify bodies, in what must be one of the most traumatic experiences for any human being. There are reports that their jobs are under threat. I say today: let's put a human face on Campbell Newman's cuts. These are the people behind the cuts to front-line services. The woman shown in this article is Elizabeth Handley, a single mother, who says she is going to lose her home because she has lost her job—a front-line job that she has had for 27 years.

The member for Canning was interjecting, saying, 'There's plenty of fat to cut in health.' While I do not want to see a single extra public servant employed, I will tell you that these people who are checking our medicines and making sure we have vaccines and making sure that drug-resistant tuberculosis does not come into Queensland are the people who will lose their jobs under this Leader of the Opposition.

Budget

Mr TONY SMITH (Casey) (14:42): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to the government's claim that it will bring the budget back to surplus this financial year, despite collecting less revenue than forecast and its growing $120 billion black hole. Will the Acting Prime Minister rule out making changes to the tax arrangements for superannuation in order to help achieve a surplus this year?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:42): I said before that I certainly do not agree with the figure that was put forward by the member.
It was simply shoddy journalism that appeared in the *Australian Financial Review* and had no basis in truth. As for the rest of it, I refer him to my last answer.

**Pensions and Benefits**

*Mrs D'ATH* (Petrie) (14:43): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Will the minister outline to the House how the government is supporting vulnerable people, including people with disability, in my home state of Queensland? What risks are there to this support?

*Ms MACKLIN* (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:43): I thank the member for Petrie very much for that question and for all the work she does for very vulnerable people in her electorate of Petrie. Of course, this government gets on with helping people who are vulnerable in Queensland every single day.

Pensioners in Queensland now receive $4,000 more a year than they got under the previous, Liberal government—$4,000 extra a year because of this government's efforts to give that extra support. We have doubled support in Queensland for disability care and support, and of course we are helping families with low incomes by boosting family payments and introducing the new Schoolkids Bonus. All of these measures are aimed at helping vulnerable Queenslanders.

We do that because we know it is the right thing for governments to do—to stand up for those people in our society who are the most vulnerable. What do we see from those opposite and from those in the Queensland government? What do we see from the Queensland government—and I am sure we will see more of it today in their budget—is massive budget cuts that are going to hurt the most vulnerable in Queensland. All of them are happening under the watchful eye of the Leader of the Opposition and the shadow Treasurer who has been pinged by Campbell Newman. He has said he is incredibly supportive of what Campbell Newman has been doing up there. What is important is that we have to help those who are vulnerable.

The Acting Prime Minister and I were together with People with Disability on Sunday in Brisbane, and they are the ones who are most worried about this Leader of the Opposition and this shadow Treasurer. They are frightened about what these people are going to do, because of what they are experiencing from Campbell Newman. We know Campbell Newman's hitlist already includes domestic violence services, tenants advice services and the child protection watchdog. All of these organisations have already been slashed by Campbell Newman, and it is exactly what the people of Queensland could expect to get from this Leader of the Opposition.

**Carbon Pricing**

*Mr DUTTON* (Dickson) (14:46): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to my visit to Bendigo Hospital last week and to the assessment it commissioned which shows that the hospital will be hit by up to $600,000 due to the carbon tax. Will the Acting Prime Minister explain to Bendigo Hospital and to local residents why it should be forced to forgo treating 150 of its inpatients just to meet the cost of the carbon tax?

*Mr SWAN* (Lilley—Deputy Prime Minister and Treasurer) (14:46): Here we go with more of the exaggerations, more of the inaccurate statements—everything the member for Wentworth was talking about—and these inaccurate characterisations of the
impact of a carbon price. The Commonwealth Treasury and the Department of Health and Ageing estimate that the impact of the carbon price will be 0.3 per cent on hospital costs. This is the equivalent of only one cent for every $3 spent on hospitals. In addition to that, there is indexation of hospital funding to the states that is very generous. The problem here at the moment is that the state governments are withdrawing money from public hospitals. I have seen it at Prince Charles Hospital in my electorate.

Mr Dutton interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for Dickson is warned.

Mr SWAN: They knocked off 30 beds the other day and there is more to come. We have just had Campbell Newman announce job cuts of 14,000.

Mr Pyne: On a point of order, Madam Deputy Speaker, the Acting Prime Minister was asked about the effect of the carbon tax on hospitals—nothing else. He should not be talking about Campbell Newman.

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat. The Acting Prime Minister has the call.

Mr SWAN: Unlike those on that side of the House, I have a deep commitment to our hospitals and understand the importance of them. If you are going to sack 3,000 Queensland health employees—as the health minister said before—that has a very substantial impact on frontline services. There are some twisted priorities over there. They are supporting the cuts of 3,000 from Queensland public hospitals and they are making up all these other figures. They ought to get their priorities right and they ought to be out there opposing what Campbell Newman is doing.

Carbon Pricing

Dr SOUTHCOTT (Boothby) (14:48): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to the statement of the Mayor of the City of Onkaparinga, Lorraine Rosenberg—who is in the gallery today—that the carbon tax will cost her ratepayers an estimated extra $800,000 per year. Given that local councils receive no compensation, will the Acting Prime Minister apologise to the ratepayers of the City of Onkaparinga for increasing their council rates as a result of the carbon tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:49): Today I have already referred to the exaggeration and misrepresentation that we have seen from those opposite, including the member for Boothby. He came into this House a week or so ago and made a whole set of representations and claims about the Belair Hotel and every one of them was simply wrong—wrong, wrong, wrong. We ought to look at the real facts. I am happy to look at what he has to say. This comes from the member for Boothby, who had this to say on 19 October 2009:

I think that an emissions trading scheme is an important contribution… It is one in a suite of responses.

So here we have another one of them. He has been out there supporting an emissions trading scheme and now coming in here and running a scare campaign.

Mrs Bronwyn Bishop: On a point of order, Madam Deputy Speaker, in order to be relevant, even under the old rules, there had to be a link to the substance of the question. To try to do a character assassination of the person asking the question is not relevant; it is out of order.

The DEPUTY SPEAKER (Ms AE Burke): The member for Mackellar will resume her seat. The answer to the question
is to the entire question and the question asked about the price on carbon. The Acting Prime Minister has the call.

Mr SWAN: He was asking me about the impact of a carbon price, and I think I am entitled to point out that he has been a supporter of a carbon price. Now he is opposing a carbon price and exaggerating a whole set of impacts. But the truth is we know that if they were in government they would keep it.

The DEPUTY SPEAKER: Is the member for Boothby seeking to table a document?

Dr Southcott: I seek leave to table the article in Southern Times Messenger, which provides more detail on the $800,000—

The DEPUTY SPEAKER: The member for Boothby will resume his seat. The Minister for Defence.

Mr Stephen Smith: Leave is not granted.

Employment

Dr LEIGH (Fraser) (14:51): My question is to the Minister for Employment, Workplace Relations, Financial Services and Superannuation. What is the government doing to make sure Australians have good jobs and a strong economy? Why is it important for the government to support jobs instead of going down a low-wage, low-skill track?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:52): I thank the member for his question. The Labor Party is the political party for working Australians. We stand for jobs. We stand for good jobs, we stand for skilled jobs and we stand for fair jobs. Our record shows that we are a government that backs in good jobs. There have been 800,000 jobs created since Labor was elected to office. Unemployment even in these difficult global economic times is 5.1 per cent and our participation rates are still sixth in the world. But our record goes further than that. Our record shows that we are the only party that backs in skills. We are spending $15.6 billion over the next four years to help our young, with 375,000 extra places and 130,000 trainees and apprenticeships. We are the party of skilled jobs.

Our record shows that, not only do we stand for jobs and skilled jobs, we stand for fair jobs. Since the Fair Work Act came in there have been 22,000 enterprise agreements ratified—that is 2.62 million people who are covered by agreements which have been negotiated between employer and employee under Labor's legislation. In the last quarter wages have moved sensibly and reasonably by 3.7 per cent.

We see, also courtesy of Labor, that Australian workers can be free of anxiety from take-it-or-leave-it contracts of the past under the conservatives, free from the ability of employers to change rosters without any warning and free from unfair dismissal. We also know that you cannot have a good job in this country if you have the low road of insecure employment. When I look at the low road of insecure employment, obviously I see the 200,000 public servants in Queensland who face decimation—20,000 of their number. What did they ever do to be lied to by the coalition at the state level? I see 45,000 teachers in Victoria who had a lie told to them before the last election. When Premier Baillieu said to them: 'You'll be the best paid teachers in Australia,' they should have seen the footnote: 'Actually, only one in 10 of you will be.' What did the Victorian nurses ever do to upset the Victorian conservatives, such that they had to spend months and months negotiating a fair pay rise? What on earth did injured workers in
New South Wales ever do to deserve Barry O'Farrell?

There are some in our business community who say Australia cannot compete. I refer you to Gina Rinehart's interview in the press. She said: 'How do we compete if Americans utilise illegal labour from Mexico? They say in Africa that Africans want to work and they are willing to work for less than $2 a day.' Let me make very clear on behalf of the government: we on this side are for good jobs and we will never become the $2 shop that the extremists in the ranks of the Liberals secretly want us to become.

**Carbon Pricing**

**Mr HUNT** (Flinders) (14:55): My question is to the Acting Prime Minister. I refer to the failed $2 billion Contract for Closure scheme to close brown coal power stations and to the $5½ billion Energy Security Fund to keep open brown coal power stations. Is it the government's policy to close or keep open brown coal power stations in Victoria and South Australia?

**Mr SWAN** (Li—Deputy Prime Minister and Treasurer) (14:56): Once again, we have this incredible hypocrisy from those opposite.

**Mr Tony Smith interjecting**—

**The DEPUTY SPEAKER** (Ms AE Burke): The member for Casey is warned!

**Mr SWAN:** The shadow minister is another one who has changed his position. Having written his thesis on a market price for carbon, he now comes in and says we should have one because we did not proceed with one or two other measures. Is that what he is saying now? This is further evidence that they will keep a carbon price.

**Homelessness**

**Ms LIVERMORE** (Capricornia) (14:57): My question is to the Minister for Housing, Minister for Homelessness and Minister for Small Business. What has the government done to help vulnerable people access housing and to reduce homelessness in Australia? How has the government partnered with states and territories to deliver real reform to housing and are there any impediments to this partnership in the future?

**Mr BRENDAN O'CONNOR** (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (14:58): I thank the member for Capricornia for her question and for her ongoing interest in this very important area of social policy. The government knows that there are too many Australians who are homeless, there are too many people sleeping rough, too many mums and their kids...
sleeping in cars and too many teenagers couch surfing. That is why the Labor government has been reducing homelessness and has made reducing homelessness a national priority. It is why we have invested an unprecedented $5 billion into support for homeless services and programs since 2008. We also invested $20 billion in making housing more affordable, including $6 billion in social housing. This has meant that construction workers and small businesses could stay afloat and, indeed, thrive during the global financial crisis. But just as importantly it has meant that we had 20,000 new homes for those people who are homeless or at risk of being homeless. It was a very important investment. Through our efforts we have made a direct financial contribution since 2008 into one in every 20 homes constructed in this country.

In tough fiscal times, we are still committed. We are still committed to making a difference. We are still committed to cutting homelessness. However, this partnership is with states and territories and they must do their part.

I am asked if there are any impediments to cutting the rate of homelessness in this country. This is not helped by the New South Wales government increasing rents on pensioners and veterans in public housing. It is not helped by the Victorian government cutting funding to social housing advocacy and support programs. Indeed, it is not helped by Campbell Newman and the Queensland government axing the Tenant Advice and Advocacy Service and cutting front-line jobs which provide valuable assistance to more than 80,000 households annually in Queensland. Sadly, this valuable community service will close its doors in 24 locations around Queensland next month. Removing these services will, indeed, increase the risk of homelessness for thousands of Queenslanders.

The member for North Sydney has said that Campbell Newman's decision was courageous. Campbell Newman himself has said he has the support of the Leader of the Opposition, Tony Abbott, in his approach to cutting services and cutting front-line staff. Make no mistake, these essential services are needed. These jobs being cut will hinder our most vulnerable. This is just a dress rehearsal. This is just a warm-up act for if ever Tony Abbott became Prime Minister of this country.

**Australian Public Service**

**Mr HOCKEY (North Sydney) (15:01):** My question is to the Acting Prime Minister. I refer to his statements earlier about Public Service jobs. Can the Treasurer confirm that in his own budget papers he states that he is axing over 3,000 jobs in the Public Service here in Canberra? Can the Treasurer explain why?

**Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:01):** I thank the member for his question. I think they are very sensitive because what we have put in place is a level of service that provides the front-line services that are required in this country. I seem to recall the last question that I had from the shadow treasurer about this was about how the Public Service had exploded and how there were at least 10,000 or 20,000 too many public servants. That is what he was saying. What we have done is run a responsible employment policy which is supporting public servants in this country who do a great job in delivering their services for the Australian people, and we get great value for money.

**Mr HOCKEY (North Sydney) (15:02):** I seek leave to table page 1 of the Canberra Times—'no public service cuts Gillard pledges'—and the budget paper cutting 3,000 jobs here. You hypocrite.
The DEPUTY SPEAKER (Ms AE Burke): The member for North Sydney will withdraw.

Mr HOCKEY: I withdraw.

The DEPUTY SPEAKER: If seeking to table documents and making points of order continue to be abused we will see very few people in this chamber. It is an absolute abuse. Is leave granted?

Mr Albanese: We have the budget papers, so no.

Leave not granted.

Employment

Mr STEPHEN JONES (Throsby) (15:03): My question is to the Minister for Employment Participation and Minister for Early Childhood and Childcare. Would the minister update the House on how the government's jobs and skills expos are helping to get more Australians into jobs? Could the minister tell us about any future jobs and skills expos the government is planning to hold?

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (15:04): I thank the member for Throsby for his question. I am delighted to inform the House that I am very much looking forward to working with him in Shellharbour in just a couple of weeks on the government's 59th jobs and skills expo. But also I stand here, like the member for Throsby, so incredibly proud of this government's record when it comes to jobs. I am proud that over 800,000 jobs have been created since we came to government. I am incredibly proud that we were prepared to stand up and protect jobs during the GFC whilst those opposite were busy sleeping. I am incredibly proud that we see an unemployment rate in this country at just 5.1 per cent, which is the envy of much of the rest of the world.

But this government are not prepared to just step back. We know that there are some communities that are being left behind, and we want to make sure that all Australians share in the prosperity that we have on offer. That is why we have set up our jobs and skills expos. That is why we have now, after one last week in Kwinana with the Special Minister of State, had 58 of these expos around the country. I can tell you that they work. I can tell you that because we now have over 21,000 Australians who have been placed in jobs as a result of attending one of our jobs and skills expos.

Sadly, not every government shares our commitment to employment though. Not every government does. You can imagine my shock when I arrived in Townsville for their local jobs and skills expo to work hard with the government to place 500 people in jobs to find out that Campbell Newman had just announced 400 local job losses for Townsville. We are working to help people into jobs locally; they are working to turf them out.

We know that families right across Queensland, beyond just Townsville, have been confronted with terrible local news. In fact, the front page of the North West Star in Mount Isa yesterday read: '2,754 jobs to go. Mount Isa staff fear for their future as the Newman government slashes jobs.' The Sunshine Coast Daily's front page yesterday read: 'Job seekers giving up on ever finding work.' We know that they are not content to just cut jobs. In fact, they are cutting the programs which help support people get back into work. In the budget today, the LNP government have confirmed $287 million in cuts, axing the Skilling Queenslanders for Work program.

We can see a very clear contrast here. We are continuing to work to support Australians to work, to share in the benefits and the
dignity that comes with employment. We have seen in crystal clear form right across Queensland just exactly what we would see if this Leader of the Opposition were ever to become Prime Minister.

Mr Swan: I ask that further questions be placed on the Notice Paper.

Mr Pyne: Madam Deputy Speaker, we have had this issue arise before and in fact the Leader of the House admitted that I was correct on the previous occasion that question time finishes at 10 past three, under standing order 34, figure 2. In fact, the Leader of the House might regret it now, but he stood up after that debate last time, when the Speaker said I was incorrect, and said that actually I was correct, and that matter was cleared up. Therefore, I have a question.

The DEPUTY SPEAKER (Ms AE Burke): The Manager of Opposition Business has a question to me?

Mr Pyne: To the Acting Prime Minister. I refer the Treasurer to the decision by—

The DEPUTY SPEAKER: No, the Manager of Opposition Business will resume his seat. There is no capacity for me to take questions to other people.

PERSONAL EXPLANATIONS

Mr Abbott (Warringah—Leader of the Opposition) (15:09): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER: Does the Leader of the Opposition claim to have been misrepresented?

Mr Abbott: I do, serially in question time today—

The DEPUTY SPEAKER: The Leader of the Opposition has the call.

Mr Abbott: first by the Treasurer, who claimed that I opposed a company tax cut. This is wrong. I support a company tax cut, just not one funded by the mining tax. Then I was misrepresented by the minister for education, who claimed that I had a policy to cut education funding. This is false. Our policy is to support the previous government's funding system, which provides schools with six per cent more every year. Finally, the Treasurer claimed that I would keep the carbon tax. When I say
there will be no carbon tax under the government I lead, I am telling the truth.

Mr PYNE (Sturt—Manager of Opposition Business) (15:10): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the Manager of Opposition Business claim to have been misrepresented?

Mr PYNE: I do.

The DEPUTY SPEAKER: The member for Sturt has the call.

Mr PYNE: In question time today the minister for schools again misled the Australian public by claiming that I have a plan to reduce funding to schools. In fact the coalition is the only political party with a policy to increase funding to all schools by six per cent—

The DEPUTY SPEAKER: The member for Sturt will resume his seat.

PERSONAL EXPLANATIONS

Dr SOUTHCOTT (Boothby) (15:11): I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the member for Boothby claim to have been misrepresented?

Dr SOUTHCOTT: Yes, I do.

The DEPUTY SPEAKER: Please proceed.

Dr SOUTHCOTT: In question time today the Treasurer said that I had come into the House and made a whole set of representations and claims about the Belair Hotel and every one of them was simply wrong. What I said was that the Belair Hotel had seen a 45 per cent increase in the off-peak power rate, and that was correct. I invite the Treasurer to point out where I was wrong.

QUESTIONS TO THE SPEAKER

Questions Without Notice

Mr OAKESHOTT (Lyne) (15:12): There seems to be some emerging mythology that during question time the crossbench is only allowed one supplementary question per week. I would ask if you could clarify that with the Speaker himself. Extra supplementaries were part of the Speaker's changes. I would ask for that to be clarified for the House. My recollection is different to what seems to be emerging.

Mr Pyne: I may be able to assist the House by pointing out that in fact Speaker Slipper came into the House and added to a statement he had already made to the House about supplementary questions and made it perfectly clear in that statement that crossbench members were entitled to one supplementary question each week.

The DEPUTY SPEAKER (Ms AE Burke) (15:13): For clarification for the
member for Lyne, I will seek clarification from the Speaker.

MATTERS OF PUBLIC IMPORTANCE

Asylum Seekers

The DEPUTY SPEAKER (Ms AE Burke) (15:13): The Speaker has received a letter from the honourable member for Cook proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the Government to protect Australia’s borders from people smugglers.

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

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

Mr MORRISON (Cook) (15:13): I have some very good news for the House: the government has finally stopped a boat. What is more, they have turned it back. Sadly, it was not one of the many other fishing boats seeking to illegally enter Australia. As the Leader of the Opposition said to me earlier today, the only boat Labor have managed to stop is the Margiris, also known as the Abel Tasman, and this is a boat they had previously invited in. They have actually stopped a legal boat, not an illegal boat.

I notice that the Minister for Immigration and Citizenship has decided not to take the MPI today. I suspect he is out of the chamber at the moment taking a briefing from the minister for the environment to understand how you actually do stop a boat. I will wait with patience as I learn how the minister may seek to implement those policies.

This is a sad matter. If only the government had shown the same resolve it showed to do a backflip and stop the Margiris and applied it to stop the 424 illegal boats that have turned up since the government abolished the Howard government’s successful border protection policies, then perhaps we would not be in the terrible mess that we are in today. More than 10,000 people have turned up on more than 150 illegal boats this year. This is a scale of failure on our borders that is unprecedented. More people have turned up on illegal boats since the last election—in the two years of this government’s term—than under the four terms of the Howard government in total, including the surge of arrivals that we saw over 1999 to 2001. There is a big difference between the Howard government and this one, and that is that, when faced with that surge of arrivals, the Howard government did something about it. And we all know what happened to the Howard government policies when this Labor government was elected.

This unprecedented failure has occurred because, when it comes to border protection and asylum policy, as with everything else under the Labor government, they just make it up as they go along. They fail to understand the issues that are in front of them. They fail to think through the consequences of their decisions. Those failures have been catastrophic. This is what happens when you do not believe in anything. It is easy to backflip on things you do not believe in. It is easy to change your position with the wind when you do not believe in anything. It is also easier to do this when you do not know where you are going. The government often reminds me of the person who drives around a roundabout with their head stuck out the window, constantly asking people for directions. I have got news for the government: when you do that—when you have always got your head out the window, wondering where you are going and asking people for directions—I have got news for the government: when you do that—when you have always got your head out the window, wondering where you are going and asking people for directions—people will reasonably form the view that you do not
know where you are going, you do not know what you are about and you do not know what you believe in. The Australian people are wise to that. The people smugglers are certainly alive to that, and they have this government's measure.

The government are always managing the politics on this issue rather than seeking to solve the problem. I seek to point that out this afternoon by running through the 'make it up as you go along' policies of the Labor government as they apply to border protection. We know that, when Labor came to power, they abolished the Howard government measures that had been so successful. I note that recently the former Prime Minister the member for Griffith, when pressed on this during a seminar he was addressing, said that the voters made him do it. It was not his decision; they made him do it, because he had promised it. So he blamed the voters for his decision to abolish the measures. And I noticed last night that Senator Evans says he still feels proud of his decisions as the minister for immigration who abolished the Pacific solution. I hope he is proud of the consequences of those decisions. We all know of the chaos, cost and tragedy that followed those decisions. If that minister is going to be proud of those decisions, he must own the consequences that flow from them.

Then there was the asylum freeze. When this government saw that its decision to abolish the measures that worked was clearly opening up once again this terrible trade in people, it announced the asylum freeze—its first attempt. This was a discriminatory asylum freeze that froze applications from certain people who were seeking asylum in Australia and froze them for one reason only: where they came from, their nationality—whether they were Sri Lankan or whether they were Afghan. This government made a policy in immigration which discriminated against a person's nationality.

On this side of the House—I know the member for Berowra would agree—we believe in a non-discriminatory immigration policy. That is why you will not see from us policies that discriminate on a person's application on the basis of their nationality. We stand for strong border protection. We stand for the universal application of strong border protection policies. What was the result of the asylum freeze? Over the three months in which the Sri Lankan asylum freeze was in place, we had 38 boats and 1,800 people. Over the six months of the Afghan freeze, we had 59 boats and almost 3,000 people. Around 1,200 of those were Afghans. So the asylum freeze, this government's first attempt, fell by the wayside.

Then we had the major diplomatic and regional embarrassment of the East Timor farce, where regional leaders were forced to endure endless polite conversations with the Prime Minister talking about a policy that was clearly absurd and was going nowhere. They were particularly concerned that it would provide nothing other than a regional asylum magnet to encourage even more people into the region than our own government had already attracted by their failed policies.

We need a return to the policies of uncompromising deterrence. The government are mixed-minded on this. They cannot get their thinking straight on this. On the one hand, they want to talk about deterrence and, on the other hand, they want to talk about accommodation. The true effect of the Howard government's policies was that we focused single-mindedly on deterrence. That is what those in our region want us to focus on as well. They do not want us to deal in half-hearted measures and
less than half-measures, as the government are doing. They do not want to engage in the folly of going through the accommodation process and setting up mini-UNHCRs within the region, just to attract more people into the region. They want to focus on deterrence. They want to focus on border security. They do not want this region to be the chosen location for people to fly halfway round the world to seek asylum in Australia.

Then of course there was the Malaysian farce, which continues to this day—this mirage of a policy that the government cling to as nothing more than an excuse to restore the full suite of Howard government measures. This was a policy made up on the run and poorly designed. It involved a five-for-one people swap. That is right: five for one. It is still five for one. They have not changed it. They have not thought that perhaps that is a little unbalanced, that perhaps that is not the way to go. They talk about their negotiating skills, and the Prime Minister is referred to as the great negotiator. Well, when you walk into a room and give the other person every single thing they ask for and offer to pay for it, guess what; they say yes. This was the great negotiation that the minister likes to talk about.

Well, clearly it wasn't. Five for one is not a fair deal for Australia. There is the 800 cap—the 800 cap, I stress—which the government refuse to budge on and refuse to talk to the government of Malaysia about, even now, as they say they are having discussions with them.

There is the issue of legally binding protections. I remind the House that yesterday—as we are doing in the Senate today—the coalition supported the designation of Nauru because we believe, on the basis of Nauru's signature of the Convention relating to the Status of Refugees, that legally binding protections are in place. That is why we supported it. That is not why the government support it. The minister specifically in his statement yesterday removed that and said that matters of legally binding protections were not taken into his decision. Well, they were taken into our decision. We supported the Nauru designation yesterday because we know that there are legally binding protections in place.

Then we had the bungled implementation of the Malaysia measure. This is the problem the government have. Whatever idea they have, whatever its merit, you can be pretty sure that they will bungle it in its implementation. Right from the date of the Malaysia announcement on 7 May, announcing something with no detail, with nothing negotiated and with no clue when the thing would be finalised and how it would operate was a catastrophic, bungling mistake. We saw weeks and weeks and weeks of uncertainty pass, as any potential real assertion in this measure was eroded by the government, more interested in a headline than actually getting something in place. The agreement came on 25 July, many, many weeks later, but this is where the government killed their own policy that they believed in so much. They said they would turn people around in 72 hours. The government's failure to implement their own policy and to get people to Malaysia within 72 hours opened up the opportunity for the injunction to be lodged on 7 August, and then it was confirmed again on 8 August.

This government butchers its own policy, so I can only imagine what is taking place now, when it is trying to seek to implement coalition policy. There was the 'let them in, let them out' policy of November, when the government was faced with the choice, after the High Court decision, of embracing the full suite of Howard government measures or embracing the policies of the Greens. It
embraced the policies of the Greens. Since that decision, the number of arrivals to Australia has increased by around 280 per cent as a result.

There were the amazing adventures of Captain Emad—and where is Captain Emad, by the way? Have we found him? Maybe that is where the minister is. He is out looking for Captain Emad to tell him that he cancelled his visa, several months after he actually left! We saw in the amazing adventures of Captain Emad, in the answers to questions on notice, that the minister admitted that he had no idea who Captain Emad was when *Four Corners* went to air. He had no idea that he had given a protection visa to an alleged people smuggler who had put himself into Australia. And he confirmed that, had he known about this sooner, there was power under the act for him to cancel that visa. That power was in place. The amazing adventures of Captain Emad, almost more than any other of the amazing sagas of this government, demonstrate how it makes it up as it goes along.

And then there is the MV *Parsifal*, where this government was faced with a situation not unlike the *Tampa* situation, when asylum seekers who were picked up in relation to a distress call threatened the crew and the captain with harm to themselves. The minister at the table, the Minister for Home Affairs and Minister for Justice, even referred to it as 'aggressive' behaviour. How did we meet these people when they came to Christmas Island? Were they met by the Australian Federal Police taking statements, identifying those who had made these threats, taking statements from the master of the vessel and the crew? Was a formal investigation launched when this happened? No, the Department of Immigration and Citizenship bus turned up, they were taken up for breakfast, and their processing was commenced. This is how this government deals with these issues on a daily basis. No wonder the Australian people simply do not trust the government when it comes to this.

And now, of course, we have the U-turn, the Nauru-turn, when it comes to this government, as it now takes up just one of the three critical measures that are necessary, in our view and from the view of history, to stop the boats coming to Australia. We said yesterday and we have said consistently for years that you need the full suite of Howard government measures if you expect the Howard government results. I warn the government on this point deliberately: do not wait until Nauru fills up because you have refused to put in place the full suite of Howard government measures, if you think you can come back to the coalition and seek further support for more of your failed policies. If you take on Nauru as you are now doing and you do not bring in the full suite of measures that we have asked you to do and that you have voted against, then you will see Nauru fill up, and our policy will be this—

*The DEPUTY SPEAKER (Ms AE Burke):* The member for Cook can stop using the word 'you', because I am sure he does not apply this to me.

*Mr MORRISON:* Thank you, Madam Deputy Speaker, I will. I will say this clearly. If the government seek support from the coalition down the track and they have failed to take our advice and continue to resist the implementation of the full suite of Howard government measures, and they wait as Nauru fills up and fills up, the policy will be this: you break it, you own it. And that is what is going to happen with the government if they fail to implement the full suite of Howard government measures. Do not come back to the coalition when you find that the things that we said would not work on their own do not work. Put them in place now. If
you break it, in terms of the Nauru policy, then you will certainly own it.

If the government wants to know what the real problem is when it comes to border protection, it simply needs to look in the mirror, because at the end of the day the biggest pull factor that this government offers to people smugglers and those seeking to get on boats is itself. It is this Labor government. It is the pull factor. Frankly, no matter what this government may introduce, that will not change.

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (15:28): Can I tell you the story of just one person. His name is Esmat Adine. He worked for the United States Agency for International Development in Kabul. He was one of around 250 people who left Indonesia on a boat to Australia in December last year. He was one of only 47 people who survived. Two hundred others on that boat drowned. About 100 bodies were later washed up on the shores of Indonesia. One hundred more are still at the bottom of the Java Sea. Last month, he told his story to the Australian newspaper. He said:

People were crying, some were praying, people were looking for each other, some mothers were looking for their children, some women were crying, where's my husband?

He said:

... the waves were like mountains. Children, women and young men, we were seeing them die ...

One of those men was his cousin. He told the reporter:

He was struggling, I tried to get to him to help him, but I couldn't do anything ...

This is the human face of this debate. In the last nine months, more than 400 people have died—200 people died in December, another 11 died off the coast of Malaysia in February, 90 more died in June, and 100 more died only two weeks ago. This is what we have to stop.

Whatever you think the solution is—I know there is a continuing debate in this place about that—we should all agree that governments should be given the powers that they think are necessary to save lives. That is what is being denied to this government by the Liberal Party and by the Greens. When parliament last sat in June, the Liberal Party and the Greens both opposed legislation that the government believed would stop boats and stop people dying. That is why we commissioned the Houston report. It makes 22 recommendations and the government is committed to implementing each and every one of those recommendations. The shadow minister for immigration talked about half measures. The government is the only party in this place that is committed to implementing all of the recommendations of the Houston report. Neither the Liberal Party nor the Greens are committed to implementing all of the recommendations, all of the measures, proposed by the Houston report.

Yesterday the Minister for Immigration and Citizenship made a designation by legislative instrument to transfer people to Nauru. He also indicated that the first transfer of people is likely to occur in the latter part of this week. There is information in the newspapers today about the number of Australian Federal Police officers on flights with asylum seekers. This debate gives me an opportunity to provide some more information to the House. I am advised by the Australian Federal Police that the overall number of AFP members supporting the transfer process will be approximately 90. The number of AFP officers on individual transfers will vary according to operational considerations and the requirements of each transfer. For operational reasons, the AFP
will not go into more detail about the arrangements of each transfer.

The people of Australia are sick of us fighting on this issue. They want us to work together, and they want this problem fixed. Unfortunately, this debate has been infected by politics—and we have heard more of that from the Liberal Party and the Greens over the last few weeks. I have been in this job for about nine months. On my fifth day in the job I had to advise the Australian people that 200 people had been killed at sea—200 people who had been on that boat with Esmat Adine. I said then that the Australian people had had a gutful of this, and they wanted us to work together to fix it. Four days before those 200 people died the Prime Minister wrote to the Leader of the Opposition and said that 'the Australian people expect us to work together to ensure the national interest is upheld'. The PM said that she 'would be happy to make Minister Bowen available to meet with Mr Morrison in an attempt to identify a mutually satisfactory outcome'. The Leader of the Opposition wrote back two days later—and said he 'did not see much point in the discussions'.

The day after 200 people died the government wrote to the Leader of the Opposition again and asked him to allow his immigration spokesperson to sit down with the immigration minister to reach a compromise—and he still refused. He demanded a new proposal from the government before any talks could begin, and so the government gave him one. Before those talks between Mr Bowen and Mr Morrison could begin, the Leader of the Opposition held a press conference and rejected the written proposal—effectively ending the negotiations before they even got started. These are not the actions of someone who wants to solve this issue. As I said earlier, whatever you think the solution is we should all agree that governments should be given the powers that they believe are necessary to save people's lives. This is what we have been denied by both the Liberal Party and the Greens.

The shadow minister asked in his contribution what government members believe in. This debate gives me an opportunity to tell the House that my view on the Malaysia plan has not changed. I still believe it is the best way to stop people getting on a boat and dying at sea. So does the Houston report. It says it believes it is 'vital'. Angus Houston, in the press conference that he held after he released the report, said that he believes that it is the best plan for the future. Paris Aristotle, another member of the expert panel, said in an interview:

In the long run … Malaysia is absolutely vital to this.

It is also absolutely clear that the Liberal Party will never allow the proposal to be passed. So the bill we debated last month was a compromise—it was the only thing the opposition were prepared to pass, and so we passed it. We cannot be held hostage in this place to stupid political fighting. This is too important for that. We have two options: either we pass legislation or we do not; we do something or we do nothing. If we do nothing, more people die.

My view has not changed on towing back boats, either. The Houston report makes it very clear that you cannot tow back boats when the country you want to tow the boats back to does not agree to take the people back. This is the case as we speak. The opposition's proposal is to tow boats back to Indonesia; the advice of Angus Houston and his panel is that you cannot tow a boat back to Indonesia if Indonesia will not let you. This is what Indonesia has said, on the
Marty Natalegawa, the Indonesian foreign minister, said in March of this year:  
... simply pushing back the boats where they have come from would be a backward step.

He also said:
The general concept of pushing boats back and forth would be an aberration to the general consensus that has been established since 2003.

Later that month the Indonesian foreign minister was again asked a question about this, and he said:

Now, from that kind of mindset ... naturally it would be impossible and not advisable even to simply shift the nature of the challenge from any ... continuum to the other.

That is the Indonesian foreign minister saying that Indonesia would not agree to towing back boats. The Indonesian Ambassador to Australia is on the record on this as well. In March of this year he said:

... if you take that policy, it means that you bring all the burdens to Indonesia and what about our cooperation?

A senior Indonesian official, in July of this year, was interviewed by the Sydney Morning Herald on this issue of Indonesian permission to tow back boats. He said:

It's exactly like you going to someone else's house and throwing dirt there ... Why would we take something that is not our property?

So you have a senior Indonesian official, the Indonesian Ambassador to Australia and the Foreign Minister of Indonesia all saying that they do not support this policy proposition.

In addition, you have the Houston report saying that, without Indonesian support, it cannot happen. Therefore it cannot happen.

I also believe it would be dangerous if it were to happen. On 25 January, the Australian reported a senior naval officer as saying:

They will disable their boats when they see us coming, they will burn their boats. The policy will encourage them to do so and it will place lives—navy lives and refugee lives—at risk.

We know this is true—because it has happened before.

I have gone back and looked at what happened when the Howard government ordered boats to be turned around. In the case of SIEV1, on 7 September 2001, naval personnel boarded the vessel, were threatened and forced to withdraw—and the passengers ended up going to Nauru. In the case of SIEV2, on 9 September 2001, 30 knives were found concealed on the boat and passengers threatened self-harm. They were also taken to Nauru. With SIEV3, on 11 September 2001, after naval personnel boarded the boat, they were met with violence and could not control the wheelhouse. The boarding party then left the vessel and the boat made a hard turn towards the naval vessel, and a collision was only narrowly avoided. Those people were also taken to Nauru. On 12 October 2001, on SIEV5, the ignition key and the fuel transfer pump were thrown overboard and the cooling pump was sabotaged. SIEV6, on 19 Oct 2001, was also sabotaged. When naval personnel attempted to repair the ship, fires were started, the deck boards were torn up and the boat ended up sinking. The passengers were taken to Christmas Island.

These were all cases where an attempt was made to turn a boat around and the attempt failed.

There are more examples. On 22 October 2001, 15 people dived overboard off SIEV7. Others doused themselves in fuel, damaged the mast and started a fire in the hold. On 31 October 2001, SIEV9 was also sabotaged—fuel lines were cut. There was more sabotage on SIEV12 on 16 December 2001—fires and threats of self-harm.
Perhaps the best example of how dangerous this could be is the case of SIEV36 in 2009. That boat was not turned around, but the people on board the boat at the time thought that it would be. This is what the coroner, Greg Cavanagh, said on page 5 of his report:

... a group of passengers mistakenly believed they were to be returned to Indonesia ... very shortly after ... the vessel's engine was sabotaged and subsequently petrol was spilt into the bilge and ignited.

Following the explosion which occurred on that boat, 5 asylum seekers drowned and 40 other people were injured, including several Australian Defence Force personnel, who were treated for burns and for other injuries.

This could have been a lot worse. Corporal Jager, an Australian medical officer, needed to be rescued by her colleagues after her life jacket failed to inflate and two asylum seekers tried to push her aside to get themselves into the rescue boat. Her leg was injured and the coroner said:

... she would have died but for the efforts to rescue her.

This all happened because the asylum seekers thought the boat was going to be towed back to Indonesia.

On this important issue, the coroner was unequivocal:
If there had not been a Warning Notice served which suggested return to Indonesia, and if it had been made clear to the Afghan passengers that they were being taken to Australia and not returning to Indonesia, again the explosion probably would not have occurred.

This is the nub of this issue. It is about the danger to Australian Navy personnel and to refugees.

This is why the Australian Navy and senior Australian naval officers have criticised and opposed the opposition's plan—because it puts their lives at risk. Apart from that, it does not work anyway. People smugglers are not stupid. If they see a naval vessel coming and they think they are going to be towed back to Indonesia, they will set fire to the ship or put a hole in it and force people into the water—forcing our men and women to go in and rescue them.

I accept that the coalition are never going change their minds on this issue. The important point is that the time for fighting is over. We have been fighting on this issue for 11 long years. We have been fighting about this since the Tampa arrived 11 years ago last month. We have now passed legislation through this House. It is time to put down our swords and stop playing politics. Remember what this is all about: 400 people have died in the last nine months. We have now passed legislation through this parliament. It is time to put down our swords and stop playing politics.

Mr KEENAN (Stirling) (15:43): During question time, I get to sit just down there on the opposition front bench and I look up at the front bench of government. Quite frankly, it is hard not to feel a little terrified—because these are the people who brought Australia the pink batts fiasco. The Australian taxpayer paid for the government to put pink batts in people's roofs and then the Australian taxpayer paid for the government to take pink batts out of people's roofs. These are the people who brought us cash for clunkers. They brought us the carbon tax—something they promised they would not do—which is going to raise the cost of living for every Australian whilst doing absolutely nothing for the environment.
They brought us the live cattle export fiasco, where a Four Corners documentary actually stopped the boats; it stopped the boats going from Australian ports, supporting Australian farmers, taking our cattle to our export markets. They brought us overpriced school halls that literally wasted billions of dollars. They brought us Fuelwatch and GroceryWatch. I could go on and on.

The truth is that we have a cabinet and wider ministry that do not seem to understand the impact of their decisions in the real world. When they look at an issue and make a decision, they do not understand how that is going to play out in the real world. Whether you blame this on the uniformity of their backgrounds or an outdated ideology, it does not matter. There is probably no more grievous example of their incompetence than their border protection fiasco. The cabinet surely looked at this from their view of the world and failed to understand how it would play in the real world. The tragedy of all of this is that they stuck to these outdated and wrong policies in the face of clear and mounting evidence that they had failed spectacularly. They refused to acknowledge from 2008 onwards that their failed policies had emboldened and facilitated people smugglers.

People smugglers are very vicious criminals. I have heard government ministers say this recently; they did not say it for a long time. People smugglers see a situation that we might consider with compassion as a business opportunity. They see our natural desire to help vulnerable people as a weakness that they can exploit and make millions of dollars off, on the back of human misery. Border protection is not an area where our good deeds go unpunished, and this is apparent from what has happened since Labor came to office.

The arrival of illegal boats in Australia is not a new issue. We have been facing it for decades to a greater or lesser degree. Over a decade ago, we faced a big spike in people-smuggling and illegal arrivals. Of course, the more people succeed in coming illegally, the more people will follow in their wake. So, around the turn of the last decade, as more people were successfully smuggled here, even more people followed, until the then Howard government decided that they had to take action. They could not accept this loss of control over Australia's immigration system and they decided that they were going to retain control over who came to Australia.

The Howard government pursued a suite of policies that, it is fair to say, were controversial within the community. Different Australians had different views about the way we should approach this problem. But what I think is absolutely clear is that they were 100 per cent effective in achieving the aim that was set out for them—that is, they stopped people-smuggling. You cannot argue with that as an empirical fact. From the implementation of those policies in 2001, over the years 2002 to 2008, while those policies remained in place, we had on average three boat arrivals per year. When the government changed in 2007, there were four people in the detention centre at Christmas Island; there are now a couple of thousand. Those policies inarguably achieved the goal that we had, which was to stop people-smuggling.

When the Howard government pursued those policies, they were roundly criticised by the then Labor opposition. They were criticised by the now Prime Minister, who was their immigration spokesperson, who said of the Pacific solution that it would never work and that it was inconceivable that a decade later we would be processing people on Nauru. Of course, a decade later, it
is the Labor Party, her own government, that have introduced legislation to process people on Nauru. This goes to show that, in pursuing policies to stop people-smuggling that worked but that were vilified and criticised by the Labor Party, we were right. Our policies to stop people-smuggling worked; they stopped it dead. They were controversial but they achieved what we needed them to achieve.

Those policies were not just related to offshore processing on Nauru. They involved two other very important planks: turning the boats back around when it was safe and appropriate to do so, and a form of temporary protection visa that denied people smugglers the ability to sell what they are selling, which is permanent residence in Australia. Those policies, combined with offshore processing, made up the suite of policies that worked. The problem with the current government's approach is that they have embraced just one leg of that three-legged approach, and these half-measures are clearly not deterring people smugglers, because they are going for another record month in September, on the back of record months for illegal arrivals in July and August. The reason for this is that the Labor Party just do not have any credibility after announcing another policy U-turn on border protection. They have a history of not understanding the consequences of their policies when they make them.

It was their abolition of the Pacific solution that led to this crisis in the first place. That happened in 2008. The then minister, who astonishingly still sits in the cabinet, said it was his proudest day in politics. He maintains that position even in the face of the evidence we now have that it directly resulted in invigorated people-smuggling, which led to hundreds of deaths and enormous consequences for Australia and the Australian taxpayer. The abolition of the Howard government's Pacific solution was followed, inevitably, by an enormous spike in people-smuggling. It started slowly at first, but the more success people-smugglers had the more people sought to be smuggled down here, and so it increased. It increased in 2009. It increased in 2010. It increased in 2011.

During that time, the Labor Party refused to acknowledge that it was their policies that had created these enormous pull factors for Australia. They sought to blame everything else, despite the evidence that it was this change in policy that had led to people-smugglers bringing literally thousands of people here. They said: 'It's not our fault; it's the international situation, it's push factors. There's nothing we can do.' In the face of mounting evidence to the contrary, they stuck to those failed policies. But then, as the Australian people decided that they really could not stomach the fact that we were no longer in control of our immigration system, the government realised they had a political problem on their hands and they started doing a series of backflips.

They were resolutely opposed to offshore processing. They were then resolutely opposed to offshore processing in countries that had not signed the UN Convention Relating to the Status of Refugees. Yet, during the 2010 election campaign, when they realised that border protection was one of their primary political problems, they came up with what can now only be called the 'Malaysia fiasco', whereby they did a five-for-one people swap—800 people for 4,000. Wouldn't you want to play poker with these guys? Ultimately it was struck down by the High Court, yet over a year later they still cling to this failed policy.

Prior to that, during the 2010 election it was the East Timor arrangement that they championed, one that was never going to fly,

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because the East Timorese were never going to wear it. If the Prime Minister had actually picked up the phone and spoken to the government of East Timor, she might have been aware of that.

The truth is that the Labor Party has no credibility on this. That is why, when they make the announcement that people now run the risk of being sent to Nauru, nobody takes them seriously. They do not have credibility. If they were serious, they would use every weapon available in their arsenal to send the message to people smugglers that this time it is different, that now offshore processing will take place on Nauru or in PNG, if it is available, that there is a return to temporary protection visas and turning the boats around when it is safe and appropriate to do so. Only this suite of policies has worked in the past and only this suite of policies will work to achieve the results we need, which is to squash people-smuggling.

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (15:53): There is a question to be answered in this place today as we deal with this MPI: what interest do those on the other side have in continuing a debate on one of the most difficult issues that this nation and indeed countries internationally face today—that is, the movement of people around the world, particularly in our region? Those on the opposite side continue to talk about this issue because they believe it is in their political interests. The first two speakers talked about what they called a changing position of the government and completely ignored the fact that they have been all over the shop themselves. They ignored the deals they offered to the Greens, for example, in the last round of discussion on the legislation the government had put before the House. We could go around and around in circles in what I would argue is a fairly pointless point-scoring political activity and say that we need to debate this in this House. Even when we make a position clear about finding a good outcome that would work to stop people-smuggling, they shift their position again. That is the reality of what we face in this debate.

Before parliament got up for the winter break, as outlined at the beginning of this debate, people came into this chamber devastated by the fact that we have faced 400 cold, lonely, desperate, terrifying deaths at sea. That was the reality which so many on this side had struggled to deal with—to come to a policy position which we felt would stop drownings from occurring. It was not easy for many people on this side of the House to come to a policy position that really challenged competing principles and priorities, but we came to a position which acknowledged that the regional challenges we all face as nations dealing with the movement of people who are in desperate circumstances required a regional cooperative solution. That is what we had worked on as the government. It reflected the reality.

As happens—it may come as a surprise to some of those opposite—as time moves on and changes occur, you respond with new policies that are relevant to the new circumstances you face. That is exactly what this government did. It looked at the challenges it faced with people seeking to come here by boat and the changes that occurred in the behaviours of the people smugglers and in particular and most obviously the deteriorating conditions of and the purposeful damage to the boats when there were fears they were going to be turned around.

The reality is that large numbers of people who had placed their lives in the hands of people smugglers subsequently lost their lives. So we came before the winter break to
the position of trying to find an outcome in legislation that would put a real and imminent discouragement in place for people getting on boats and risking their lives at sea.

As we well know and as history now shows us, we were not able to get the legislation through. I remember at the time those opposite making comments such as that they would not agree to Malaysia because it was not a signatory to the UN conventions. These sorts of positions disappear when they want to talk about other options in their suite like turning back the boats. In order to move past this deadlock, to find a genuine outcome that would stop people losing their lives at sea, the government asked the Houston panel, the three eminent Australians, to come together, to look without prejudice at all the options available and to provide advice to the parliament on the best options to stop the boats. We did that because we believed the time for politicking on the issue was over. I believe very strongly that the Australian community also feel that the time for politicking on this issue is over. Sadly, we are still here today politicking in this MPI. Given recent announcements by state governments, we are back to the perennial, 'Let's have a blue about asylum seekers.'

I believe people right across Australia are truly sick of the politicians fighting on this issue. It is a very sad day for all that this MPI is before us. If we want to make real progress on this important issue, we need to work together. That is the reality.

As the minister said at the beginning of the debate on asylum seekers, we have had a blue on this for 11 years. Over those 11 years the circumstances and the activities of people smugglers have changed, and they change in response to what we do. So we are attempting to find a coordinated suite of initiatives to put in place in order to stop the people-smuggling trade. Assisting us in our attempt to do so was the Houston panel, whose report made 22 recommendations. The government has committed in principle to all of them. The recommendations, I remind the House, include increasing the immigration intake under the humanitarian program to 20,000 per annum, and I understand that those opposite offered this increase to the Greens in discussing the legislation before the parliament prior to the winter break. Increasing the humanitarian intake is an important part of the suite of recommendations that the Houston report made. It sends a message to people that it is more beneficial to them that their claim be processed in the place where they are than that they take a risk at sea.

The Houston recommendations also involve: developing bilateral cooperation on asylum seeker issues with Indonesia and Malaysia, because the report recognises that asylum seeker issues confront all of us in the region; developing legislation to support the transfer of people to regional processing centres, including those on Nauru and Manus Island; creating regional places of processing where asylum seekers are not given any advantage over asylum seekers in any other regional area of processing and are instead processed by the UNHCR; reviewing the refugee status determination; and developing joint operational guidelines for managing search-and-rescue activities in the region. This is particularly important because the other danger, as outlined by the minister, is the risk to our own personnel who are involved in search-and-rescue operations at sea.

Only the Labor Party is committed to implementing all the recommendations of the Houston report. The other parties—the Greens and the Liberals—are cherry-picking whatever parts of the report they think support their political agenda. They are being
dogmatic, and by being dogmatic they are risking lives. This dogmatic approach should not be acceptable on issues of national security or where people's lives are at risk. Angus Houston himself said that the panel's report needs to be implemented as a whole, and that is exactly what the government is doing. The simple fact is that the Liberals and the Greens are playing politics with the asylum seeker issue. Given how vociferous the shadow Treasurer was about the Greens yesterday, I am surprised at the position of the Liberals. However, sadly, we have come to expect every day from the Liberals that politics take precedence over good policy for the nation. I do not believe that this approach is in any way acceptable in an area of policy which goes to issues of national security and the protection of lives at sea. It is a disgrace to play politics with these issues.

The Greens are also risking the lives of others with policies that encourage vulnerable people into boats. I say to them that, when they counter talk of border protection by describing the motives and the desperation of the people who are seeking asylum, they are completely and naively ignoring the reality that the very people they express concern about are endangering their lives at sea. Danger to people's lives is the very issue that we are seeking to address through the Houston recommendations.

I had hoped that the Greens would work with the government on asylum seeker policy, but, sadly, that is not the case. You cannot agree to work with the government on some recommendations of the Houston report and not others, because the Houston report itself makes it clear that each of the strategies it has outlined works in conjunction with all of the others and that they should be treated as an entire package. It is time to stop the politics. There are lives at risk, both of asylum seekers and of our own personnel. *(Time expired)*

Mr CHRISTENSEN (Dawson) (16:03): It is no wonder that the member for Cunningham does not want us to talk about this matter of public importance, because words can come back to bite you. Back in 2010, when she spoke in this place on the Anti-People Smuggling and Other Measures Bill, she was quick to praise the then Rudd government for the turnaround that it had made on the Howard government's people-smuggling laws and the framework we had put in place. She said that the point of this turnaround was to have a more humane framework for people who were seeking asylum and to take a much harsher position against those who were seeking to make profits from the exploitation of such people. That is what she said about the changes that her government made to the illegal immigration and border protection regime that the Howard government had in place. Look at where those changes have got us!

Protecting Australia's borders is one of the most fundamental roles that any government should play. It calls for strength and for resolve. It calls for a government to stand up for its people and protect their country. But what we have seen from this government is weakness and wavering. We have seen indecision and wringing of hands. The only resolve that we have seen from this government is an absolute commitment to shifting the blame, a strong commitment to doing anything but admitting that they got things wrong and a determined resolve to say anything other than make an apology for the damage, the waste and the deaths—how humane were they, member for Cunningham?—that resulted from their actions.

So averse to taking control was this government that they outsourced their responsibilities; they outsourced the responsibilities of the Prime Minister and of the immigration minister. 'It's too hard. We
can't do it. It's too hard,' they said. Instead of reinstating border protection policies that were proven to work and instead of admitting that they tried to fix what was not broken to start with and that they had to go back to some of the coalition's original solutions, those so-called representatives opposite threw up their hands and outsourced their responsibilities to a committee.

But this is not the first time that this government has outsourced its job. When those opposite gleefully pulled down our border security policy amid all the backslapping and comments similar to those made by the member for Cunningham, they also outsourced the control of our borders. They outsourced the government's job, not to a committee but to some of the most disgusting and vilest creatures on this planet—the people smugglers. Let us be very clear about this. People smugglers are criminals who have sent hundreds of people to their deaths.

People smugglers are criminals who trade human lives for dollars. These are the people to whom the Rudd and Gillard Labor governments have outsourced control of our borders. The people smugglers are the ones who have been, and still are, in control of our borders. They are the ones who decide who comes to Australia and who does not. It is certainly not this government who are deciding that. The people smugglers are the ones who set the price. They control the market and they dictate how much it costs to risk your life on a boat journey to this, the promised land. And that price is high: thousands and thousands of dollars. The price is actually beyond the reach of most legitimate asylum seekers.

Again, let us be clear here. There is a difference between a genuine asylum seeker and those searching for an easier life. Even today, this government and those opposite refuse to use the term 'illegal immigrant'. Let us be clear on that point too. Australia has immigration laws. There are legal ways to enter the country, but there are also illegal ways. Paying $10,000 to one of the vile people-smuggling scum to get on a boat to go to Christmas Island is an illegal way of entering our nation. Many of the people on board these boats are not fleeing anything. They are not repelled; they are drawn. They are drawn to Australia and this soft-touch government and they are willing to travel through or over as many countries as it takes to get here.

Afghanistan is the place where many of them are coming from. If you look at an atlas, you can see that it is a landlocked country. Of all its bordering nations, Australia is not one—surprise, surprise. There are only two ways out of Afghanistan—by air or by land. If a genuine refugee flees from persecution in Afghanistan by land, the most likely, most direct route is by crossing the border into Pakistan, crossing the border into India, crossing the border into Bangladesh, crossing the border into Burma, crossing the border into Thailand or crossing the border into Malaysia. After travelling through all those countries—any number of which may have been a safe haven from persecution—it is still a boat journey or airfare to get to Indonesia. What is more likely is a flight out of Afghanistan. These people are not short of money. If they were, they could not pay the people smugglers. They could not pay for the airfare out of Afghanistan in the first place. But instead of flying to Australia, they get on a plane, with their passport, and fly to Indonesia. They wander down to a boat, dressed like they just walked off a street in inner city Melbourne, pay thousands of dollars to the people smuggler, jump on the
boat, call Australia to come and rescue them and then throw their iPhone and passport overboard and wait.

This situation is a con and it should be viewed in the context of those genuine refugees we see on the news in refugee camps across the world, such as those in Africa, those who cannot afford to jump on a plane and fly to Indonesia, those who cannot afford to pay $10,000 to people smugglers, those who have had their homes burned, who have had their families killed and who cannot even afford to eat.

Australia is a lucky country. We are a generous country. We take our responsibility seriously. We have one of the largest refugee intakes of anywhere in the world. But because our Prime Minister and this government outsourced control of our borders to the people smugglers, those who are most in need are the least likely to receive assistance. The absolute flood of illegal immigrants taking advantage of this government's free water taxi service is a direct result of this government's failure to control our borders. Here's the thing about a border— if there's a great big hole in it, it is no longer a secure border.

What this government did was take down a three-panelled fence, which was the Howard government's border protection regime: (1) offshore processing in Nauru and Manus Island; (2) temporary protection visas, ensuring that if an illegal immigrant who entered here was actually found to be a genuine refugee, they would only be issued a temporary protection visa—that is, they would not stay here permanently but only until the threat in their country was gone—and they would not be entitled to permanent residency; and (3) turning back the boats where it was safe to do so. Then this government dismantled that three-panelled fence and wondered why the people smugglers were pushing through thousands of illegal immigrants. Then, when the committee that the Prime Minister and the immigration minister outsourced their jobs to told them to reinstate the fence, they reluctantly put up just one panel. They were dragged, kicking and screaming, to restore Nauru. That is one panel of the effective fence. Here is a lesson from fencing 101: one panel of a three-panelled fence will stop nothing.

The Howard government knew that it took more than one part of their solution to stop the boats. The coalition knows that it takes more than one part. Everyone knows it except those sitting opposite. You cannot build a rabbit-proof fence with one strand of wire. The Chinese did not build the Great Wall with a single stone. The Dutch did not hold back the sea by throwing in one shovelful of dirt and calling it a dyke. The dyke around Northern Australia sprung a leak under the Rudd government and now, under the Gillard government, it is a torrent; 10,000 illegal immigrants arrived by boat this year alone, with three boats in the past 24 hours. It is an absolute torrent of shame for this government, an embarrassment for this government, who says it has a plan to stop the boats. I say to the minister at the table, the Minister for Sustainability, Environment, Water, Population and Communities, that, unfortunately, it is the wrong boats; it is the legal fishing vessels that we have up in the Coral Sea that you want to stop, but you cannot bring yourself to stop the people-smuggling boats.

It is clear this government has outsourced complete control of the country to the Greens. It took five years of the coalition and most of Australia telling Labor their border policy would not work. But it only took a few days of the Greens jumping up and down about a trawler and this government toed the green line by moving to stop that
boat. The only boats this government cares to stop are ones like that and legal fishing vessels up in the Coral Sea.

Outsourcing decision making to a committee is not governing. Outsourcing border control to people smugglers is not governing. Outsourcing policymaking to the Greens is not governing. This government has not only failed but has made itself redundant, and if you cannot govern if you are out of a job. (Time expired)

Mr GEORGANAS (Hindmarsh) (16:14): From what we are hearing from those opposite, it is as if they wanted that trawler to come in and stay here. They are having a go at us for introducing legislation in the next couple of days. It sounds as if they are very keen to have that trawler fish the entire supply from our waters. But this is an opportunity to speak about something else.

Today's MPI was either going to be this—a pretty lame motion that has been sitting on someone's desk for over a year—or a motion on the destruction of the Australian economy, the wrecking ball that is said to be coming to be unleashed on the Australian people, from the introduction of a price on carbon pollution. The MPI would not be on the need for us as a nation to improve the education standards, for example, of Australian school children. It would not be an MPI on the need for us as a nation to protect our fisheries from over-exploitation and collapse. It certainly would not be on the need for us to improve the health—and specifically the dental health care—of the hundreds of thousands of age pensioners around the country who cannot afford dental care in the private market. But, certainly, it would be about scaremongering and fear, which is all we have seen from the opposition. It certainly would not be on the need for us as a nation to take the necessary steps to sustain the Murray-Darling Basin.

These are real MPIs that they could have brought to this House to contribute to the debate about politics and policies in Australia. Instead we see them bringing fear constantly to this parliament.

Today's MPI is another example of the fearmongering of the opposition. It was always only going to be a motion on one of two things—and the only two things the opposition can focus on are the price on carbon and asylum seekers. These are the two fearmongering things they constantly focus on. From a certain perspective, it simply does not matter which one of the two they chose, because they are exactly the same. From the opposition's perspective, they are one and the same—an opportunity to say that the sky is falling and that the world as we know it is nearing its end. It is nothing but fearmongering. It is really unfortunate, because we are playing politics here with people's lives.

This is a sneak preview of what you would see of an Abbott government. We all remember the children overboard. We all remember the lies and the deceit that came from that, and we know the politics that was played around that. Extremist views have taken over the Liberal Party and the opposition. How far will they go to spread this fear? All they care about is an opportunity to scream out to the Australian media that we are facing the greatest threat to the nation since World War II. It is highly disingenuous, highly irresponsible and highly, highly cynical. In the case of their preferred fear campaign at the moment—that is, the policy of carbon pricing—we have seen that the world has not ended, regardless of what they have said for the last 18 months, that the economy is not being wrecked, that investment is continuing and the economy is still growing. But the fear that the opposition has spent the last 18 months whipping up, the distress that the
opposition invested so much of their time and efforts into—and so much of this parliament's time refuting—has been seen in reality to be highly misleading, and deliberately so. Their fear is political and is only for political ends. We have all had the opportunity to engage in this policy process, especially over the last few months.

It was about three months ago when many of us spoke about how tragic it was to see lives being lost. We spoke about the many, many asylum seekers who have died at sea, who drowned in the waters to Australia's north. It was only three months ago that members of the opposition openly wept for the loss of life and the terrible, devastating impact that those deaths had on, not only the families of the deceased, but also the people on Christmas Island who had witnessed that great tragedy firsthand. And it was only three months ago that the government was again blocked by all opposition parties. It was only three months ago that these parties sabotaged the government's plan to stop the trade in people smuggling. They stopped the government's plan by throwing up the most ridiculous set of arguments and alternatives—but still they sabotaged it.

So we saw the government enlisting the panel of experts that we have spoken about in the last few days, and we saw that panel reporting to the government on how the best outcome could be achieved. We saw the government committing to all the recommendations from the expert panel—each and every one, not cherry-picking or choosing. On this side of politics we take advice from experts—unlike the opposition, which is taking advice from Gina Rinehart and wants people to work for $2 a day. That is what we see from the opposition. We do not see a focus on supporting the recommendations.

We do not see a focus on all of the recommendations being implemented as a package, which is so critical to their success. We see, before a single person has been transferred to the first of the off-shore locations, the opposition saying that they are not going to work. They are already screaming and scaremongering and saying that the recommendations are gone and that the world is in fact going to cease to exist as we know it—as they have said with other issues.

It is really telling that the opposition, earlier in the year, would not even say that it would support the government's implementation of coalition policy. They would not even support their own policies being implemented. Clearly they do not care about the policies, their implementation or the effectiveness of any policy. All they care about is fear. That is what they crave. Fear is their policy, and fear is what they can deliver to the Australian people—even from opposition. It is very scary to think that they could be in government.

In an area of public policy—which clearly has involved the deaths of hundreds upon hundreds of people—we see this MPI brought here today, and again it is the opposition playing politics with people's lives. It really is quite disgusting that so-called representatives of the Australian people are happy to play their own brand of funny buggers and have the lives of people a distant second to their own political fearmongering and possible political gain. If the opposition were serious about this area of public policy, they would have come out supporting the recommendations of the panel of experts, as the government has done. If the opposition were serious about stopping the people smuggling, they would have come out supporting all options including not just Nauru, not just PNG, but the Malaysia
people swap as well—as recommended by the panel of experts.

If the opposition were in any way serious about preventing more deaths at sea they would have come out supporting any and all actions of this federal government that would diminish the incentives of people to continue setting out to sea.

The ridiculous suggestion from the opposition that their policy is the solution to all of Australia's troubles and the only policy that will work—that of 'turning the boats around when it is safe to do so'—betrays their cynicism. It is perfectly clear from all advice that there are no situations in which it would be safe to do so. The opposition may as well advocate levitating people off the boats when they have the mental powers to do so. It is a hollow set of words that is, in reality, meaningless. The opposition have no effective policy in this area at all.

The motion moved by the member opposite is an empty and useless contribution to public debate in this place. I would suggest that if they want to be a government in any future parliament they should start developing policies that they can actually see themselves trying to implement. That is what we on this side of the House—the government—are doing. If the opposition are serious about this issue, as they say they are, they have the mental powers to do so. It is a hollow set of words that is, in reality, meaningless. The opposition have no effective policy in this area at all.

The motion moved by the member opposite is an empty and useless contribution to public debate in this place. I would suggest that if they want to be a government in any future parliament they should start developing policies that they can actually see themselves trying to implement. That is what we on this side of the House—the government—are doing. If the opposition are serious about this issue, as they say they are, the only thing they can do is try to add value and support the government's rollout of the expert recommendations.

We are committed to implementing all of the recommendations. The Australian people want this fixed. Unfortunately, this has been infected by the opposition. It has been infected since 2000, when we saw the politics of the *Tampa* and the politics of the children overboard affair. We remember.

The expert panel has said that Malaysia is absolutely vital to the success of this report. This is a very important issue that we need to solve. We need to ensure that we implement these policies to stop people boarding those boats and putting their lives at risk and to stop seeing people drown at sea. We know that this whole policy is all about preventing lives being lost. *(Time expired)*

Mr WYATT (Hasluck) (16:24): I want to acknowledge the comments of the member for Hindmarsh. I have worked with him on a committee and I have always found him to be a fair man, but sometimes we can make mistakes in the way that we present an argument. To attack individuals and not the issue takes us away from the debate that has to be had in respect of asylum speakers. Fearmongering as a terminology is not helpful, because—

Mr Georganas: We've had the debate since 2000!

Mr WYATT: Let me say that we have not really had the debate, because there are philosophical positions that people bring into this chamber based on personal biases and viewpoints. In the electorate, when I doorknock, I find that people express very strong views about the way in which they see the government as being inactive in protecting the borders of Australia. I recently sent out Hasluck's biggest survey, to every home in my electorate—there are over 94,000 registered voters and approximately 130,000 people living within the electorate. What came back from thousands of respondents as the single significant issue was the lack of border protection that the government has created. In the discussions I have when I am door knocking, people tell me that they do not set aside the humanitarian considerations for individuals who try to escape countries that are torn by war or are ripped about by the rife of what occurs within a society. What they do not like is those who queue-jump, those who pay significant money to people smugglers. They
find that galling in the sense that they themselves come from overseas and are seeking family reunions. Many of them have said: 'I don't have an issue with New Australians or with people coming to this country, but I want my families chances to be considered equally in that context.'

They are angry about the lack of border controls. They have expressed the viewpoint that our navy has become a taxi service. They say that each time they pick up a newspaper or turn on the television they hear that another distress signal has been sent from another ship within the borders of Indonesia seeking aid from the Australian Navy. They find that equally frustrating, because there are many reasons for this. But it is of particular concern to a lot of people who are struggling to pay the bills or who find it hard to rent a house or have their children's needs catered for that Australia can take so many of these people at a large cost to the Australian taxpayer and not do more to look after our own first. Many of the families I have talked to were post-war migrants, who talk about the fact that when they came here they were given assistance but they had to make the effort to acquire a working knowledge of English and to fit into the workplace.

Four years ago, the Rudd-Gillard government overturned policies that were proven to work. That is evident from the figures at the end of the Howard government's term. Since then we have had a reversal of that. Senator Evans made the comment, and recently reaffirmed the fact, that he was immensely proud of one of his first decisions, which was to remove the three-tiered approach the Howard government had in place. Since then, as I said, we have had 22,000 illegal immigrants, in excess of 1,000 deaths at sea, a battering of Australia's international reputation and a $4.7 billion budget blowout. This was all avoidable. Sometimes when governments get it wrong they have the opportunity to remedy the impacts of decisions they have made about the way in which they have delivered programs and services. It is not hard to swallow your pride sometimes and say, 'We've got it wrong. We made the wrong decision. What we want is a bilateral approach. We will consider the options that are put before us.'

I acknowledge that the Houston report has a lot of merit. There are elements in that report that augur well for the possibility of seeking a joint parliamentary approach. However, there also have to be those factors that discourage the people smugglers, who trade on the fact that if you get somebody here they will not necessarily be returned.

The coalition supports policies that are proven to work. That means offshore processing, temporary protection visas and turning the boats around. These policies work together to stop the boats and end the needless deaths at sea. I would hate to think how many bodies, which we know nothing about, are floating in that ocean and how many boats have left their destination but have not arrived. In the last four weeks 40 boats and 2,457 people have arrived, including four boats and 246 people in the last 48 hours, but not one person is yet on their way to Nauru or Manus Island.

Under Labor, everything always costs more, delivers less and takes longer to implement. Offshore processing is proving no different.

The three regions which are host to the largest number of refugees around the world are: Africa, excluding North Africa, at 2.2 million; Asia and the Pacific region at four million; and the Middle East and North Africa at 1.9 million. Australia does not have the capacity to take all of these refugees. There must be some order to the system—and there was. It was achieved. Australia
must also be allowed to determine who comes to our shores, who settles here and when. That is an important factor in the way in which we protect our borders. Again, I want to reiterate that no Australian has a non-humanitarian consideration. Afghan and Iraqi refugees account for almost half of the all refugees that the UNHCR has responsibility for worldwide. Three out of 10 refugees in the world are from Afghanistan and the second largest group is Iraqi refugees at 1.7 million.

In respect of the Malaysian solution, I note that the legislation that passed in the House has not yet authorised any country to be used for offshore processing. This requires a special legislative instrument to be approved by both houses of parliament. This has not yet occurred as such an instrument has not yet been introduced by the government. As a result, there are no countries currently authorised by the parliament for offshore processing.

In relation to Nauru and Papua New Guinea, the coalition is confident about the presence of appropriate binding legal protections for people formally transferred by Australia and processed at these locations given their signatory status to the refugee convention. Accordingly, the coalition will support offshore processing at these locations when the government seeks these authorisations.

In relation to the questions you have raised, these matters have not yet been addressed in detail by the government and I encourage you to raise the matters directly with them. It is important that if Australians have strong views on this that they talk to their local members.

The government has not indicated what arrangements will be made for unaccompanied minors and children. In relation to the question of how long people will remain in offshore processing centres, this will depend upon a number of variables, including processing times and willingness to be resettled or returned to their country of origin if found not to be genuine refugees. If the government means what it says under their no-advantage test then it is possible people would remain on Nauru for some years, as this is the typical time for refugees awaiting resettlement elsewhere in our region.

The coalition does not want to see people in processing centres for longer than is absolutely necessary; however, nor do we want to see other vulnerable people unable to advance their claims by getting on boats made to wait even longer. The fact is you cannot forget the Howard government’s policy outcomes on border protection—a 99 per cent reduction in boat arrivals.

Programs and initiatives that work have shown that there is a capability and capacity where there is a will. When you try to implement new initiatives they do work for a period of time but there is not the longer term deterrence. I hope that in the thinking of all of us involved that we reach a solution that will give people the opportunity to come the legal way and be given humanitarian consideration but those who are not genuine will certainly be returned. It is not about attacking individuals and their positions in respect of this matter. It is about looking at the issue and what it is that needs to be addressed, agreeing to processes but also looking at the deterrence that will mean that those whose trade is to smuggle people for their gain will be diminished in their effectiveness.

The DEPUTY SPEAKER (Mr Symon): Order! The discussion is now concluded.
PERSONAL EXPLANATIONS

Mr CHRISTENSEN (Dawson) (16:34): Mr Deputy Speaker, I wish to make a personal explanation.

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

Mr CHRISTENSEN: Yes.

The DEPUTY SPEAKER: Please proceed.

Mr CHRISTENSEN: Moments ago the environment minister posted a tweet. He obviously has a busy schedule since he was twittering away in parliament! He made mention of the fact that I support the supertrawler when in fact I do not. I never have supported that. If he would read the Hansard carefully he would see that what I suggested was that, if he can stop one boat, why can't his government stop the people-smuggling boats?

BILLS

Environment Protection and Biodiversity Conservation Amendment (Declared Fishing Activities) Bill 2012

First Reading

Bill—by leave—and explanatory memorandum presented by Mr Burke.

Bill read a first time.

Second Reading

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (16:35): I move:

That this bill be now read a second time.

Over recent weeks and months there has been heightened community concern surrounding the potential introduction of a new style of large scale fishing operation in Australian fisheries. Of particular concern has been the likely introduction of a 143-metre long vessel that has an onboard processing facility and is capable of storing more than 6,000 tonnes of fish, thus enabling it to remain fishing in Commonwealth marine areas for extended periods.

Management of fisheries is the responsibility of the relevant state, territory or Commonwealth fisheries management agency. Fisheries are assessed under national environment law—which is the Australian government's principal law for protecting the environment. Fisheries management is underpinned by the best available science, and there is a good process already in place which allows my environmental responsibilities to be properly factored into those decisions. However, the nature of this vessel and in particular its capacity to remain in the same area of ocean for extended periods of time creates new environmental issues which had not been fully contemplated when the scientific work was last done.

I sought advice from my department to determine the extent of my legal powers under current environmental law.

The advice that came back said the powers under part 10 of the act were not available to me on the evidence before us but legal powers under part 13 were.

On 3 September 2012, I accredited the relevant fishery under part 13 of the act, for an interim two-week period and subject to conditions. These initial conditions impose stringent requirements on the fishing operations of the vessel. The conditions are intended to ensure that all reasonable steps are taken to avoid interactions including mortalities of protected species, particularly seals, dolphins and seabirds. They also provide for public reporting to inform community and enable scrutiny of the operations.
These conditions were a significant improvement on the environmental standards immediately prior to me making the decision. However, they still fell short of the cautious approach which I believe is important to adopt when considering our marine resources.

As a minister I cannot go further than the legal authority which I have but as members of parliament we are free to change the law to extend those powers and that is what I propose to do today.

My concern to have a cautious approach has been shared by a large number of stakeholders. Environmental groups have an understandable interest in the potential impact on bycatch. Those who love to fish for recreational purposes have expressed concern about depletion of the fish they target and commercial fishing operators have an understandable interest in making sure that any take is both sustainable and retains community confidence.

Our environmental law is one of the few acts anywhere in the world that provides a comprehensive national approach to environmental protection and that deals with such a wide range of environment and heritage issues.

Experience over the last couple of months has however shown that the act does not provide sufficient powers to suspend a fishing activity where there is uncertainty as to the potential environmental, social and economic impacts of the activity and an assessment of those potential impacts needs to be undertaken.

The Environment Protection and Biodiversity Conservation Amendment (Declared Fishing Activities) Bill would create just that ability. It would enable a process that would not only ensure ecological sustainability for our marine environment but also raise community awareness and understanding. It is important that there be mechanisms that enable community concern to be addressed and allayed. Community confidence in the legislative and administrative processes of government is a foundational pillar of civil society.

**Proposed changes**

The amendments propose to incorporate a new chapter into the EPBC Act that will allow the environment minister to prohibit a declared fishing activity while an independent expert panel undertakes an assessment of the potential environmental, social or economic impacts of the activity.

The provisions would only be activated if the environment minister and the fisheries minister agree that there is uncertainty about the environmental, social or economic impacts of the identified fishing activity and that further assessment is required. A final declaration would provide for prohibition of the fishing activity for no more than 24 months.

Prior to making a final declaration, I would be required to consult with fishing concession holders who may be detrimentally affected by the prohibition of the declared fishing activity over an extended period. An interim declaration will prohibit the activity for no more than 60 days while I undertake this consultation. This ensures procedural fairness for affected fishing operators.

The expert panel would need to undertake the assessment against terms of reference and their report, once made available to the environment minister, would have to be tabled in the parliament.

**Closing**

The changes to the EPBC Act proposed by this bill will ensure that matters of national environmental significance continue
to receive the highest possible level of protection whilst affording an opportunity for significant community concerns to be addressed. The proposed changes will strengthen the EPBC Act’s environmental protection regime and increase its effectiveness by facilitating more expert review of new fishing activities prior to their commencement.

The government has a strong commitment to the protection of the oceans. We have shown this in our commitment to creating national parks in the ocean, in our treatment of the Great Barrier Reef and in our approach today.

This is important for those who love the environment, love our oceans, love to fish or rely on fishing for their livelihoods.

Australia's oceans are some of the most magnificent places on earth and we will not risk them.

We cannot allow there to be a view that Australia would manage our oceans only with an eye to immediate commercial opportunities.

On issues like this the government has formed a pact with the Australian people, with those who love our oceans, love to fish in them or rely on our oceans for their livelihood.

That pact and the obligation that comes with that does not only apply to this generation but for generations to come.

Marine environments once wrecked take generations to recover, if they ever do. A precautionary approach is not only good policy; it is the only decent option.

Debate adjourned.

MINISTERIAL STATEMENTS

National Disability Insurance Scheme

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (16:43): by leave—In a week when our eyes have turned to the achievements of the Paralympians in London, and we celebrate the progress of the Paralympic movement since the first Stoke Mandeville Games more than six decades ago, I am very pleased to be able to report on progress towards a National Disability Insurance Scheme.

It has been just over 12 months since I last made a statement to the House on the National Disability Insurance Scheme. And I am very pleased about the progress that we have made since then. We know that people with a disability, their families and their carers have waited far too long for this change. Over the past year, I have spoken to so many people who have had to wait years for a suitable wheelchair, most recently to a mother in Brisbane on Sunday about exactly that. Also to carers who are desperately worried about the future, because they do not know what will happen to their son or daughter when they get too old or are unable any longer to care for them. These are just two of many examples I could give, which led to the Productivity Commission labelling our current system 'unfair, underfunded, fragmented and inefficient'.

We are making the National Disability Insurance Scheme a reality. We will launch the first stage of our National Disability Insurance Scheme from mid-next year. Starting to deliver better care and support to people with disability a year ahead of the timetable set out by the Productivity Commission. More than 20,000 people with disability in five states and the Australian Capital Territory—so across the country—and their families and carers, will benefit from this first stage. Of course, we know that an NDIS is a substantial and fundamental change. As it needs to be. That is why we are building the scheme step by step. We will
learn valuable lessons from this first stage. From people with disability as well as their families and carers, service providers and community based organisations. So that as we build the scheme, we will be using what we learn to make sure we get it right.

I will be regularly updating the parliament about our progress as we implement this major reform. I undertake to keep the parliament informed about our progress as we design and deliver the NDIS. I make this undertaking because I understand very well the strength of support in our community—in communities right across the country—for this very important change. And I understand the need to keep this place—as representatives of these communities, passionate for progress, up to date. I understand as well how important it is that progress—real progress—is made.

**Working with the states and territories**

The states and territories are central players in this reform because, under current arrangements, they are responsible for disability care and support. The Gillard government have made clear our willingness to shoulder our share of the weight, as is necessary to see this important reform become a reality. We made this clear with our commitment, in the budget this year, of a billion dollars of extra support for the first stage of an NDIS. But to deliver this first stage, and to deliver a National Disability Insurance Scheme, we need to work with the states and territories.

The NDIS has taken pride of place on the agenda of the Council of Australian Governments, and that is appropriate. A Select Council on Disability Reform, comprised of disability ministers and treasurers from across the country, has been established. And work is now progressing. I am very pleased to inform the House that we have reached agreement with New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory to host launch sites for the first stage. This will see the NDIS become real for more than 20,000 people with a disability, their families and carers. It will see the framework established, it will see service providers start to make the changes that are needed, and it will see people able to exercise choice and control over the care and support they receive—and for many of those people that will be for the first time. The contributions these states are making to the launch of an NDIS recognise the importance of all governments’ taking shared responsibility for delivering this fundamental reform for Australians with a disability. We are working closely with all the host states and territories on the details of the first stage so that we will be ready for the launch. This includes important work like developing governance arrangements, common assessment tools, and building workforce capacity.

As well, we are working through COAG with the states and territories on the design and the delivery of a full NDIS. Because let me be clear here—we have started work to build a national scheme. We do not want to see anybody left behind. While we work to build this scheme, while we work to build a national scheme, we also do not want to see anyone fall further behind. This is particularly important in the state of Queensland, where we see that state providing the least amount of disability funding per person of any state. And where other states are making great strides, allocating funding to people on an individual basis and personalising their services. Where other states are working with us to build an insurance scheme, that balances the cost of care over the lifetime of a person with disability, I am very sorry to say that Queensland is standing still. This really does
have to change. Queenslanders with a disability deserve nothing less.

Establishing the NDIS Launch Transition Agency

As part of getting ready for launch of the NDIS in less than a year's time, this government has established a new NDIS Launch Transition Agency. The agency will run the delivery of care and support to people with disability, their families and carers. The agency’s chief executive officer, Mr David Bowen—formerly of Lifetime Care in New South Wales—started in July. Mr Bowen was also a member of the independent panel which provided expert advice to the Productivity Commission’s inquiry on disability care and support.

The agency’s primary focus over the coming months will be working to develop the operational policy, systems and processes for the successful launch of the scheme in the five first-stage locations. Every element of what the agency does will be informed by the views and advice of people with disability, their families, their carers, workers in the sector and also service providers. Because it is true that we are talking about a new way of working. Where people with disability have their needs assessed, develop individual plans, and are provided with individual support packages. Where the questions we ask are designed to understand what people with disability, their families and their carers actually want out of their lives—what changes might lie ahead for them. Where, for the first time, we ensure that people with disability have choice and control over the way in which their services and supports are provided. At the same time, the insurance approach will mean that we invest in activities that will give the best possible outcomes for people with disability over their whole life. And, to ensure that people have a local point of contact, the agency will have staff on the ground in launch sites well in advance of the start of the scheme.

Engagement with stakeholders

As we get ready for the launch of a National Disability Insurance Scheme, we will continue to engage with both experts and many, many stakeholders, whether it is people with disability, their families and carers, or others. Right now we are seeking community feedback on COAG’s draft outlines of eligibility and reasonable and necessary support. I have been to a range of public forums and have had countless conversations with interested people, who of course keep asking me, ‘Who will be eligible?’ and, ‘What will I get from an NDIS?’

That is fair enough. For a person with a vision or hearing impairment, or a person receiving some support with personal care today, they want to understand better what this new system means for them. For a person with a disability or for a carer who currently has inadequate or insufficient support, they want to know what extra support they can expect to receive.

So together with our state and territory counterparts we have been working to further define the eligibility for an NDIS and the kinds of supports that an NDIS will provide. This, of course, is based on the advice of the Productivity Commission, and we have now developed drafts to work from.

We now need people with the lived experience of disability to provide their input so we can make sure eligibility criteria and care and support packages work not just in theory but in practice. And this is the key—the eligibility criteria need to be clear, and they need to work. People with disability, of course, will be able to tell us that. Anyone who wants to help in designing these important details of an NDIS can go to—and
Building workforce and sector capacity

We also recognise that bringing about this fundamental change in disability care and support means we will need a strong and quality workforce. That is why we are working to build the future workforce for an NDIS, as well as building community sector capacity.

Through our $10 million Practical Design Fund we are supporting the development of practical projects that will help the sector get ready for an NDIS. It might include projects that identify the best ways to support people with disability to exercise choice and control over the care and support that they receive. Or helping disability services to build new skills for their staff so they can better respond to the choices of people with disability. Or to find new ways to deliver services to people with disability in regional and remote areas through new technologies.

The applications for the Practical Design Fund closed at the start of this month and we are working through them now. We look forward to progressing these so that this work, this real, practical work, on the ground, can inform what we do to get ready for the first stage of the NDIS.

In conclusion

The government of course realise that people with a disability, their families and their carers have waited much too long for us to get to this point. We will now be launching the NDIS from the middle of next year.

There is a lot of work going on—with people who have a disability, within the disability and care sector and with the states and territories. We certainly recognise that an NDIS will give Australians that peace of mind to know that, if they or somebody that they love is born with or acquires a disability, they will get the care and support they need to live the life that they deserve. We do not want to see people left behind—as well as making sure that we get on with it, and that is exactly our intention.

I thank the House, and I present a copy of my ministerial statement. I ask leave of the House to move a motion to enable the honourable member for Menzies to speak for 13½ minutes.

Leave granted.

Ms MACKLIN:

I move:

That so much of the standing and sessional orders be suspended as would prevent Mr K. J. Andrews speaking for a period not exceeding thirteen and a half minutes.

Question agreed to.

Mr ANDREWS (Menzies) (16:58): In a statement lasting 13½ minutes, the minister failed to address the one issue, the one question on the lips of everybody in this country concerned about a National Disability Insurance Scheme. That question is simply this: where is the money coming from? That is the question which disability groups around this country and people with disabilities are concerned about. They want to know that beyond the rhetoric, beyond all the plans that the minister is talking about, beyond all the talk, the bottom line is: where is the money coming from?

Dr Emerson: A fancy way of saying no.

Mr ANDREWS: A fancy way of saying no? Is that what the minister at the table is suggesting? Is that what the government is suggesting?

Dr Emerson: I'm suggesting that you're saying no.

Mr ANDREWS: No, we are not. This actually nails the position of the government on this issue. The minister at the table...
interjects and says that this is just a fancy way of the opposition saying no. ‘We put a billion dollars on the table,’ and how much did the Productivity Commission suggest? A billion dollars on the table, and what did the Productivity Commission suggest? How much? That is $2.9 billion less than what was suggested.

Yet here we get this verbalising by the minister at the table, saying that somehow the opposition is saying no. Nobody is saying no to the NDIS. The coalition supports the NDIS. I have said that on numerous occasions, and I will not be verbalised by the minister suggesting anything else. The reality is that, when faced with the question of where the money is coming from, all we ever get is interjections from the other side of the chamber.

This is coming from ministers overseeing a $120 billion black hole in their budget; this is coming from a government that says they have plans to spend billions of dollars on the Gonski education changes and want to spend billions of dollars on dental health and have blown out by a couple of billion dollars what they are spending on border protection. This proposal is coming down to another $7 billion, and most reputable health economists say it will be in the order of $10 billion. The question that people rightly ask is where is the money coming from, and we get absolutely no answer—there is no answer to that central question. So we had a 13½-minute statement of nice, fine-sounding rhetoric about a National Disability Insurance Scheme, which we support, but we want an answer to the question: where is the money coming from?

The reality is that every government and every opposition right around Australia—Liberal and Labor; federal, state and territory—supports the National Disability Insurance Scheme. There have been considerable developments since the release of the Productivity Commission’s final report—developments which on every occasion the coalition has supported. Of course the coalition supports the billion-dollar appropriation over the forward estimates. The coalition supports the launch sites that have been announced. The coalition supports the appointment of a chief executive for the transition agency. The reality is that the National Disability Insurance Scheme is a landmark reform. That is why we support it. We have approached the NDIS in a non-partisan way.

Labor, as the Minister for Trade and Competitiveness, who has now left the chamber, just highlighted, treats the NDIS as a political football. They want it to be a partisan issue—probably because there are tough questions that Labor has yet to answer and some facts that they have yet to face up to. For example, we do not have an answer for how the first phase of the NDIS can be completed when Labor has allocated $2.9 billion less than the Productivity Commission said was necessary. We do not have an answer for whether the government is committed to the Productivity Commission’s target completion date of 2018–19. We do not have an answer for how the government would fund a full national rollout of the NDIS. As I said, this is a government which has made announcements saying it is going to spend billions of dollars on education and billions of dollars on a dental scheme; it has blown out by billions of dollars the cost of border protection in this country. We know they have a $120 billion black hole, and, according to what most reputable health economists say it would actually cost, there is another $10 billion in the scheme if it is rolled out. The question of where the money is coming from is a realistic question. It is a question which, as I go around the country, is on the lips of every
person concerned with disability. They all want to know how the scheme is going to be funded. It would be a cruel hoax if, after all this rhetoric, it was not properly funded. We do not have answers to even the most general questions about eligibility issues, which at the moment are of particularly concern to people with sensory impairment.

The government's response to these important questions is to attack us and to say we do not support the NDIS. When I started my contribution to this discussion we heard exactly those words from the minister, who has now left the chamber. The truth is that Labor do not know how to fund the NDIS. If they had a plan, they would have released it. But they do not have a plan—they are simply making it up as they go along. Instead of working with us on the NDIS, Labor is playing politics. Let me give an example. The Leader of the Opposition has written to the Prime Minister on five occasions seeking to establish a joint parliamentary committee, to be chaired by both sides of politics, to oversee the implementation of the NDIS. The Prime Minister has rejected our approach. On five occasions the invitation has gone out from the Leader of the Opposition to treat this scheme in a completely bipartisan way, above all politics, and each time that invitation has been rejected by the Prime Minister. This would provide a mechanism to elevate the NDIS beyond partisanship, but the committee would also serve as a forum where questions about the timetable, funding, eligibility and design could be raised and properly worked through. My portfolio colleague and representative in the other place, Senator Fifield, the shadow minister for disabilities, recently put a motion to establish this committee to a vote on the floor of the Senate. Unfortunately Labor and their alliance friends, the Greens, combined to defeat it.

It appears when you stand back and look at this that Labor wants the credit for the NDIS. But the NDIS should not be about credit; it should not be about political point scoring. It should be about delivering landmark reform for all of those who need our help. My friend the member for Dawson has moved in this place the same motion to establish a committee, and I hope when it comes to a vote that Labor, contrary to the decision taken elsewhere, reconsiders its position.

I repeat quite clearly for the minister who has walked out, if he happens to be watching on his monitor, that we support the NDIS. The states support the NDIS. It is time Labor told us how they are going to fund the NDIS. It is time Labor stopped playing politics and time they started delivering. This is just too important for the petty games Labor want to play. We get the impression again today in the minister's statement that, like in so many other areas, they are simply making it up as they go along.

Mr TONY SMITH (Casey) (17:06): Mr Deputy Speaker, on indulgence: with a ministerial statement it is the custom in this House that the minister will be heard and the shadow minister gets to respond. We listened to the statement of the Minister for Disability Reform without interjection—

Mr Bowen: Mr Deputy Speaker, I rise on a point of order. Indulgence is something to be used for certain things under the forms of the House. It is a courtesy extended by the person in the chair; it is not an opportunity for the honourable member to make points of order that he chose not to take at the time, for whatever reason. I am happy for him to make his point but you, Mr Deputy Speaker, are the person who decides whether he gets indulgence. He does not get to decide to have a little rant about whatever takes his fancy by saying 'on indulgence' first.
The DEPUTY SPEAKER (Mr Symon): I thank the minister. I also thank the member for Casey for his contribution. There has been too much conversation across the table. It would be good for everyone in the chamber if there were less noise.

Mr TONY SMITH: I will not delay the House for very long at all. I just point out that we heard the minister in silence. I think that in future ministerial statements—and we are about to have another one—if there are interjections such as those we just heard, during the speech by the member for Menzies, from the Minister for Trade and Competitiveness, who interjects like an excited cockatoo at every opportunity—

The DEPUTY SPEAKER: Order! The member for Casey will address—

Mr TONY SMITH: My complaint is only diluted by the fact his cabinet colleagues have to put up with his juvenile behaviour.

The DEPUTY SPEAKER: Order! The member for Casey will resume his seat.

Child Care

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (17:08): by leave—Our government has worked hard to make child care more affordable, more accessible and better quality for Australian children and their families. That is why we are investing a record $22.3 billion over the next four years in early childhood education and care—more than triple that invested by the former Liberal-National government in its last four years in office. It is why we so massively increased the childcare rebate from 30 per cent to 50 per cent of parents' out-of-pocket costs and it is why we increased the cap from $4,354 per child per year, as it was under the coalition, to $7,500 per child per year now.

We are also making it easier than ever before to claim childcare assistance by paying the childcare rebate fortnightly, as the bills come in, rather than leaving parents to wait until the end of the year to receive any assistance. We understand the burden it can be on the family budget and have done more than any other government to assist parents with their childcare costs and reduce the percentage of their disposable income being spent on such fees.

We also understand that parents want the peace of mind that, when they drop their child off in the morning, they are placing them in the best of hands for quality care. All of the research now provides compelling evidence of the critical importance of the early years and that child care can never again be regarded simply as babysitting. We now know that at this stage, as up to 90 per cent of a child’s brain development occurs, we must offer the best early childhood education and care to contribute to the best outcomes for that child right throughout their life—their developmental outcomes, their social outcomes, their educational outcomes and their health outcomes. That is why we worked to secure agreement with every state and territory government, of all different political persuasions, to agree on the National Quality Framework, which is now nine months into implementation.

The effect of our government’s reforms on our childcare system has been remarkable, and I am today able to share some figures with the House which illustrate this clearly. Some of those opposite have tried to claim that our reforms are causing masses of families to turn their back on approved care, and to turn to what they refer to as ‘backyard care’.

Let us today be very clear about the reality. There are more and more children using child care than ever before because of
the steps we have taken to improve the quality and affordability for families. The figures I am about to outline make this very clear: in the year to September 2008, there was a 1.79 per cent increase in the number of children using care; in the following year, to September 2009, there was a 2.53 per cent increase; in the year to September 2010, there was a 4.56 per cent increase; and in the year to September 2011, there was an 8.97 per cent increase.

It was only a short time ago that we announced that Australia had reached the milestone of one million children using care. Today I can announce a new milestone for our early childhood education and care system. The 2011-12 figures show that, for the first time, there were 1.3 million children using child care over the year. This represents a 20.6 per cent increase in the number of children using care since 2007. The figures also show that an extra 664 approved childcare services opened during the 12-month period. These figures show that there has been a 42 per cent increase in the number of approved childcare centres since we came to government. Never have we seen more children using child care in Australia and in so many childcare services.

More children are getting access to an early childhood education under our government. And more parents are getting the opportunity, for the first time, to return to work and make life better for them and their young families. This is a huge achievement for the sector, for our government and for the nation.

Of course the rapid expansion and growth also brings challenges. But I believe there are some practical things that can be done to make sure more children and families can access child care over the next four years. There are parents, mainly mothers, who cannot return to work and cannot even access the increased childcare assistance provided by the federal government, because they cannot first find a childcare place. In the quickly developing growth corridors, we need to ensure that new areas are not set up with these challenges.

In June, the Prime Minister and I participated in a live blog with Mamamia readers and we heard some of the stories about the difficulty some parents are facing with lack of childcare places. One mother said:

I have had my child on wait lists to get into Child care centres from before he was born. I am due to go back to work in August and they have all told me I won’t get a placement until next year. I am down on a Family day care list too and they too have told me not to hold out for that. I can’t afford a nanny's daily rate, it is more than what I get paid—what ... am I going to do come August to pay the rent and feed my child????

Another mother said:

I listed my daughter for the Sutherland Shire council long day care in March, one week after she was born. I have been told the waiting list is long and I’ll be lucky to get even one day of care within a year. I want to go back to work but not having guaranteed childcare makes this nearly impossible.

A lack of childcare places doesn’t just affect those parents’ ability to make life better for themselves and their families; it also affects our country’s productivity—lost investment in skills, and lost potential in the development of our children, our future workforce.

We also know there are other childcare services with low occupancy rates. Clearly we need better planning—better planning to ensure that supply is meeting the changing demographics of communities, and better planning to ensure excess demand does not result in further increases to childcare prices. Planning is a state and local government responsibility. But I believe that demand is
now so high that, no matter what tier of government you are from, action to increase access to child care must be a top-order priority. That is why I have written to the states to prioritise work to overcome the barriers in their jurisdictions and to look at removing the barriers to the supply of childcare places where they are needed most. I am asking state, territory and local governments to take a hard look at whether zoning adequately reflects the childcare needs of communities in the 21st century—the needs of 1.3 million plus children in care.

We will also push to ensure that regulations and by-laws do not unduly restrict the number of childcare places in new services. I have personally heard from councils which automatically place greater barriers for child care with over 50 places—extra hurdles discouraging investment in much-needed community assets. We are asking state and local governments to look at ways of preventing the problem where new childcare centres are held up for years just to get development consent. We are asking them to look at making sure that building code requirements support the development of childcare services in inner metropolitan areas, not restrict them. We are asking that all governments work with developers to ensure that child care is an integral part of new housing developments, not an afterthought.

I am asking state and local governments to look at best practice in their jurisdiction and bring their ideas to the table about how we can build child-friendly cities and communities into the future. I have announced my intention to work through the Standing Council on School Education and Early Childhood Education to meet this challenge. Local government must be part of the solution and be involved in the way forward.

Our government wants more families to be able to benefit from our historic reforms and investment and we are determined to work to continue to remove barriers and ensure that this is the case.

I present a copy of my statement and I ask leave of the House to move a motion to enable the member for Farrer to speak for 8½ minutes.

Leave granted.

Ms KATE ELLIS: I move:

That so much of standing and sessional orders be suspended as would prevent Ms Ley speaking for a period not exceeding eight and a half minutes.

Question agreed to.

Ms LEY (Farrer) (17:17): I find it a real affront to Australian families that the Minister for Early Childhood and Childcare stands in this place and praises this government’s efforts on child care. It does give an insight into just how out of touch this minister is with the struggles faced by ordinary Australian families. Australian families truly are doing it tough. This government has burdened them with higher electricity prices, rising grocery costs, rising private health insurance and, yes, rising childcare costs. The reality is that the cost of child care keeps spiralling upwards. Childcare fees have jumped 17 per cent in the last two years. The government has slashed the childcare rebate from $8,179 to $7,500 and ceased indexation, making parents even worse off. Many families say that child care is their biggest expense after their rent or mortgage.

These are the statistics that we should be focusing on today. According to ABS data, 110,000 Australian parents say they cannot access employment as they cannot find suitable or affordable child care. Many women are being prevented from re-entering the workforce, which is having a major
Impact on not only their future career progression but also their superannuation balance. Recent research by Suncorp indicated that women were retiring with up to $50,000 less in superannuation than men.

I have done more than 30 childcare roundtables recently—I have done more than consult via the Mamamia blog, impressive though I think that blog is—and I can assure the minister that affordability is front and centre with the parents that I have met. There are parents having to make the heartbreaking decision to leave the workforce because their wages do not cover the cost of child care. There are others who are forced into using backyard care. Those opposite are turning a blind eye. The National Quality Framework for Early Childhood Education and Care was meant to see a higher standard of care for all children, but those outside the childcare system face a very different reality.

Now, the coalition do support the objectives of the national quality framework. We believe, we accept, that smaller teacher-to-child ratios lead to better-quality care for children. I like the efforts to professionalise the workforce in the early years learning framework, although I do have concerns about the quality of some certificate III level qualifications—but they are probably best saved for another day. The issue I do have with the national quality framework is the additional workload it creates for providers. The additional administrative burden is significant, and providers are bearing the cost. These costs, regrettably, are being passed on to families in most instances.

I would just like to touch on the figures that the minister presented today. Regrettably, according to her office, the figures that the minister for child care referred to are not yet public. However, when I compare today’s quoted figure of 1.3 million children in child care over the year with the figure presented just last month in the August 2012 edition of the Office of Early Childhood Education and Child Care update, I find it says there were only 992,520 children in approved care over the year. These are the key findings for the September quarter of 2011. So I am not sure where the extra 300,000 children or childcare places have come from.

I also raise with the minister the fact that, as I understand it, if a child is in before-school care, they take up one place. If they also attend after-school care, they take up another place. If that same child is enrolled in vacation care, they take up a third place. This begs the question: why does the minister’s department, DEEWR, persist in counting these places again and again, as if each represents one child, when in fact the same child in care is counting for three places? I understand the department has been briefed on the concerns about dubious figures from outside-school-hours care groups; I am not sure if the department has filled the minister in.

I understand, too, that at the recent DEEWR stakeholder meeting an increased utilisation rate of nine per cent was provided by the department. I do the sums here and based on this I get an increase of 100,000—nowhere near 300,000. Therefore, I remain sceptical as to the veracity of the statistics the minister has provided to the House today. I want to make the point that the number of places in care does not translate to available, affordable care and stays silent on the issues of the stress that families are under in affording child care to day.

Accuracy of the numbers aside, we are still seeing a very large number of Australian families using child care—of course we are. It is absolutely critical that we have the best system possible. We need a system which supports all families to take advantage of the
economic opportunities of employment. Our police, firefighters, nurses and paramedics should be able to work shift work safe in the knowledge that their children are in the best hands, should they require child care.

I note the minister's suggestion to local councils that they need to ease their planning restrictions for childcare centres. Really it is quite pathetic for this minister to tell local government to sort out their planning issues if this is all the minister can do in response to the childcare crisis. It demonstrates the lack of leadership and understanding of the sector which is so characteristic of this government.

I am quite bemused by this whole ministerial statement. The minister has come into the House; she has released some dodgy stats from her department's annual report, which she will not yet release publicly; and, she said she is writing to local councils to ask them to facilitate child-friendly communities. I guess rhetorically that is not a bad thing to say but it is not describing actions of a determined policy-led government in looking for ways to sort out the mess that is in front of the minister in childcare policy.

There is no major philosophical divide on this issue between the government and the coalition. As I said, the coalition accent is the national quality framework, it supports the early years learning framework and it recognises the need to professionalise the industry. But the coalition recognises something that the government does not—that is, if all these changes ultimately lead to the cost of care that parents cannot afford, the perverse effects will be bad for society, be particularly bad for families and, most importantly, be bad for children. That is the point.

I accept that the minister wants to make a song and dance about the statistics. I would prefer to have further clarification of where they have come from and I also would make the point that they have been counted before the effects of the national quality framework really bite, which will happen in 2014 and in fact is beginning to happen already. You cannot consult with the childcare sector and not get the message. I have done 30 roundtables in the last six months in every single community around the country. I cannot understand why the minister has not received the message that members of the opposition have received.

As I said, we are not talking about a difference of philosophy in the area of child care; we are talking about the cost of child care for parents. The coalition recognises that the policy settings of 15 years ago will not apply to the next 15 years. We have a very sensible approach to ask the Productivity Commission to examine those settings, to have a look at the entire world of female participation in the workforce—usually it is female—and at the cost and availability of child care. The government does not support that Productivity Commission inquiry. It will be one of the first things we do when we are elected to government. We make an undertaking to the families of Australia that we will get this right for them. And a minister who wanders in here with a few statistics from an annual report and a couple of initiatives for local council, as if they cannot work out their own planning issues themselves, is, unfortunately, not honouring the commitment this government should be making.
BILLS

Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010

Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012

Aviation Transport Security Amendment (Screening) Bill 2011

Superannuation Legislation Amendment (Trustee Obligations and Prudential Standards) Bill 2012

Assent

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

COMMITTEES

National Broadband Network Committee

Membership

The DEPUTY SPEAKER (Mr Symon) (17:26): The Speaker has received a message from the Senate informing the House that Senator Smith has been appointed a member of the Joint Standing Committee on the National Broadband Network.

BILLS

Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HOCKEY (North Sydney) (17:27): Some people say that it is very hard to get agreement in this place, but here I am, in the company of my colleagues, with two people in the public gallery to witness this moment: we are rising in support of the government's legislation to amend Commonwealth government securities legislation. The Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012 seeks to establish a market for retail investors in Commonwealth government securities. The government has chosen to facilitate the trading of Commonwealth government securities to retail investors through an indirect beneficial ownership structure. The bill does this by making amendments to the Commonwealth Inscribed Stock Act 1911—which I am sure the people in the gallery have read!—in order to facilitate the trading of retail Commonwealth government securities on financial markets and to allow the Australian Office of Financial Management to carry out the administrative duties arising from the retail market.

The bill also amends the Corporations Act 2001—that was my bill. I introduced that bill into this place with the most significant referral of power from the states to the Commonwealth since income taxing powers. This amends the Corporations Act 2001 in order to ensure that investor protection measures and market integrity provisions apply to the retail CGS market.

The coalition welcomes the idea of opening up investment in Commonwealth securities to the retail market. It has many benefits. Investing in Commonwealth securities allows people to invest in the future of their country—you would hope—and to contribute in a direct sense to the building of the nation—that is, of course, if the debt is being used to build the nation. Unfortunately it has been used, in the main, to paper over the cracks of deficit budgets under Labor over the last four years.

Having Australian households investing in Commonwealth securities helps to finance the government's debt from domestic sources of capital and reduces reliance on overseas financing. This is particularly important at present, when around three-quarters of
Commonwealth government securities on issue are held by offshore investors—in fact, it is probably more than that at the moment. Improving access to Commonwealth securities also facilitates a broadening of investment choices for the retail sector.

It is widely noted that Australian superannuation investments are overly weighted, arguably, towards equities when compared with retirement fund investments in other countries, such as the United Kingdom and the United States. An OECD analysis of retirement income systems shows that equities are by far the largest asset allocation for Australia—nearly 55 per cent, compared to the United States at 45 per cent and the United Kingdom at just 40 per cent. Treasury analysis has shown that domestic equities measured as a percentage of GDP for Australian super funds have risen from just over one per cent of GDP from 2003 to 2007 to just over three per cent of GDP from 2008 to 2011. Of course, there was a period in late 2008 and early 2009 when the equity capital markets raised $103 billion, essentially from superannuation funds, in lieu of rolling over debt or to add to the capital of existing businesses, and that in itself represented a substantial increase.

This year's Budget Paper No. 1 noted:

Since 2008 there has been a substantial shift in superannuation funds' asset acquisition away from foreign equities and debt securities towards domestic equities …

This over weighting to equity seems in part to reflect a lack of alternative investments, particularly in domestically issued, fixed-interest securities. The opening up of the Commonwealth securities market to retail investors, along with the development of an active and liquid secondary market, should help facilitate the development of investor interest in private-sector corporate securities. The long-term objective should be the development of active secondary markets and retail investments in a full range of private and public debt instruments.

Of course, Australian retail investors were once readily able to invest in Commonwealth securities through the mechanism of Australian savings bonds. These were available from 1976 until 1987. They were hugely popular because, particularly during that period, they were high yield and a safe investment which carried no price risk. What I mean by 'no price risk' is that they could be sold before maturity at face value on a month's notice and without penalty after a minimum holding period, no matter what happened to yields in the interim since the date of purchase. Despite their popularity, these ASBs were discontinued—in part because there was a very high administrative cost associated with running them and introducing them.

Under the legislation before us, the mechanism for retail investment will be different from that of the old ASBs. As stated previously, the government has chosen to facilitate the trading of Commonwealth government securities to retail investors through an indirect beneficial ownership structure. Under the model being put forward by the government, retail investors will not acquire the legal ownership of the government bond. Instead, they will purchase a financial product known as a depository interest, which is linked to the underlying Commonwealth government security. This is not quite the same as American depository receipts, but it is not totally different either. Forms of beneficial ownership are already available in Australia for other types of securities. There are two main types of depository interest currently traded on the Australian securities exchange. The first type is CHESS units of foreign securities—known as CUFS—which are issued by foreign entities in order to facilitate the training of their equity on the ASX. The
second type is depository interest issued in respect of private sector debt instruments.

Under the government's proposal, the depository interest provides retail investors with beneficial ownership of the underlying Commonwealth government security. Retail investors will receive their periodic interest and principal payments from the proceeds paid by the government in the same way as they would have if they were the legal owner of the security. The deposit interest will be available in minimum units of $100. The depository interest will be tradeable through market makers appointed by the ASX. These market makers will charge a fee for their services. The coalition expects that competition between market makers will keep the fee to reasonable levels, provided that there is sufficient demand.

The coalition welcomes the opening—or rather the reopening—of the Commonwealth securities market to retail investors. It also welcomes the security of the product, because a bond issued by a corporation is of greater security than an equity. In the event of a company falling over, a bondholder usually ranks ahead of equity or shareholders, so corporate bonds generally are a more secure investment. But, in the retail space, one of the reasons that there is a drift towards shares over equities is that you can receive a fully franked dividend. This is so in a number of cases with a number of companies with a share, but you do not get the same beneficial tax treatment with a corporate bond. Having said that, obviously this does not apply to the Commonwealth government, because we do not have shareholders but constituents. The benefit of this is that in a retail market it effectively becomes a benchmark yield and, therefore, hopefully—this is one of the reasons we support this—it will start stimulating greater retail interest in the corporate bond market, which at the moment is very small.

The bill has given issuers of CGS depository interests exemption from the product disclosure statement requirements under the Corporations Act. This is a very good thing. Many product disclosure statements are unreadable. It is interesting: the government excludes itself from the product disclosure statements but expects everyone else to put them out. That really says it all about the red tape which this government has become rather famous for. It does not want to apply the red tape to itself, but all the issuers of bonds and everyone else out there—anyone who buys a financial product—has to have one of the convoluted product disclosure statements.

Mr Bowen interjecting—

Mr HOCKEY: I introduced them, but they were never meant to butcher commercial activity in the way they have, with their extremely onerous requirements. In their place, the bill requires the Australian Office of Financial Management to issue disclosure documentation for all retail investors on the basis that this would be more efficient than having the nominee companies prepare and release the information. So let's give the government a rare tick. This is good; we are heading in the right direction.

The government have, on average, introduced 11 new regulations a day since they were elected—18,000 new regulations. Mr Deputy Speaker Murphy, you would be appalled at that. The government has introduced 18,000 new regulations since they were elected back in 2007. I think they have only abolished 86. They have introduced 18,000 regulations and they have abolished 86. That is outrageous, as I am sure you would know, Deputy Speaker.

Unlike the old Australian savings bonds, the new depository interests will not be redeemable for the price that we talked about
that was paid. Their market value will vary in line with movements and yields. That will mean that the redemption value prior to maturity will be uncertain. They may be worth more than what was paid for them or they may be worthless. Retail investors need to understand that there is virtually no credit risk, although if these guys keep running the budget the way they are, you never know; but I am not going to suggest there is credit risk with the government. Although we did just see South Australia under Labor downgraded from AAA by the ratings agencies, which is hugely disappointing. Compare and contrast that with New South Wales and Queensland, which are working desperately to hold their current credit ratings—and this government criticises them for it, but that is by the by.

Mr Bowen: You support the education cuts?

Mr HOCKEY: You know what, we always have to repair the job when Labor gets in. We always have to do the hard yards.

The DEPUTY SPEAKER (Mr Murphy): The member for North Sydney should address his comments through the chair.

Mr HOCKEY: Well, the minister interjected, and I am just addressing the minister's comment. It is always up to us to do the heavy lifting, Mr Deputy Speaker. You would appreciate this. Labor is elected, they spend all the money and then we have to come in and fix the joint. That is exactly what is happening in Queensland, New South Wales and Victoria. Why do we have to climb the mountain every time? We saw the hypocrisy of the Treasurer today, when he was crying crocodile tears about job losses in Queensland, saying it was outrageous that there are job losses in Queensland, and his own budget papers show that he is sacking over 3,000 people here in Canberra.

Mr Laming: Oops!

Mr HOCKEY: Yes, crocodile tears—not a surprise from this government.

In order to facilitate a deep and liquid corporate bond market, there needs to be a sufficient volume of bonds on issue. In the wake of what we have just discussed, I want to issue a warning to this government that facilitating a greater pool of investors and a bigger supply of potential capital through the opening of the Commonwealth market to retail investors should not be used as an excuse to increase the overall level of government debt. This government is already at modern-time record levels of debt. If there were a debt Olympics, these guys would have just won gold. Since coming to power in 2007, they have increased the debt ceiling limit from $75 billion in 2008 to $200 billion in 2009 to $250 billion in 2011, and this year they say, 'We are going to run surpluses and start paying off the debt, but we need to increase our card limit to $300 billion.' How many of us would love to be able to go to the bank and say, 'We are going to increase our own credit card'? They are going to pay $12 billion a year in interest. That is 1½ national disability insurance schemes each year, or, to put it another way, that is the carbon tax and the mining tax and more each year just to pay the interest on the Labor Party debt. Well done, Labor!

In only 4½ short years the government has turned around the good ship of state from $70 billion of net assets to $143 billion of net debt. It is quite an achievement. I suspect people like Alan Bond would have gone to jail for that, but not these guys: they pat themselves on the back and tell each other they are doing a great job and how important it is to keep the ship of state on track.
In the budget handed down in May we saw the deficit for the last financial year double in only 12 months. They said: 'Don't worry. We are going to have a deficit of $22.6 billion. We are determined to contain that deficit, so that is why we are going to have a flood levy. We are going to impose a flood levy on Australians of $1.72 billion because we are so determined to keep the deficit at $22 billion and start paying off the debt.' Lo and behold, what happens? The deficit goes from $22 billion to $44 billion.

Lucky you had that flood levy. Gee, that was a great idea. Let's impose a flood levy, undermine consumer confidence, undermine business confidence. But it will all be okay, because we will maintain the state of the budget, and the budget deficit doubles. Well done, Labor. Who knows what the final budget outcomes will look like? We know what they are up to: they are freezing grants and shuffling money between years, desperate to get that ever elusive surplus. The problem is that they are leaving us with a structural problem that may well take a generation to fix, because what they are doing is betting on a mining boom—a mining boom that their own resources minister said has come to an end—which undeniably will have an impact on revenue.

There are a few issues here that need to be addressed. In order to foster that liquid and deep corporate bond market the government should think about the issue of equalisation of tax treatment between income from equity investments and income from debt. I am not saying in any way that we would reduce that but, if you want a liquid retail bond market, it is an issue that does need to be addressed. As I said, the after-tax yield on Commonwealth securities may not look all that attractive relative to the fully-franked returns on equities but, if there is a change of government, companies will be more profitable, the return on equities will improve and there will be less need to have government debt.

As it stands, investors are able to receive a tax concession in the form of franking credit, which I addressed a little bit earlier, and that is an incentive to go with equities over debt. What we saw in the May budget this year was the government abandon its mining-resource-rent-tax-funded initiative to offer a 50 per cent discount on interest income earned by households. The tax incentive in the form of a franking credit on equity investments compared to the tax treatment of interest income from CGS will impact the minds of some investors when deciding on their investment strategies. Without any policy initiatives to dress the equalisation of tax treatment for CGS, it is difficult to see how retail investors will react to the establishment of a new market. Further to this, the coalition also believes that an education process should be undertaken to inform retail investors of the steps the government has taken in order to foster development of the market. This should be accompanied by measures to promote the new market. Obviously, these initiatives should be undertaken in conjunction with industry.

Finally, I would like to use this opportunity to restate the coalition's commitment to a financial system inquiry. I have been calling for a root and branch review of the financial system for over three years. I even released draft terms of reference for such an inquiry. I am not saying those terms of reference are definitive. Obviously there are a number of issues that need to be addressed, but it is our policy to have a son of the Wallis financial system inquiry or a granddaughter of Campbell—given that we do not want to be sexist in any way. The Campbell inquiry was the first major inquiry into financial services system, initiated by John Howard. To his
credit—I am feeling so magnanimous today—Paul Keating deregulated the banking system, provided licences to new entrants to the market. That was hugely important although a little rocky during the eighties with the free availability of credit, but it was a systemic change initiated by John Howard. The coalition in government initiated the Wallis inquiry of the financial system, which was hugely important in helping to inoculate us against the volatility that came with the global financial crisis.

The signature initiative to come out of Wallis—which I would suggest should not necessarily be revisited—was the three-pillars approach to financial system regulation. Having the Reserve Bank deal with the general economic issues, having a separate prudential regulator and having a corporate regulator together was a hugely important initiative. During the financial crisis, each of the three pillars was able to deal with the challenges and they were able to work together—unlike the Financial Services Authority in the UK—each addressing a different crisis riddled part of the global crisis. It meant that our resources were well deployed across the agencies and could deal with the challenges of that crisis.

As stated at the outset, the coalition will support the passage of the bill. I have outlined a number of initiatives for the Commonwealth to consider following this. We do want to see a deep and liquid corporate bond market. Government securities are important in setting a benchmark yield curve for the corporate bond market. As I said before, I would like to see longer-dated Commonwealth government issuance, which would help to create a benchmark yield curve for the market. I expect that will have to wait for a change of government, but we will watch with interest how this goes and we will support the bill in the House.

Ms O’NEILL (Robertson) (17:52): I too support the Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012. It was indeed a rare moment: I think we did have two citizens in the public gallery but after that riveting performance they have departed the scene.

Mr Laming: They knew you were next!

Ms O’NEILL: I am sure they will be pouring in when they hear what I have to say about the opportunity that the Labor government is legislating in this bill. The member for North Sydney claims that he supports this bill, but you would hardly know it from the way he spoke. He returned to form in the way of so many on the other side with a trashing of our economy, talking it down, ignoring the fact that there is so much to celebrate in this great country of ours and so much to celebrate in the strength of our economy.

I noticed the praise that the member for North Sydney had for the regulators. That is a good thing, because regulation is a critical element of Australia's success in riding out the storm of the global financial crisis. We received a very different response when it came to believing in the stimulus package that we implemented to make sure we kept Australians in work.

This bill, which is supported by the Liberals, is not the sort of legislation that reveals their values, but it certainly reveals ours. It is about making a great financial product to ordinary mums and dads and ordinary investors: ordinary Australians who want to make sure that they secure their future with a very useful financial product which will become available.

I am very proud to stand in this place today and talk about another great reform being made by the Gillard Labor government, the Commonwealth Government Securities Amendment (Retail
Trading) Bill 2012. This is a reform for our nation, certainly a reform for our finance sector and a reform that will engage individual Australians who have an eye on their future. It is another plank in our Competitive and Sustainable Banking System package that was announced shortly after the last election.

This bill aims to improve protection for consumers in banking services. It also aims to support our smaller lenders so they can grow and thrive and put downward pressure on service prices and increase pressure on the big banks, which has been a significant imperative for us in the changes that we have undertaken in the financial sector. This bill aims to secure the long-term safety and sustainability of the Australian financial system by reducing recurrent reliance on offshore wholesale funding markets by opening up new markets right here on Australian shores.

Despite the doom and gloom, endless carping and relentless negativity of those opposite, for the first time in our history Australia has been awarded a gold-plated AAA rating from all three global ratings agencies.

Mr Laming: Has South Australia got it?

Ms O’NEILL: Let us just talk about Australia once more. I notice that on the other side we have a member who could not wait for the moment to jump in with another negative, damning indictment of something in Australia. There is so much to celebrate here, but they will always look for the negative; they will always talk us down instead of talk us up. Australians are getting well and truly sick of that. When 1 July came Australians saw that it was mythology that had been created by those on the other side, and they are just starting to wake up to the fact that there is a great Australian future out there for them to be a part of.

I state again the very important, historic fact that for the first time in our history, right now under a Gillard Labor government, with a leading Treasurer, Australia has a gold-plated AAA rating from all three global ratings agencies. To put that in perspective, which is something you will never get from those opposite, we are one of only eight nations around the world to achieve this with a 'stable' outlook. That critical perspective is a lens through which we can see just how strong the Australian economy is and how secure the fundamentals of this economy are.

We are in a great position at this time to move these amendments that introduce a retail market for Commonwealth government securities and develop further deep and liquid bond markets for corporate and, now as a result of this legislation, for retail bond owners. These reforms will make it possible for mum and dad investors to buy into some of the safest bonds in Australia. This, at heart, is Labor policy. It is to make accessible things that those opposite would make and keep inaccessible, things that are vital to success in our country, things such as education and things such as financial markets with low risk. This is important for ordinary Australians and we are doing that. It is at the heart of Labor policy.

We are aiming at enabling everyday Australians to invest in their own nation safely and with guaranteed results, and we intend to use that to help pay for a better future. Giving everyday Australians this opportunity is an important first step in introducing thousands of individuals and families to the share market and to the benefits that come from investment. Perhaps that benefit will be some extra retirement income; perhaps it will be to help prepare for the purchase of a second car or a new house or maybe it will be to help Australians become just a little more comfortable from day to day.
These changes will provide retail investors with a benchmark for other investments and opportunities in the finance world. Similarly, for those Australians already engaged in the share market these amendments will also provide the opportunity for a more diversified portfolio by creating a relatively safe buy-in and a steady dividend at maturity.

While the allure of a high-risk investment is something that appeals to some, there are many who are certainly not interested in high-risk investment. It is certainly not a great place to start—the high-risk investment end. People want to start somewhere safe when they first get involved in investment, and this Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012 will enable so many people, previously unsure of their footing in the market, a place to wet their toes and get started on their journey of handling and managing their own investment.

A couple of weeks ago in our last sitting period I had a visit from the students of Umina Public School. At the time that they were visiting and sitting upstairs I was actually speaking on our MySuper provisions. I took the opportunity when I went out to speak to the kids to ask them if anybody knew what superannuation was. I can certainly say that, when I was a student in year 6, superannuation was not anything that I knew about or had heard about and it certainly was not anything that my parents had or knew about or would talk about. It was the Labor Party that brought superannuation in and made it a feature of our economy and a feature of the lives of those people who rely on Labor to give them a fair chance and to give them dignity in retirement and the freedom that a lifetime of hard work and saving can make possible with the support of a superannuation structure.

When I left the chamber and went to meet those students there were a few who at the tender age of 11 and 12 knew what superannuation was. When I explained to them that if they were fortunate enough to get a job in Umina down at Woolworths, Coles or any of the other small traders in that wonderful shopping strip on the Central Coast—which people should come and visit to help out with our tourism industry—the students were very pleased to understand that their retirement was going to be part of the consideration for the future because of what this Labor government had done.

When that came in there was a degree of financial literacy that was much lower than is currently the case. Right now this bill will have a product come onto the market that will make it so much easier for ordinary investors to move forward safely and take an investment of very low risk with government bonds.

In their submission to ASIC on this piece of legislation, the National Australia Bank indicated that there has been an increased demand for these securities driven by more and more local investors moving into retirement. We do have 4.6 million baby boomers reaching retirement with a higher level of education than many who reached that age in former decades and a very great interest, because of their growing financial literacy through their engagement with their superannuation, in how they can make their money last them better. Many of these boomers have already got some money in the market and, after the learning experience of the global financial crisis, they are very much looking at decreasing their level of risk and diversifying their portfolios. The Reserve Bank has also noted that some other investors are moving their portfolios away from high-risk, high-yield financial assets in favour of lower return but less risky deposit based assets.
Due to their relative difficulty to acquire, bonds currently make up less than one per cent of self-managed super funds. But, once this legislation is enacted, it would be beneficial for an emphasis to be put on education about these new financial assets. For many ordinary Australians there will be a dictionary of new terminology that they would previously have been unfamiliar with, but they have increasingly become familiar with the risk of volatile markets and volatility in interest rates. Through that awareness, Australians are ready to engage.

I want to take the opportunity now to highlight the fact that ASIC is overseeing a significant effort to increase Australians' financial literacy. For those who are in the gallery this afternoon and those who are listening, a simple google search of financial literacy will bring up the www.financialliteracy.gov.au site. That is the first thing that will appear. There are a number of links to wonderful programs in there that can help people develop financial literacy. It is never too late to start learning new things. If people do not have a great understanding of the financial market and they are interested in financial literacy this website is a wonderful place to start.

There is a link to a site called MoneySmart which I understand has a very good mobile app. I happened to see a couple of young people discussing this and looking at this mobile app in a local public bar recently. A few questions were being answered by using that MoneySmart website. Very importantly too, the MoneySmart website has a teaching component so that teachers who want to do real-world literacy with their students can use these tools to engage in financial literacy awareness as well as teaching them important management skills.

While this will be a new opportunity for many Australians, there will be a requirement that efforts are taken to ensure protection for new investors. These measures will ensure that financial services providers will have to comply with a range of licensing, conduct and disclosure requirements when they provide their services in relation to Commonwealth Government Securities depository interests. As an example, financial advisers providing personal advice to a retail client about CGS depository interests will have to be licensed and supervised by ASIC before they can do so. They will also have to give the client a statement of advice setting out a range of information relating to their advice, as required under the law.

The amendments in this bill will also require information statements to be provided to retail clients when they are given personal advice about CGS depository interests. The information statements will take the place of the product disclosure statement that is usually required for a financial product. The government considers that tailor-made disclosure documents are appropriate for CGS depository interests because they are a particular type of safe and simple investment.

The establishment of an active retail CGS market will constitute an important step in the formation of a deep and liquid corporate bond market, and I look forward to the opportunities that this will bring to Australians across the nation. This is a critical reform, and I commend the bill to the House.

Mr ROBB (Goldstein) (18:07): We have just heard a contribution from the government, from the member for Robertson, who made some fairly disparaging remarks about my colleague as she opened her remarks. I do not think the
member for Robertson, having listened to her now for a few minutes, is really one to judge what is riveting or not, on that performance. But I do say that we support this initiative. It is a good initiative. It is a good thing that small investors will be able to access government bonds through a retail facility.

Again picking up the member for Robertson's rhetoric, I would not get too carried away. It is a good thing—I am not putting it down—but I do not know that it is one of the greatest financial reforms in the nation's history. It is not going to add great depth and liquidity to the Australian bond market. It is a good initiative. It is an important one, but let's not get carried away. There are further important steps that I think need to be considered in this regard.

The fact of the matter is that, as the member for Robertson has said, there is a cultural issue which seems to militate against investments in debt rather than in equity products. What we have found is that compared with other countries, despite having substantial superannuation funds, the proportion of those funds held in products which give an annuity or a fixed return is much, much lower than what is typically the case in retirement funds elsewhere in the world. Currently, out of the $1.3 trillion, about 16 per cent is in investments which give a fixed return. I think the US is next at about 30 or 35 per cent, but typically for the developed world we are talking about 45 to 50 per cent as the proportion of retirement fund assets invested in products which give a fixed return.

With many Australians having significant superannuation holdings, going through the global financial crisis and finding that the money put aside for their retirement was substantially diminished because of the preoccupation of so many of our super funds with equity products rather than a combination of equity and debt products, people have suffered accordingly. So there is a greater interest in, and there should be a greater interest in, doing whatever we can to encourage a greater portfolio spread amongst investments, including among self-managed funds.

The large super funds have been able to access government bonds and securities through the wholesale market. This initiative does not increase liquidity for banks or large insurance companies in their investment portfolios across fixed products. But self-managed funds, which are becoming increasingly attractive—I think they are now the biggest fund as a category within the range of superannuation fund organisations—have not been able to access wholesale funds. I think that perhaps the most important part of this initiative is that we will now find an opportunity for people running their self-managed funds to have access to a product which may return less but which has much greater safety, security and certainty about the return.

The other thing is that this initiative will not add new money or new liquidity in any great sense. The government debt is out there and is accessible now on the wholesale market to our large institutions. But we know that Australian companies are issuing more than $26 billion to global markets in corporate bonds, yet only about $6 billion was issued in the domestic market. A lot of that is to do with the complexity of issuing and often the difficulty of purchasing government securities compared with other products.

This may well lead and should lead to consideration of a broader retail corporate bond market, which may attract companies and some of that $26 billion, which would be extremely important. That would be a reform of great moment because it would potentially attract a significant part of that $26 billion,
which is currently being placed overseas on the corporate bond markets, back to Australia. When you have issues such as Basel III and the increasing demands and restrictions, if you like, on our major banks and other financial institutions in terms of the capital base that they are increasingly required to hold, we do need to look very seriously at a range of products which will attract more capital and more diverse forms of capital into our financial market.

In this bill in particular, though, we have in front of us not an opportunity for the retail corporate bond market but an opportunity to reinstate a retail market for government bonds not dissimilar to that which existed some 20-odd years or 30 years ago. There are distinctions, though, and they are important ones, in the way in which this has been structured, which again we support. The government has chosen a model of indirect beneficial ownership to facilitate the retail trade, which basically means that retail investors will not acquire legal ownership of the actual debt security; they will acquire a financial product—a depository interest, as it is called—which will be linked to the government security and linked to its performance. The product will provide the purchaser with a beneficial stake in the government securities. It is a neat way of providing a system where selling can be done through intermediaries and managed so that the clearing and settlement facilities for debt can be dealt with efficiently and without too great a cost. The current system, as it has stood, has not been equipped really to deal with settlement of trading directly to retail investors. Hopefully what we have before us will overcome that problem where the market has been inaccessible to retail investors, albeit that it is simply for government bonds in this case.

While this is a small step towards adding depth and liquidity—and access, more importantly—to the Australian bond market, there needs to be further clarity about the actual mechanics of this model on a couple of fronts. Firstly, there should be equalisation of tax treatment for income from equity investments and income from government securities. Currently, investors are able to receive a tax concession in the form of an imputation credit on dividend income received from equity investments, while interest income received from government securities is taxed at marginal tax rates when held by an individual. A tax incentive for income from equity investments creates a distortion in investment choice which will need to be addressed by the government with regard to the legislation we have before us.

Secondly, there needs to be an education process in order to inform retail investors. Again I state the importance of self-managed superannuation funds, where there is a large body of investors who could and should be considering these sorts of investments in many cases, to give greater certainty and to have a body of investments which are secure because they are government bonds. There needs to be an education process in order to foster the development of this market. It should be accompanied by measures which foster the promotion of a market in conjunction with the industry.

Finally, the arrangements for prospectus requirements will need to be reviewed. Currently, the government has exempted issuers of government security depository interest from having to provide investors with product disclosure statements, giving the AOFM sole responsibility for preparing disclosure documents for retail investors.

The other issue is an issue which was dealt with some years ago, when the
previous government, the Howard government, found itself in a situation where it had no government debt. That was related to strong financial management. It is not a problem that confronts this government, which has record debt and rising—and all the states where there have been Labor governments are lumbering under masses of state government debt. We have gone from debt which, in net terms, was nearly zero to debt now approaching, in gross terms, half a trillion dollars. The issue that Peter Costello confronted, as to whether we should have the issue of government bonds at all, will not have to be addressed again for a long time, I suspect. But it was resolved—I think importantly—that, given the complexity of the market, and all the range of investors these days, a government bond market, both wholesale and retail, is important and we do need to have government bonds available for those purposes, to provide that greater liquidity. As I said, that is not a problem that will confront this government. In fact, it will hand over at some stage—hopefully at the next election—to us.

Mr Shorten: Don't count your chickens!

Mr ROBB: I said that I hope that at the next election it will hand over to us. As my colleague said in this chamber just a few minutes ago, it seems always to be the case that Labor gets in, spends the money, creates a problem and then we are required to fix up the mess. Then, when we do, we get pilloried, as the Queensland government and the New South Wales government are getting pilloried on a daily basis in this House for trying to get the books in order, for trying to get some semblance of sound financial management back into government. No doubt we will confront the same problem.

Finally, I just want to make the observation that we should not stop with a government retail bond market. There is every good reason to look to a corporate retail bond market. It is grossly underdeveloped at the moment. It is extremely difficult, if not impossible, to really access. It has a concentration of issuers and relatively short maturities. The key to adding genuine depth and liquidity in debt markets is through the serious development of a corporate retail bond market. Once this bill is through and bedded down, all eyes should turn to that exercise.

Mr STEPHEN JONES (Throsby) (18:22): It is a great pleasure to be speaking on the Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012, otherwise known as the retail trading bill. Of course, Deputy Speaker, as you know, this was an important part of the government's banking and financial reform package.

It is an even greater pleasure that I follow what might be described as the bookends of the coalition's economic management team—sometimes described, perhaps, as the bookends, sometimes as competitors for the mantle of the principal economic spokesperson. We saw earlier the member for North Sydney huff and puff. He comes in here and makes a hell of a lot of sound and noise and fury, rarely very much sense. Sometimes he speaks on the subject before the House but rarely does. So you have the noisy end of the coalition's financial spokesperson team, and then you have the member for Goldstein, who on some days, like today, could pass as a rather fancy substitute for Horlicks on a cold winter night—not the sound and fury or the noise and rarely the same content either.

But there are serious matters before the House, and this bill is one of them. I will address the matters in the bill and then I will go to some of the matters that have been
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raised by the member for Goldstein and the member for North Sydney, because they really do need to be debunked. The bill amends the Commonwealth Inscribed Stock Act 1911 to enable the Australian Office of Financial Management to make payments in relation to depository interests in Commonwealth government securities. It is intended that these depository interests will be quoted on financial markets, thereby making them available to retail investors. The bill also contains amendments to the Corporations Act 2001 to ensure that depository interests in Commonwealth government securities are subject to the investor protection and market integrity provisions within the legislation.

One of the key objectives of the federal government's banking package, which was announced in 2010, was to secure the long-term safety and sustainability of the Australian financial system, some domestic sustainability, by reducing reliance on offshore wholesale funding markets but also to ensure that domestic borrowers were not subject to the significant swings in the costs—at that point in time, a significant increase in the costs—in borrowing from offshore wholesale markets. One of the ways that we decided to achieve this was to foster a deeper and more liquid corporate bond market and thereby trading of Commonwealth government securities on financial markets, making it accessible to retail investors. This is a crucial element of this proposal because it provides retail investors with a visible pricing benchmark for investments they may wish to make in corporate bonds. Establishing a strong liquid retail market in the premium debt security—that is, Commonwealth government securities—is a critical step in the formation of a wider retail debt market, including corporate debt.

Following consultation with stakeholders, it has been decided to adopt an indirect or beneficial ownership type of trading model whereby retail investors will be able to buy and sell a derivative known as a depository interest in the Commonwealth government securities. It is a widely used model. There are already about 80 types of depository interests which are traded on the Australian Stock Exchange, and more are expected. Based on this model, retail investors will be able to buy and sell depository interests in Commonwealth government securities in the same manner as any other listed share.

Owners of Commonwealth government security depository interests will have the same claim to payments of principal and interest as if they owned the underlying security itself. As the current legislation does not contemplate beneficial interests in Commonwealth government securities, the amendments in the bill are required to ensure that the necessary payments of principal and interest, as well as costs and expenses, can be made in connection with the issue, sale and management of depository interests in the security.

In order to enable the retail trading of the security to commence, proposals and tenders have been requested from industry stakeholders for the provision of commercial services necessary to implement this policy. The government anticipates that trading will be able to commence on at least one such market in the very near future.

The bill will also ensure that the investor protection and market integrity provisions apply to the security depository interests. These measures will ensure that financial services providers will have to comply with a range of licensing, conduct and disclosure requirements when they provide their services in relation to the CGS depository interests. The amendments in the bill will
also require information statements to be provided to retail clients when they are given personal advice about CGS depository interests.

The government considers that the tailor-made disclosure documents prepared by the AOFM are appropriate for CGS depository interests because they are a particular type of safe and simple investment. The government will ensure that these information statements will be made available to the public on a dedicated website, together with other information related to CGS. Financial advisers will be able to download and print out the information statements from this website before talking to their clients.

As I said at the outset, these measures deliver part of the banking package commitments which the government announced in December 2010. The banking package was announced in the wake of the global financial crisis, as the government sought to steer our economy and our financial system through an unprecedented set of global circumstances. The government has been acutely aware of the impacts of the global financial crisis on our competitive outlook for our banking sector. I have to say that the performance of the Australian banking system, and indeed the Australian economy as a whole, as we wove our way through the global financial crisis means that Australia is the standout economy of all comparable economies throughout the world. In Europe, countries are really struggling under burdens of debt that would be unimaginable in this country and under record levels of unemployment. I recently visited one such country, for example, which had unemployment rates in excess of 20 per cent. They would be envious of the sorts of issues that we struggle with in this country.

Of course, we get little recognition from those opposite for the way we managed the economy through this crisis, but we get plenty of recognition when representatives of the Australian government or Australian businesses travel abroad. It is widely recognised that due to the actions of the Australian government we are now the beneficiaries of nothing more and nothing less than the Australian miracle.

It did not have to go that way. If we had listened to the advice of the coalition, particularly the member for North Sydney and the member for Goldstein, we would have been struggling under record levels of unemployment. Some people suggest that had we not acted quickly to stimulate the economy we would have been seeing in excess of a half a million people unemployed instead of having unemployment levels below five per cent and having our economy dip out of growth for only one quarter throughout that entire period. We have seen our economy grow on trend on average for each of the years we have been in government. We have an unemployment level that is the envy of the world. Many state governments are trying to attack that by laying off public sector workers in levels not seen since the Howard government was in office, in 1996 and 1997. But, by and large, through the sound financial management of this government we have low unemployment, and that will continue to be our driving objective, because nothing is more important to a Labor government than ensuring people have jobs—decent jobs, good-paying jobs and secure jobs.

I heard the contributions from the member for Goldstein and the member for North Sydney, who tried to puff up their economic credentials, particularly the member for North Sydney. I had to laugh because this is the same man who was having thought bubble after thought bubble two years ago when it came to policies around banking sector reform. This is a guy who quite
seriously tried to politicise the Australian government's longstanding membership of the International Monetary Fund and bipartisan approach to our membership of it. He tried to get some political leverage out of us renewing and improving our quota arrangements and security arrangements with the International Monetary Fund.

Talking about structural deficits, the structural deficit we inherited from those opposite was something we spent our first year and a half in office addressing, whether it was the extreme growth in middle-class welfare or the handouts and the boondoggles to the National Party members and the National Party seats.

Mr Laming: Give an example.

Mr STEPHEN JONES: I am asked to give an example. What about the 'roads to nowhere' program? What about the 'networking the nation' program? What happened to the proceeds from the first tranche of the sale of Telstra, T1? We were supposed to be putting that into a fund to network the nation. They have asked for an example of where their failed economic policies have left us with a burden. What about the nine failed broadband plans? Not only did they squander the money they gained from the first three tranches of the sale of Telstra, but in their entire time in office they have not come up with a plan to connect broadband services to the regions throughout Australia where they are greatly needed. They left us with a structural deficit and they left us with infrastructure in a dire state of disrepair. Infrastructure Australia estimates that there was a $46 billion deficit, which we have set about fixing up. They left us with a tax-to-GDP ratio at record levels, yet they like to talk about themselves as a low-taxing government. This will be the first coalition government in living memory that is going into the next election on a promise to increase company taxes, increase personal taxes and decrease pensions. We on this side are interested in managing the economy in the interests of working people. With those on the other side you could not use the words 'managing the economy' when it comes to their propositions.

I want to talk about unemployment, because we have done our level best to ensure we manage spending. We have had the fastest fiscal consolidation in the history of this country as we are living up to our promise to return the budget to surplus, and that requires some tough decisions. But what we are not going to do is take the meataxe to the Public Service, as is being done by the Queensland and New South Wales state Liberal governments. Those on the other side of the chamber are cheering as their mates in Queensland are slashing 14,000 jobs from the Queensland economy, a measure that on its own could have the impact of driving the state into recession. The impact of withdrawing that number of jobs and salaries from regional Queensland will be absolutely devastating, and it is happening in New South Wales as well.

The Commonwealth government has a policy of increasing the size of the education pie. The government is trying to increase the funding that goes into the education bucket but we see the Liberal Premier of New South Wales, with the biggest chisel and hammer he can get his hands on, putting a dirty big $1.7 billion hole in the bottom of that education bucket. So, their claims to sound financial management do not withstand scrutiny, and they need to be exposed at every turn.

That bull in a china shop, the member for North Sydney, stands here and says that we have to fix up the problems, when it is this side of the House that has fixed up the neglect, waste and mismanagement of those
opposite, and we will continue to do it. This legislation is just another piece of the legislation that is a part of that package. We are reforming the banking system and the financial system and managing our economy in the interests of ordinary working people.

(Time expired)

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:37): I thank the honourable members who have taken part in the debate on the Commonwealth Government Securities Legislation Amendment (Retail Trading) Bill 2012. Trading of CGS on a retail financial market is important because it provides retail investors with a visible pricing benchmark for corporate bonds. Trading of CGS on retail financial markets is, therefore, an important step in the formation of a wider retail debt debate. Building a deep and liquid domestic corporate bond market will in turn help reduce our reliance on overseas wholesale funding markets and help harness our national superannuation savings so we can domestically fund more productive investment in our economy.

The government has consulted with industry stakeholders on how retail CGS trading should be implemented and has decided to adopt the model based on depository interests in the CGS. The bill makes a number of necessary amendments to the legislation to allow retail investors to start trading and investing in depository interests in CGS. The bill ensures that the investor protection and market integrity provisions in the Corporations Act 2001 apply to retail CGS. Financial services providers will have to comply with a range of licensing, conduct and disclosure requirements when they provide their services in relation to CGS depository interests. The bill will require special information statements to be provided to retail clients when they are given personal advice about CGS depository interests. The government considers the tailor-made disclosure documents are appropriate for CGS depository interests, given they are a particular type of safe and simple investment. The government will ensure that these information statements provide concise and targeted information on CGS depository interests and will be made available to the public on a dedicated website, together with other information related to CGS.

There were some contributions to this debate from those opposite, and I know that the member for Goldstein has returned to the chamber. Listening to the member for Goldstein, you would be led to believe that the state of the Australian economy was something akin to the state of the Greek economy or akin to the state of the Spanish economy. In fact, I use those references because they are the deceptive comparisons that have been made by the Premier of Queensland and, indeed, by those of his colleagues in New South Wales. These are the deceptive and the misleading comparisons that have been made by your state Liberal colleagues. And what have they done? They have used these deceptive and misleading comparisons as a basis for hacking the living daylights out of services and ripping away jobs—ripping them away.

What we have seen in Queensland and New South Wales today from your Liberal and National colleagues is exactly what the Australian public will see if you ever get your hands on the levers of power in this country. You have a $70 billion black hole. What we saw in New South Wales today was $1.7 billion worth of cuts. You have a $70 billion black hole. That is only $1.7 billion, and look at the damage that can be done with cuts of that magnitude. There are parents who have picked up their kids from school across New South Wales today—and it does
not matter whether they go to a government school, a local Catholic school or an independent school—and been greeted with the news that funding to the tune of $1.7 billion has been ripped out of the education budget. This is something that the people of New South Wales are not going to cop lying down. But, every time someone in New South Wales joins one of the inevitable protests that will occur over the coming weeks, I ask each and every one of those people to just reflect upon the damage that the Liberals have done with a $1.7 billion cut and magnify that by about another 70 times, because that is the extent of the damage that is going to need to be done by ripping away services and cutting jobs in order to fill the $70 billion black hole that even the member for Goldstein acknowledges exists.

His colleague has sought to walk away from it, even though he mentioned it on morning television. But now we see the member for Goldstein continues to make the point. I heard his interjection a bit earlier where he said, 'Oh, well, that's the price you pay if you want to have the sort of debt you people have saddled us with.' Our net debt as a percentage of GDP is about a 10th of that of our major economic competitors' across the globe—about a 10th. It is misleading, it is deceptive, but it is what Liberals do. If you vote for a Liberal government, sooner or later you will get one. And what do they do? Sooner or later they rip away funding. They cut services and they cut jobs. If you need any evidence of that, look at what they are doing in New South Wales and look at what they are doing in Queensland.

Mr Shorten: And Victoria.

Mr BRADBURY: The minister mentions Victoria. So if you want to see the damage they can do, look at that $1.7 billion worth of cuts and magnify it by another 70—$70 billion, that is the black hole they have got to fill. So when they come here and talk about debt and talk about these ridiculous comparisons with countries that are performing so poorly, they are trying to soften people up so they can do exactly what Premier Newman and Premier O'Farrell and Premier Baillieu are doing.

This is an important bill. This will play an important role in developing a deep and liquid corporate bond market. It is a critical reform that is part of the Gillard government's broad agenda to promote Australia as a leading financial services hub and to boost our reputation as one of the most attractive investment destinations in the world. Irrespective of what those opposite seek to say, we continue to be one of the best investment destinations in the global economy.

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 BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:45): I present a supplementary explanatory memorandum to the bill. By leave—I move government amendments (1) to (3) as circulated together:

(1) Schedule 1, item 3, page 3 (line 24), at the end of the definition of depository nominee, add: ; or (c) has a beneficial interest in.

(2) Schedule 1, page 4 (after line 30), after item 7, insert:

13C Arrangements etc. relating to stock and depository interests

On behalf of the Commonwealth, the Treasurer may enter into, vary, administer or otherwise give effect to a contract, agreement or
arrangement relating, directly or indirectly, to one
or more of the following:

(a) the issue, management or transfer of stock
or depository interests;

(b) the trading of stock or depository interests
on a financial market;

(c) services relating to one or more of the
following:

(i) a registry that relates to stock or
depository interests;

(ii) a clearing and settlement facility;

(iii) depository nominees.

(3) Schedule 2, item 2, page 13 (line 8), after
"3A.", insert "13C."

**Mr ROBB (Goldstein) (18:46):** I rise to
indicate that the coalition will support these
amendments. In saying so, I recall that the
member for Throsby, who was on his feet
just a minute or so ago, made in the context
of this debate, some very unnecessarily
denigrating comments about previous
speakers, including myself. Yet—

**The DEPUTY SPEAKER (Hon. DGH Adams):** Order! I ask
the honourable member to come back to the
committee stages of the bill and the
amendments before the chamber.

**Mr ROBB:** Thank you, Mr Deputy Speaker. My point simply is that we are
asked to accept amendments at the eleventh
hour. There was a briefing yesterday—not a
word of any of this. This is symptomatic of a
government, time and time again, incapable
of completing legislation on time in an
orderly manner. Yet they have the hide to
stand up here and make assertions and
pillory what we might do in government.
Why don’t they get down and do the business
of government? Here we are with a core
issue at the heart of this amendment—it
relates to extending additional powers to the
Treasurer—yet yesterday at the substantive
briefing there was not one word of it, not one
whit of it. This is happening again and again.
The haphazard approach to legislation has
got to stop if we are going to get some
confidence back into the community and the
business sector.

In some cases we have even had ministers
moving amendments to their own
amendments. It is not good enough. The
coalition is required to take on good faith so
much of what comes through this place. So
much of it now is overarching legislation
without regulations. Again we have to take
on good faith that how these things will
operate will be properly put in place by
regulation where we have no influence. It is
unacceptable the way this process has taken
place. We will support this amendment but I make the point, in doing so, that this is symptomatic of a government that has lost the confidence of people and lost the confidence of the business sector. Again, I fear that they will create an almighty mess and we will be expected to come in and clean it up.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:50): by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

National Portrait Gallery of Australia Bill 2012


Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling) (18:51): I rise to speak on the National Portrait Gallery of Australia Bill 2012 and the associated bill. On behalf of the coalition, can I say how proud we are today to have played a significant role in helping the gallery to reach many of those milestones and how proud we are today to play our part in helping the gallery sever perhaps the final apron string to government to become its own authority.

The National Portrait Gallery of Australia is one of the many national collecting institutions that the coalition is proud to support. We support these institutions not only because they are entrusted with protecting, for all time, our memories, our stories and our shared history but because they reflect and exhibit the best aspects of ourselves, of our national character, of our hopes and aspirations for the future and of what it means to be Australian.

The bill and its associated bill continue the vision the Howard government had for the gallery when it established it many years ago. It has been quite a journey—a journey that the coalition has shared with the gallery, and continues to share by supporting this bill today. It is appropriate therefore for me to acknowledge today the coalition’s arts ministers over those formative years, ministers like Senator George Brandis, who is the coalition’s current arts spokesman, Rod Kemp, Helen Coonan and Richard Alston. Those ministers worked with the gallery to establish it as a permanent part of the Australian cultural landscape.

It was ministers of the Howard government who in 2004 took the decision to provide funding for a permanent home for the gallery—a decision to provide $87.7 million to construct a state-of-the-art home for the gallery within the Parliamentary Triangle. In 2007, as Minister for the Arts and Sport, Senator Brandis began his address to the National Press Club by speaking of the gallery:

On the southern shore of Lake Burley Griffin, there is rising what will become one of Australia’s great public buildings—the new National Portrait Gallery. The Gallery … will complete the national collecting institutions in the Parliamentary triangle, and tell the nation’s story through the accessible genre of portraiture in a magnificent contemporary building.

The National Portrait Gallery could almost serve as a metaphor for the Howard Government’s contribution to the arts—characterized by a commitment to uncompromising artistic standards, strong financial support and
accessibility to the broader public, yet little remarked and seldom acknowledged.

The coalition continues to hold those values, and continues to work with the gallery, through supporting this bill and the associated bill, to further cement the gallery's place as an essential part of Australia's cultural heritage.

While the coalition supports this bill, and sees a bright future ahead for the gallery under these new arrangements, the future for the arts and collecting institutions in Australia under this government is under a cloud of uncertainty. From the future of the Australia Council for the Arts to the security of funding for Australia's major performing arts companies, all is uncertain under this government and under this minister. After two ministers and two elections, and three years after it was promised, Labor have delivered funding cuts, efficiency dividends and staff reductions but have still not delivered the national cultural policy they promised back in 2009. The only thing the minister has to show for these wasted years is a discussion paper that, apart from rhetorical motherhood statements, reveals only a preoccupation and obsession with the National Broadband Network. This is exactly what Senator Brandis was warning of in 2007 when in his address to the National Press Club he said:

… the problem about parties of the Left is that their attitude to the arts is defined by instrumentalism. What artists do is not valued for its own sake. Art is not seen as a creative activity justified by the talent or genius of the artist alone. Rather, the arts are seen as a means to some other end: an appendix to social policy, a vehicle for social change, an instrument for political causes, a propaganda tool. Art is not seen as an end in itself.

The coalition has a proud record of supporting the arts in Australia, and in particular those institutions that promote excellence, like our collecting institutions, elite arts-training institutions and major performing arts companies. We will continue to value our national collecting institutions and continue our strong record of support for institutions like the National Portrait Gallery of Australia. We are therefore proud to support this bill and the associated legislation.

**Ms BRODTMANN** (Canberra) (18:56): It is with great pleasure that I rise to speak about the National Portrait Gallery of Australia Bill 2012 and the related bill, and in particular to talk about this magnificent cultural institution that is in my electorate of Canberra. I would like to start by providing some context to this legislation. The National Portrait Gallery was created to increase the knowledge about the Australian people and to increase the appreciation of Australian culture, our history and our identity—to tell our story. This is done through the display of portraiture—that is, portrait painting, portrait photography and self-portraits.

The National Portrait Gallery, which lies between two of Australia's most important institutions, the High Court of Australia and the National Gallery of Australia, has now become an equally significant cultural landmark of the national capital, and it is one of which we are very proud. It may be the youngest of our cultural institutions, but the idea for a national repository for Australian portraits has been around since the early 1900s. But it took some 90 years before the idea of a national portrait gallery in Canberra actually took shape. In 1992, the founding patrons of the National Portrait Gallery, and great supporters of the arts, Gordon and Marilyn Darling, initiated an exhibition called Uncommon Australians. The success of this touring exhibition led to the gallery's first permanent exhibition at Old Parliament House.
For its first decade, the National Portrait Gallery was located inside Old Parliament House. Lovely Old Parliament House, the old wedding cake, was a very welcome place to house the National Portrait Gallery. However, a gallery of this scope needed its own space, and in 2006 work began on the current site. The new Portrait Gallery, to quote from its own history:

... draws inspiration from Canberra’s environment and natural light and links the visitor’s experience of the gallery spaces to the Australian landscape.

I am sure everyone here in this room tonight has been down to that part of Canberra, just beside the lake. The design of the building is incredibly open, welcoming and light, and the thing that many Canberrans, including me, appreciate is the fact that the creation of the National Portrait Gallery has required a linking of all the national institutions. We now have a beautiful boulevard of contemporary and public art as well as paving and landscaping that links the National Library to the National Gallery with beautiful landscape works. For me, in a way it finishes that cultural and national enclave down by the lake that is so important for Canberra as well as the rest of Australia. In a way, the National Portrait Gallery has driven the finale of that area. It now looks complete, finished and beautiful, and Canberrans are very proud of it.

The National Portrait Gallery is, as is often recognised and commented on, a rather unique reflection on Australia and Australian culture. Visitors will find over 400 portraits of Australians who have shaped our country in many ways. Anyone who has walked through the Portrait Gallery or enjoyed that outlook over Lake Burley Griffin will agree it is one of the most impressive galleries in Australia.

I want to take this opportunity to pay tribute to the wonderful and dedicated staff at the National Portrait Gallery, who make every visitor feel very special and very welcome. Canberrans, as I said, have embraced the National Portrait Gallery and frequent it just for lunches at the cafe. But it is also a community facility in many ways. I have been to weddings at the National Portrait Gallery. I attended my media advisor's wedding just a few years ago. I have also been to Heywire launches there too, as well as another number of other events for community organisations. In addition to that, I have been to a number of business events where Canberra and interstate businesses have celebrated the beginning or conclusion of conferences at the Portrait Gallery.

The thing I love about those community and business events is the fact that in hiring those wonderful spaces in the National Portrait Gallery, the interstate and Canberra visitors also get the opportunity to move around the gallery. In a way it is not just the space that is being provided but also access to all the wonderful works in there. It is an incredibly inclusive approach to hiring. It is not often in Australia you can go to a gallery, have an event there, hire rooms, get it fully catered and also get the opportunity to wander around the gallery and peruse these wonderful works with a glass of champagne in your hand. So it is a unique experience and one that is very much embraced by the business community as well as the general community here.

As part of the 2012-13 federal budget, the government announced that the National Portrait Gallery would be established as an independent statutory authority. At present the gallery functions as a branch within the Department of Regional Australia, Local Government, Arts and Sport. This is an anomaly that will be fixed by the bill. This
bill will provide the National Portrait Gallery with a status corresponding to Australia's other great national collecting institutions. This bill provides proper acknowledgement of the success and significance of the National Portrait Gallery. It establishes the Portrait Gallery as a statutory authority with effect from 1 July 2013 and provides for transitional arrangements.

This legislation also establishes the Portrait Gallery's functions and how it may undertake them. The Portrait Gallery's most significant activities will be those related to the national collections of portraits in its custody. The functions of the gallery as established by the bill are to develop, preserve, maintain, promote and provide access to a national collection of portraits, other works of art and related material including portraits that reflect the identity, history, diversity and culture of Australia. It will also develop and engage a national audience—they do that brilliantly—in relation to that collection and other works of art and related material that will be in the possession of the gallery including through exhibitions, through education, through research, through publications and through public and online programs.

The legislation also sets out the powers to enable the Portrait Gallery to perform these functions. It provides for money to be appropriated and made payable to the Portrait Gallery. It also provides the fabulous land and fabulous buildings that will ensure the continued use of the Portrait Gallery's purpose-built building in the Parliamentary Zone in the ACT, in the electorate of Canberra. For the first time, as a result of this legislation, the functions of the Portrait Gallery will be enshrined, giving it a clear and coherent purpose reflecting its cultural role and its cultural importance. As a result of this particular bill, the National Portrait Gallery will continue its role as a source of great pride to all Australians and to all those who visit the national capital. This bill represents a fitting tribute to Canberra and a very important change to one of my electorate's most significant cultural institutions.

I was at the Portrait Gallery only last week at another wonderful function organised by Canberra BusinessPoint, which is an organisation that has been set up by the Canberra Business Council to provide a range of services to businesses at various stages of maturation. They provide advice, support, assistance and services to businesses that are just starting up, are looking at going into export markets or are at a stage of wanting to expand. That is always difficult with a business—how quickly you want to do it, finding the right partner and a whole range of challenges that face a growing business. And they provide services to businesses that are perhaps going into a new area or wanting to expand into a new field. Canberra BusinessPoint provides a range of fabulous services to the Canberra small business community.

At the lovely Portrait Gallery last week they had their BusinessPoint awards. I would like to use this opportunity to congratulate all the finalists and winners of those awards. It was a wonderful night and it was fabulous to be with all these business people, some of them in the early stages of business, who have got all these wonderful ideas and are so incredibly passionate about their ideas—and that is really the success of any business. They are businesses that are motivated by ensuring that Canberra and Australia has a sustainable future. They are businesses that are modelled around a whole range of sustainable elements. They are businesses that are driven by a creative drive or the desire to protect the climate. There were a range of businesses represented and it was really impressive to meet with some of those
people and to learn not only about their businesses but about their passion for business.

So I would like to take this opportunity to congratulate the finalists and the winners. In the Web and Mobile category we had myinfoQ, HRMWEB and the winner, CloudCentral. In the Clean and Green category—and this was very much the theme of the night—we had Envirolove, Easy Care Landscapes and the winner, Jigsaw Housing. I had the opportunity early last year to go and see one of Jigsaw Housing's prototype sustainable houses in the member for Fraser's electorate. They are doing some great projects in terms of trying to make sustainable houses as green as possible while at the same time as affordable as possible.

In the Bricks and Mortar category the finalists were Omega Medical Design and Flint in the Vines, and the winner was Switched on Cycles, which specialise in electronic bicycles. The finalists in the Creative and Design category were Knave and Fables and Andie Meredith. Knave and Fables do this amazing jewellery, and Andie Meredith has some amazing clothing design. The winner of that category was the Canberra Academy of Dramatic Art, who won that category last year as well.

In the Micro-Enterprise category, an area that is near and dear to my heart, the finalists were Achieve Beyond and Nature's Canvas; and the winner was Canberra Holistic Massage. In the High Growth category, a really challenging part of a business's life, the finalists were Contractor Compliance and Deeks Health Foods—known, I am sure, to many Australians as well as Canberrans. The winner of that category was Handmade Canberra, which is owned by two fabulous women, who produce and showcase creations—jewellery and artwork from Canberra as well as from the region. The absolute outright winner of the Canberra BusinessPoint Award was Jigsaw Housing.

So, congratulations to all of those businesses. It was wonderful to meet with them last week. I am very proud of them and I am really proud of the passion they have for their businesses and for creating a more sustainable and environmentally green Canberra.

In closing, I want to again commend this bill to the House. It is particularly significant, given that 2013 is the national capital's centenary year. It is also the 25th anniversary of this wonderful building here. So I know there are a number of celebrations being planned for the 25th anniversary of the new Parliament House. I was involved in the celebrations for the 20th anniversary, so I am very much looking forward to the 25th anniversary—and I know, from many in this chamber, that there are some great events planned.

In terms of the events planned for our centenary, they are endless. I went to the launch of that program again last week. Robyn Archer has produced a phenomenally comprehensive and exciting program. Our centenary celebrations are called One Very Big Year, and it was one very big launch as well. It was amazing that she managed to fit in as much as she did in the time we were there. We are very much looking forward to the celebration next year in so many different areas—in the sciences, the arts, music, architecture, health and in so many other areas. It is going to be a wonderful year, and it is very fitting and appropriate that this bill will come into effect in Canberra's centenary.
mechanics of running the National Portrait Gallery to mask the function of this valuable institution and the potential it has to enhance our cultural life.

Its history is already quite colourful, as is the momentum it has generated in a comparatively short time. The National Portrait Gallery is the latest icon in the Parliamentary Triangle. When it was opened on 4 December 2008 it was, at that time, the newest building in that area for two decades. The National Portrait Gallery has been a talking point for over a century. The artist Tom Roberts suggested such an institution in the early 20th century—in fact, right at the beginning of the 1900s.

The vision of Gordon and Marilyn Darling, and their generous benefaction, led to the purchases and exhibitions of portraiture, sponsored initially by the National Library. Fittingly, the Darlings become the gallery's inaugural patrons.

The first exhibition was held in Old Parliament House in 1994. Andrew Sayers was appointed director four years later. The fledgling collection was displayed in the old, but refurbished, Parliamentary Library; and also in two adjacent spaces in the Old Parliament House. And if I am not mistaken, Mr Deputy Speaker, I think it was the Country Party, later the National Party, room that was used for some time. The gallery became independent in 1999. Over the next decade it expanded at that venue. As the gallery itself put it at that time:

… the raison detre was not a Hall of Fame of important people, but visitors to the National Portrait Gallery at Old Parliament House experience the mixed and intriguing bag of individual stories—good and bad, lofty and humble, famous and obscure, that punctuate Australian history.

But I believe it is even more than that again. In those portraits visitors have four experiences, for the most part: fine paintings; extraordinary, interesting subjects; an insight into Australia's history in the person of those who made it; and, finally, a window into Australia's cultural life. And that says nothing about the unique architecture of the firm Johnson Pilton Walker and their bold use of natural light, as the member for Canberra recently alluded to.

It is a building that inspires me, as does the diversity of the collection itself. I recommend it to all my visitor friends who come to Canberra, ahead of all the other icons in the Parliamentary Triangle—important as they are.

We have all been brought up on the legend—good and bad—of Ned Kelly. But nothing excites one's morbid curiosity, on one hand, and the blunt vengeance of the law, on the other, like seeing Ned's death mask and the head-and-shoulders cast on which it sits—complete with the rope burns to his neck. That is one of the exhibits at the National Portrait Gallery. On a more pleasant aspect of the law, my favourite painting is of Justice Michael Kirby in his crimson robes as President of the New South Wales Supreme Court. I do not always agree with Justice Kirby's interpretations but I must say this Ralph Heimans portrait is an adornment to the collection and a fine salute to a complex Australian character.

The National Portrait Gallery is now taking its place with our iconic national institutions, and it is appropriate that it be given full statutory recognition and authority. These bills set the parameters of that authority and spell out the gallery's functions and the structure and responsibilities of its board. As I said at the beginning, I do not want to dwell too much on technical aspects, but there are sensible measures, including: the power to enter into contracts; the power to occupy, use and control any land, building, structure or other
improvement made available to the gallery; the power to purchase or take on hire, to commission or produce, or to accept as a gift or on deposit or loan, portraits, other works of art or related material; the power to make available, whether by hire, loan or otherwise, portraits, other works of art or related material—and I will come back to that because it is an important point; the power to provide financial assistance to persons, whether by way of loan, grant, award or otherwise and whether on commercial terms or otherwise; the power to accept gifts, devices, bequests and assignments, whether on trust or otherwise; and the power to act as a trustee of money or other property vested in the gallery on trust. They are all sensible measures.

The legislation talks about other things such as the size of the board—the board will be a chairman, a deputy chairman and between three and seven directors. It talks about how the board will be appointed, and how in extreme circumstances it can be removed. It talks about their remuneration, which will be a function of the Remuneration Tribunal. Again, all these things are sensible and are certainly not opposed by the opposition.

I would like to talk some more about the gallery itself. It is remarkable how many characters who have forged the Australian temperament are represented in the 2,000-odd works in the collection, from Portrait of Albert Namatjira by Sir William Dargie to Sally Robinson's contemporary portrait of Angry Anderson complete with his tatts, if you want extremes. We have a range of historic characters, including John Webber's 1782 representation of Captain James Cook, William Dargie's Kingsford-Smith and Charles Ulm, Clifton Pugh's Archbishop Mannix and Melissa Beowulf's Nancy Wake—the White Mouse. These are all iconic Australian characters. There are lawyers like Tom Hughes QC and Neville Wran; politicians like Bert Evatt, John Button, Tom Uren, Jack Lang, Joh Bjelke-Petersen and John and Janette Howard; unforgettables like Eddie Mabo, Fred Hollows and Nancy Bird-Walton; Indigenous Australians like opera singer Harold Blair, Senator Neville Bonner, Kath Walker and Lowitja O'Donoghue; captains of industry including Essington Lewis, numerous members of the Fairfax family, Don Argus and Arvi Parbo; artists from the mid-19th century, from Lola Montez through to Nellie Melba at the turn of the century, and to ballerina Marilyn Rowe—who I remember as being an absolute adornment to the Australian Ballet—and rock idol Johnny O'Keeffe and our own Dame Joan Sutherland. What an array of artists—and I am just listing a few of them; this is nothing like the full collection. Then there are the poets, from Dame Mary Gilmore to Les Murray, and artists and sportsmen far too numerous to name.

Some of us who are perhaps a little older than others probably remember when these people were on black and white TV. There are others we have known just by name. To go there and see them and see the sort of people they were, to see famous artists painted by some of our most distinguished portrait exponents—people like Sir William Dargie and Clifton Pugh—to see all those characters in all their unadulterated glory, is a rare experience. I get a great kick out of that. Much as I like going to the National Gallery and much as I forgive Gough Whitlam for buying Blue Poles—in retrospect it was a very wise decision—the National Portrait Gallery has works both contemporary and through our history right back to Captain Cook.

Both the gallery's mission statement and the new bills outline that the function of the gallery is to make the collection available for
exhibitions and tours—in other words, they refer to accessibility. I commend and support this very strongly. Not everyone will visit Canberra, so it is appropriate that this national collection not just sit down here but be accessible to other capital city people through their galleries and also to regional residents.

Although 2.4 million visitors have seen the collection in Canberra, many more have seen sections of it in 29 regional and a few capital city galleries. There have been eight touring collections in the past three years and there are currently five on tour or on loan. That is quite exceptional for the gallery in such a short time.

As a country member who supports the arts, I would like to see collections coming to Bundaberg and to Hervey Bay's soon-to-be-open gallery. In Hervey Bay, the council, with government support, is about to open a new art gallery. Bundaberg already has one, a historic building—the old Customs House. Both of those will be great venues and I want to see segments of the National Portrait Gallery's collection available to people in country areas. Country people should have the opportunity to participate fully in the cultural life of the nation. So I urge the director, Louise Doyle, whom I compliment, and her new board to pursue a vibrant program of access and touring to regional galleries. I think this is a good bill. It marks the coming of age of the National Portrait Gallery and I am proud to support it.

Dr LEIGH (Fraser) (19:23): It is my pleasure to follow the member for Hinkler and to agree with so much of what he had to say in his very articulate speech. There is much that divides us in this place, but I think it is often the arts which can bring us together. I particularly appreciated the comments by the member for Hinkler about the great wisdom and prescience of the Whitlam government.

The National Portrait Gallery was something I remember first thinking about when I lived as a whippersnapper in London for a number of years. I was there on my own and loved the opportunity to visit the British National Portrait Gallery. It has that great combination of art and history you get in a portrait gallery. Wandering amidst the portraits there, I remember thinking to myself, 'It would be great if Australia had one of these.' As previous speakers have noted, Tom Roberts had had that idea in the early 1900s, but it was not until much later, 1999, that Australia got its National Portrait Gallery.

For its first 10 years, the National Portrait Gallery was in Old Parliament House—a beautiful venue but not one which was created as an art space. The new National Portrait Gallery space is a unique spot. You get that sense of what an interesting location it is going to be when you approach it and see the imbalance of the architecture on the front—it looks as if it is not possible for the cantilever to hold up. Then, as soon as you enter, you are struck by portraits which range right through Australian history, such as Ah Xian's ceramic bust of John Yu, Bill Henson's triptych of Simone Young and Howard Arkley's portrait of Nick Cave.

Mr Neville interjecting—

Dr LEIGH: As the member for Hinkler points out, it is the way the light strikes those works which really makes it such a success—as is the case in any great gallery space.

I have two favourite portraits at the gallery. In common with the member for Hinkler, one is the portrait of Michael Kirby by Ralph Heimans. I was associate to Michael Kirby at the time the portrait was done and it sat in the corner of his office for
the first few months while he wandered forwards and backwards past it, trying to work out what he thought of it. It is of course not the most modest of portraits. It portrays the judge as, I think, a sort of Romanesque figure standing out—the only one facing the artist—amidst an array of judges. I think it is quite befitting of Michael Kirby's career as a judge—constantly with his face to us, not just writing the judgements but engaging the polity.

My other favourite portrait is the one of Deborah Mailman painted by Evert Ploeg. Deborah Mailman is just looking directly at the viewer with a sense of boldness and a sense of power. There is such strength coming out of the portrait.

The National Portrait Gallery is engaged in digital portraiture as well. My favourite portraits, I confess, are the oils, but so many of the new portraits these days are screen based digital portraits. On 2 August, the National Portrait Gallery announced the inaugural winner of its $10,000 iD Digital Portraiture Award. The artist judged to have made the most outstanding screen based digital portrait was Laura Moore. Her portrait was titled *Animation 1*. Other finalists were Aaron James McGarry, Nina Mulhall, Clare Thackway and Bridget Walker. Those portraits can be viewed in the National Portrait Gallery until 28 October.

The theme of the Centenary of Canberra, curated by the energetic Robyn Archer, is: 'Seed now, blossom in 2013, flower for another hundred years'.

Not surprisingly, the National Portrait Gallery is involved in the centenary as well. It is going to feature a number of exhibitions coinciding with centenary themes through next year. A particular highlight will be *Elvis at 21*, an exhibition toured by the Smithsonian Institution Travelling Exhibition Service, with Canberra the only Australian venue. It consists of a collection of photos of Elvis Presley that are 'remarkably candid, intimate and fresh' according to the publicity material.

Although it is not at the Portrait Gallery, the Portrait of a Nation project will form part of the Canberra centenary celebrations. Portrait of a Nation will remind Canberrans that our nation's rich history lies in our street and suburb names. Portrait of a Nation, for which I am one of the spokespeople, will encourage Canberrans to rediscover the significant national figures after whom their streets and suburbs are named and learn a little bit more about the history of those people, perhaps even make a family link. For example, the relatives of one of those people might attend a Christmas celebration in a street which is named after that person.

If Canberra were a person, I think it would be an egalitarian patriot, someone who understands the past but is not bound by it—and the National Portrait Gallery is very much part of that. It recognises our rich history and the great value of design in nourishing the soul as well as the mind.

Another design event recently brought to the national capital was the Australian Institute of Landscape Architects national landscape architecture awards, which I attended with pleasure last week. I want to briefly acknowledge the award winners. The
2012 Australian Medal for Landscape Architecture went to UDLA. The AILA National Landscape Architecture Award of Excellence went to Plan (E). Other awards went to Jeavons Landscape Architects for their Clifton Hill railway project and to Fresh Landscape Design for their Roogulli project in Bywong, New South Wales. ASPECT Studios won an award for their innovative work at Pirrama Park and another for their project at Jack Evans Boat Harbour in Tweed Heads. Andrew Green received an award for the SW1 project; Ecoscape Australia, for Mueller Park Universal Playspace; Vee Design, for the Robelle Domain in Ipswich; and McGregor Coxall, for the Australian Garden and the new entry of the National Gallery of Australia—and it is great to see such high-quality design here in the nation's capital.

Taylor Cullity Lethlean received an award for their Wild Sea exhibit at Melbourne Zoo. They are a really innovative firm of landscape architects. I know they are still mourning principal Kevin Taylor, who, tragically, died in a car crash last year. He was an alchemy of extraordinary qualities, being not only a great designer but also an extraordinary teacher.

Spackman Mossop Michaels received an award for the Humanities and Science Campus in the Parliamentary Triangle; John Mongard Landscape Architects, for Bingara and the Living Classroom; UDLA, for the Kimberley LNG precinct strategic assessment report; and the City of Bendigo, for the Bendigo Botanic Gardens Master Plan. Harris Hobbs received an award for the Bonner P-6 School and Aboriginal and Torres Strait Islander Learning and Cultural Centre, a project in my own electorate of Fraser. Clouston Associates received an award for the Clarence River Way master plan; and Fitzgerald Frisby Landscape Architecture, for Lollipop Creek.

Zoe Metherell received a research and communication award for a comparative study on Melbourne's freeway planting designs; Oxigen Landscape Architects, for Green Infrastructure; HASSELL, for their project, Local-area Envisioning and Sustainability scoring system; Spackman Mossop Michaels, for their Chinatown Public Domain Plan, a really innovative redesign of Sydney's Chinatown area; and Taylor Cullity Lethlean, for their Victoria Square project. There were also two leadership awards, which went to Lucinda Hartley and Gweneth Leigh. I would like to acknowledge the national jurors who worked to select the award winners: Niall Simpson, Paul Harding, Alison Breach, Catherine Brouwer, Gary Rake and Catriona McLeod. Again, it was a great showcasing of design here in the national capital.

So much of what makes Canberra extraordinary is that meld of design and history of which the National Portrait Gallery is such a strong part and one that I am enormously proud to be engaged in as a Canberran. I commend the bills to the House.

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (19:35): Good evening, colleagues. Listening to the member for Hinkler, the member for Canberra and the member for Fraser makes you reflect on the fact that Labor has a proud tradition in the arts, and the bills that we are discussing tonight are part of that proud history—indeed, even more so leading into the centenary of Canberra in 2013.

It gives me great pleasure to represent the Minister for the Arts this evening, the Hon. Simon Crean. I also have a great appreciation of the arts. My great passion in life is directing musicals. In fact, I have directed 19, and I am looking forward to my 20th, which will be an Australian premiere in
two years time. I am rather busy in the meantime! Anyway, I am looking forward to it and I hope you can all come and see it. On behalf of the minister, I would like to thank all honourable members for their contributions to the debate on these very important pieces of legislation.

As the minister said when he introduced the National Portrait Gallery of Australia Bill 2012 and the National Portrait Gallery of Australia (Consequential and Transitional Provisions) Bill 2012 into the parliament, the passage of these bills will enable the home of the national portrait collection to develop and flourish as one of Australia's pre-eminent cultural institutions. This legislation will enshrine the functions of the gallery for the first time, giving it a clear and coherent purpose, and position it to attract more sponsorship and philanthropy.

It is worth looking at the functions in the bill. Among other things, and importantly, the bill will allow the gallery's functions to involve developing and engaging a national audience in relation to that collection and other works of art and related material that are or will be in the possession of the gallery, including through exhibitions, education, research, publications and public and online programs—in short, to share this fantastic gallery and all it contains with the rest of Australia. The bill also establishes the gallery as a body corporate, with a governing body consisting of a chair and deputy chair and between three and seven other members. The legislation enables the minister to appoint board members by written instrument. The bill provides that the minister will make the appointment of the first director of the gallery

Minister Crean and those members who spoke on the legislation are no doubt excited by the potential of the Portrait Gallery to engage and enthral a national audience with its collection of portraits that encapsulate the essence of achievement and endeavour across Australia. The National Portrait Gallery of Australia will be—and is now—a source of great pride to all Australians and a lasting gift to Canberra in its centenary year.

The minister thanks all members who participated in the debate and thanks the House for the support of this significant legislation.

The DEPUTY SPEAKER (Ms Grierson): I put the question that these bills be now read a second time.

Question agreed to.

Bills read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (19:40): by leave—I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

Australian Charities and Not-for-profits Commission Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr ANDREWS (Menzies) (19:42): I rise to speak on the Australian Charities and Not-for-profits Commission Bill 2012. In doing
so, I would like to outline the coalition’s approach to the not-for-profit sector or civil society, as I would prefer to name it. The description ‘not-for-profit’ immediately connotes an economic framework; whereas ‘civil society’ involves a different broader notion of which the economic is just one part. The Productivity Commission itself accepted this broader role for the sector and noted the tensions that arise from the conflict between economic and other objectives.

Civil society comprises the groups of individuals which freely associate to pursue their mutual social, cultural, professional, sporting, religious or other communal interests. They are neither instruments nor agents of the state. They are the local carers groups in the towns and cities of this nation. They are the sporting clubs, the congregations, the communities that fund and build schools, the welfare agencies, the bands of people who work together to support medical research or assist the poor and the afflicted both here and overseas. They are the myriad of large and small associations that provide the organic vitality of our nation. And they have one thing in common: they are neither created nor controlled by the state. Instead they arise from the desire to associate to fulfil common objectives. They are built on mutuality and trust.

Starting with the family and extending to many and varied groups of people, they preceded the state.

It is the coalition's strong, principled belief that the political community—that is, the state, the government and its bureaucratic agencies—should be at the service of civil society. Where the state interacts with civil society, the former should facilitate the latter. A good example of this principle in action is the introduction of associations incorporation legislation in the 1970s and 1980s. This legislation enabled associations to better fulfil their mission. It allowed them to obtain the benefits of incorporation, to ease contractual arrangements, to obtain insurance and to protect individuals. It was light-touch, enabling legislation seeking not as much to regulate as to empower and to enable. It recognised that the sphere of government is separate from civil society. It acknowledged that the all-powerful state ultimately becomes Caesarean. It respected the principle of subsidiarity: that government should remain limited and that the responsibility of the elected arm of government is to ensure that the bureaucratic wing regulates only where and to the extent necessary. It was also built on the premise of trust: that individuals and the organisations they establish are motivated by the common good of their members. This is the common story of associating for the welfare of individuals concerned and their neighbours, whether in local communities or further away.

This understanding is now under assault. Under the pretext of simplifying and easing the regulatory burden on associations, the government proposes a new regulatory body, the ACNC. But what was promised and what has emerged from the bureaucracy are poles apart. The primary concern of the Labor Party's reform as originally proposed was that it should reduce administrative compliance and duplication by reporting agencies, enabling them to direct more of their limited resources to their charitable and related activities. This was reflected in the regulatory impact statement attached to the explanatory materials. Yet the bill, which was developed in a secretive process with minimum time for general comments, fails to meet this basic objective. The bill fails to provide any basis for the reporting requirements of companies limited by guarantee to be transferred to the new
commission, for relevant parts of the not-for-profit reporting requirements of Commonwealth agencies to be transferred to the ACNC or for any clear commitment to obtaining the agreement of the rationalisation of government reporting requirements between the commission and the relevant state and territory authorities. I am informed, indeed, that there have been no meaningful discussions with the states and territories about these matters.

To illustrate this failing in the bill, I will take an example—namely, the case of non-government schools. In addition to the proposed ACNC reporting and accountability requirements, schools will continue to be subject to: (a) the DEEWR financial questionnaire and the reporting requirements in accordance with the Australian and state governments funding agreements and the Schools Assistance Act 2008; (b) the ACARA MySchool data collections and reporting requirements that also include sector-neutral collection of financial data; and (c) state and territory government minimum standards and reporting requirements for registered schools, including financial accountabilities—in some states, there are reviews taking place without coordination with the ACNC proposals. Indeed, there is very little indication that the Treasury bureaucrats behind the ACNC proposals have even consulted with officials at the Department of Employment, Education and Workplace Relations in any meaningful or comprehensive way. This is just one realm of activity that would be captured by the ACNC legislation and which illustrates the flaws in the proposal. What had been promised as simplification turns out to be costly and burdensome additional reporting requirements with no reduction in red tape and no reduction in duplication.

Indeed, the responsible minister now concedes that the premises upon which this legislation is being brought forward will not be met. In a recent speech, the minister, Mr Bradbury, acknowledged that the agenda is ambitious, stated that the government is now only 'working to reduce red tape', conceded that it will require 'more time for work to be completed' and agreed that the commission is not going to 'solve all the problems overnight' of a fragmented, inconsistent, uncoordinated approach to regulation. In addition, the new system, far from saving associations the financial resources that could be best directed to their community activities, will cost them more. The experience of the UK was that many associations have had to employ additional employees with regulatory, legal and financial expertise to meet the new requirements. The same would happen here. The Baptist Church, for example, in its submission on the bill, has estimated that it alone will have to spend an additional $1 million per annum of scarce resources to meet the new requirements. Multiply this sum through the many associations upon which this regulatory system is to be foisted, and the cost to the community will be enormous. The cost, I stress, is to that sector of the community which is using scarce resources mostly to deliver services to people in need. It is shameful that the government is putting in place a regulatory system which will have the effect of diverting necessary resources from services into the community to administration. I was in the UK last week, where agencies told me that they had to employ a whole new department of staff with legal, regulatory and accounting expertise just to meet the requirements of the charities commission in the UK.

I turn to some of the other deficiencies in the government's bill. Firstly, many of the
regulatory requirements will be introduced by regulation—in other words, one of the most distrusted governments in Australia's history is asking the community to trust it when it cannot even meet the objectives it sets for itself. Secondly, the basic religious charities proposal is very narrow and does not reflect the history or practice of religious bodies in Australia over more than a century. The very narrowing of the definition of religious activity is a dangerous precedent. The ACNC was conceived as a body to support charities and not-for-profits to enhance their contribution to society. However, its role, as outlined in the draft of the Australian Charities and Not-for-profits Commission Bill, appears to be mainly policing and enforcement. For example, there are powers to investigate any breach of the law, powers to remove a responsible person et cetera. No evidence has been put forward of either cases of noncompliance by charitable entities which could justify the seemingly heavy-handed reforms or of how the proposed reforms would address any current problems.

Furthermore, the proposed commission has a range of powers to interfere in and remove responsible office bearers, including ministers of parishes and congregations, in a manner which is totally unprecedented in this country. That brings me to the central objection to the government's approach. The bill gives the commission the power to deregister an organisation if it is conducting its affairs in a way that may cause harm to or jeopardise the public trust and confidence in the not-for-profit sector. The phrase 'public trust and confidence' remains unclear, which creates much uncertainty and the possibility that the meaning of the expression will need to be decided through expensive litigation. This has been the experience in the UK, where, for example, the Charity Commission proposed that independent non-government schools would only qualify for charitable status if they offered bursaries to poor pupils. After expensive litigation the courts reversed that position, restating the age-old view that the provision of education itself was a charitable activity. I invite those who content themselves that common sense finally prevailed in the UK to consider the recent remarks by the UK shadow education secretary, Stephen Twigg, that a future British Labour government could legislate to remove the charitable status of schools not serving the community, whatever that expression may come to mean.

What this demonstrates, I contend, is that once the tentacles of government are allowed to interfere in novel and unprecedented ways with the activities of charities and associations there is no limit to the possible interference. Worse, these and other provisions treat the civil sector with a state paternalism. If entities or their directors break the law, they can be prosecuted. If existing laws need strengthening, let the government make the case for doing so, replete with examples of the breaches that need to be rectified.

Some weeks ago, in a major policy speech I delivered on civil society, I invited the government to outline the mischief that this bill was intended to address. Neither before that speech nor in the weeks since has the mischief that this bill assumes been made out. It is in fact a power grab by government which will extend extraordinary powers to bureaucrats to reach into the affairs of organisations, ranging from local congregations to international charities.

Under the provisions of the bill, individuals ranging from a local parish minister through to the archbishop of a diocese could be suspended and removed by the commission, and every entity will be
required to meet a new complex set of reporting requirements that will cost charitable organisations, including local congregations, thousands of dollars. Officers of the commission will have powers to inspect and seize records. As the Associations Forum stated, 'In the work that the Associations Forum does with associations and charities, we do not see that there is any major problem in governance systems.'

Let me give a flavour of the comments that have been made in various submissions to the inquiries into this process, which indicate that this is not just what I am saying; it is what is being said broadly across the charitable and not-for-profit sector. Add-Ministry stated: 'What we now have still appears to be a document that is designed to tightly control the Charity Sector with a plethora of regulatory obligations. We have a legal document full of red tape and inflexible regulation to show us what we must do, or risk being penalised.' The Anglican Diocese of Sydney said:

It is likely that we will need to employ someone on a full-time basis to deal with the compliance issues that this legislation is likely to raise for the Diocese of Sydney. I am sure we will not be alone in this regard.

That is indeed too true. Australian Baptist Ministries said:

The reporting requirements for medium sized entities are too onerous. In our view the increase in compliance obligation will make it more difficult to fill volunteer roles within local congregations as well as requiring more time to be spent on compliance matters and therefore less time on matters that will provide a benefit to the community.

Australian Catholic Bishops Conference stated:

The lengthy list of powers proposed in the ACNC Bill focuses on matters which appear more appropriate for a criminal investigation authority rather than a body which is intended to promote and educate.

They further state that the extent of information required to be disclosed to the ACN register is unnecessary and burdensome in terms of costs and resources. The Australian Conservation Foundation stated:

The ACF is concerned that rather than remove duplication, the ACNC Bills will duplicate reporting obligations.

The Australian Council for International Development said:

The present drafting of the ACNC Draft Bill does not reassure ACFID or its members that it will actually reduce red tape, for three reasons:

(a) The drafting indicates that there is yet to be agreement with the States;

(b) It does not deliver a “one-stop-shop” for the establishment of a charity or reporting by a charity;

The Australian Council of Social Service—this again illustrates the breadth of the objections and complaints about this bill—stated:

… the Bill does not yet contain any provisions that make it explicit that the reduction of unnecessary compliance and regulatory burdens is a core object of the Bill, nor does it identify these kinds of reforms as policy directions or drivers of the ACNC’s purpose or activities. There must be a direct link between the reduction of red tape and the objectives and functions of the ACNC.

The Australian Institute of Company Directors states:

We have had member feedback … all saying basically the same thing as we have said. I will quote from one which I think is very pertinent. It comes from an aged-care CEO:

Every hour we pay for compliance, we lose about 1½ hours of one-to-one support for our ageing residents.

… Another one from an Indigenous corporation states:
This legislation compounds the barriers that discourage pro bono directors offering their services to the not-for-profit sector.

I turn to someone who is a favourite of the government at the moment, a life fellow of the Institute of Company Directors, David Gonski, who said:

It concerns me massively that we might be the first country in the world to make being on a not-for-profit as a director more onerous than being on a for-profit.

That is Mr Gonski, revered in certain circles by this government. When he gives direct advice which is consistent with everything that has been said by all of these other agencies, ranging from the major churches in this country through to the Conservation Foundation, it is obviously ignored.

The Australian Institute of Public Directors stated:

The Bill lacks detail about the proposed interaction between the ACNC, the Corporations Act and other legislation, and about governance and external conduct standards, which we consider make it impossible to provide meaningful comment on the Bill as a whole.

Key parts of the Bill are confusing and overly complex and need to be redrafted.

The Bill in its current form will represent a major retrograde step by imposing substantial and unwarranted compliance costs on charities.

Carers Australia stated that they were concerned about the:

Apparent lack of agreement by the states and territories to give effect to the reduction in red tape.

Further, they state:

... it is quite clear that due to lack of Constitutional coverage the enforcement powers and governance standard regulations can only be used against federally regulated entities or where the organisation is subject to an 'external conduct standard'. This will clearly lead to a two-tiered approach to enforcement with some registered entities potentially subject to the enforcement and governance requirements, whilst others operating nearby with exactly the same situation will not.

Catholic Health Australia said:

... the effect of the Bills would be to add additional regulation to the operation of most not-for-profit organisations.

The CEO, Martin Laverty said:

The principal problem with the bill is that right now I cannot say to any of the chairs or the boards of directors of our organisations that from the time of the enacting of this bill, and indeed in the years ahead as more of the powers of commissions come to be, this is the framework from within which you will govern your organisations.

... ... ...

I ask those who are promoting the bill, and I am genuinely seeking to understand: what is the problem with the Corporations Act and the case law that underpins it that means that, for not-for-profit organisations, we need a new set of laws that oversee their governance and, indeed, determine whether or not a not-for-profit organisation can be registered?

He went on to say:

Our principal concern is that we have not yet seen what problem actually exists that requires the establishment of a new body of law—a new principle at law—to oversee public trust and confidence. It is our view that the Corporations Act currently provides like capacity for government to regulate those circumstances—few and far between as they are—that might give rise to the potential for such a power to have been created.

Catholic Social Services said:

The [role of the Commissioner] falls substantially short of the series of ministerial statements about the reform agenda from 2009 until early 2011. The Exposure Draft does not require either the ACNC, or any other Commonwealth agency, to take action to establish such a ‘robust and streamlined regulatory framework’ or to be evaluated for making such progress. The specific ‘Problem’ identified in the EM is left unaddressed—the problem of red-tape.
The Chamber of Commerce and Industry of Western Australia said:
CCI does not support any move for the ACNC to be the 'shop front' for the NFP sector.
Chartered Secretaries Australia said that their main concern with the exposure drafts is the duplication of reporting that will result if the bills are passed in their current form. I could go on and on and on about people and reputable organisations in this country serving the community who make these sorts of objections. Community Employers WA said:
A key objective is the reduction of red tape and duplication with regards to compliance, accountability and transparency. It has not to date, and remains, unclear that the Bill will achieve this.
The Conservation Council of South Australia stated:
Whilst there is] a national 'one-stop-shop' and a 'report-once, use-often' process, there remains a major problem in that at this stage state regulation will continue to apply.
The Financial Services Council said:
The Bill is not appropriately targeted to the currently unregulated NFP sector and instead extends the cost of compliance to other entities that are not supposed to be the focus of this reform.
Eve Brown, the senior policy manager of trustees, said:
The bill therefore creates a new layer of regulation that applies to trustee companies and public trustees as trustees of registered entities. This is unnecessary and incompatible with current federal, state and territory regulatory regimes.
The Housing Industry Association said that they consider the:
… regulation of charities should be on a completely separate basis from the regulation of other NFPs. HIA also considers that NFPs which are companies should continue to be regulated by ASIC.
The Independent School Council of Australia stated:
The regulatory burden will be increases on individual non-government schools creating costly and confusing duplicative governance and reporting situations.
Bill Daniels, the executive director said:
We spend a lot of our lives meeting with the Commonwealth and state governments through various national forums. I have been with this organisation for more than a decade. I have seen no reduction whatsoever in reporting requirements. There has been no discussion whatsoever with the states or, indeed, with the Commonwealth department that I am aware of that has involved the independent sector on any reduction in reporting requirements. The only discussion that I have had with the Commonwealth apart from the ACNC briefings we had received is a less-than-perfect understanding of what is intended by the commission. So there has been no discussion whatsoever of any reduction or any proposal to reduce reporting.
The Executive Director of the Association of Independent Schools of New South Wales, Geoff Newcombe, said:
I have been in this game over 40 years. This will decimate school boards. There is enough concern out there now.
Again, I can go on and on and on. The Institute of Chartered Accountants in Australia stated:
The initial Bill had two stated aims, one of which was to 'minimise regulatory duplication and simplify such entities' interactions with governments'. The initial Bill did not fulfil such an aim and we notice that this aim is missing from the latest draft of the legislation.
Kerry Hicks, the institute's head of reporting said:
The biggest issue with the legislation is the duplication that it will create. Duplication and red tape reduction was the major theme of the reforms, so we do not feel the legislation has adequately addressed it.
Makinson & d'Apice Lawyers said:
The ACNC Bill will add to the burden of the vast majority of charities who will now have to provide an Information Statement and in many cases a Financial Report each year. In most cases, there will be a need for an auditor or other professional person to review or audit financial statements. This will not reduce red tape but rather add to it.
The sector can have no confidence that this [charity passport] will be achieved based on the contents of the ACNC Bill, the requirement for the sector specific reporting in various areas and the failure at this stage to get co-operation from States and Territories to adopt the standard reporting and the charity passport concept.

Mission Australia said:
[The Bill] is not sufficiently well balanced by a commitment to enable the not-for-profit sector to reduce duplication of reporting and to provide public confidence in the sector.

The National Roundtable of Nonprofit Organisations said:
The Bill does not distinguish between charitable funds and charitable institutions.
Registration [of a charity] will not be voluntary. It is unlikely that existing charities that currently enjoy tax concessions will be in a position financially to forego these benefits. A charity which is structured as a company and is currently income tax exempt would be subject to income tax of 30% if it opted-out.

The Not-for-Profit Sector Reform Council said:
The vast majority of directors in the NFP sector are acting in a voluntary capacity. We are concerned that this not reflect in the draft Bill. Any increase in liability for Directors could result in individuals refraining from taking on these roles.

Research Australia said:
Of particular concern for not for profit entities was the risk that the creation of the ACNC and its registration and reporting requirements would simply impose an additional burden and layer of regulation on the not for profit sector.

RSM Bird Cameron chartered accountants said:
We have particular concern about the possibility of duplication of reporting requirements for registered entities who currently operate as associations under state-based legislation.

The St Vincent de Paul Society said:
Any regulatory regime cannot adopt a 'one size fits' all approach. Furthermore, the development of any regulations ought to be done in consultation with the not-for-profit sector.

… … …
The Bill currently contains no requirement for the ACNC to inform or hear an organisation before it makes an adverse decision against it.

Surf Life Saving New South Wales said:
Reducing red tape by reducing duplication of reporting requirements and assisting the efficiencies of the sector, however this will not occur without the involvement of the states and territories to align reporting requirements with the ACNC reporting framework.

The Salvation Army of Australia said:
The Bills suffer from a lack of reinforcement of this purported outcome and does not contain a specific object that addresses this reduction in red tape.

The Uniting Church in Australia said:
It is important to recognise that the introduction of any new reporting obligation on congregations, no matter how minor, will be another layer of legislative obligation and reporting for local members who are generally neither skilled nor trained for this burden.

UnitingCare Australia said:
Many of the implied 'red-tape' reduction benefits of a single national NFP regulator are predicated on State/Territory Government cooperation.

World Vision Australia said:
The constitutional powers on which the Commonwealth relies for the establishment of the ACNC highlight significant gaps in the Commonwealth's power to regulate NFPs. These gaps mean that the ACNC will or may lack the
power to effectively regulate all registered entities.

YWCA Australia said:
The most important goal of national regulation should be to remove the current duplication while streamlining requirements to provide consistency and minimise compliance costs.

If I had an hour to speak, rather than half an hour, I could continue with the litany of criticism and complaint about this bill, about the process that the government has engaged in to bring it to this point and about the extraordinary displeasure of the sector. The reality is that this bill is an extraordinary reach by government into the affairs of civil society. It assumes that people who give of their time and efforts, most often in a voluntary capacity, are untrustworthy and tainted.

Furthermore, it is being introduced at a time when international practice is going in the other direction. New Zealand is closing its commission and as reported in Civil Society the head of NFP activities at the Australian Taxation Office has observed that efficiency initiatives in Scotland, Northern Ireland, Singapore and elsewhere also reflect this trend. Why is the Labor government proceeding with a flawed proposal that is being reversed in other jurisdictions?

This is the same government which, when faced with egregious examples of corruption in another sector of society—namely, the union movement—sits on its hands for years, allows investigations to proceed at a snail’s pace and does not lift a finger to deploy against the questionable activities of some union officials the kind of powers it proposes for associations. As we observed recently, union officials can blithely threaten to shift the expenditure of hundreds of thousands of dollars of their members’ hard earned money from the support of one political leader to another without so much as a raised eyebrow from the Labor government, yet hard-working, decent, community minded individuals who are going about their critical work for the good of our society are threatened with this leviathan proposal. That is why we have announced, for example, that penalties under Fair Work Australia legislation will be changed by the coalition government to reflect the same provisions that apply to directors of corporations.

Let me summarise the coalition’s approach. We reject the approach taken with this legislation. We reject it not because of the philosophical basis that I outlined at the outset but because overwhelmingly the sector rejects it as well. The sector sees it as a heavy-handed, unwarranted interference in the activities of civil society in Australia. In government, we would have a small body that would act as an educative and training body to help lift standards without the overbearing regulatory and enforcement powers that are being proposed in this bill. For those reasons, we oppose this legislation.

I give notice that if entrusted with government in the future we would not only continue to oppose this bill, we would repeal these provisions and would take it back to a sensible provision that respects the demarcation between the institutions of civil society, which the government should serve rather than seek to have power over, in the way in which it does. There are two approaches to these matters which can be summed up in two quotes. One approach is summed up in the opening words of the maiden speech of the former Prime Minister Mr Rudd, when he said:

Politics is about power. It is about the power of the state. It is about the power of the state as applied to individuals, the society in which they live and the economy in which they work.

This legislation is a manifestation of that view, that the state should have power over individuals and organisations, which rightly it should not.
The other approach—the coalition's approach—is about empowering people, not exercising power over them. It is the approach that the Leader of the Opposition utilised recently when he referred to as Abraham Lincoln's famous description of democracy as being 'of the people, by the people and for the people'.

In conclusion, the political community should be of service to the associations of civil society. That is what the coalition will endeavour to achieve in government. That is why we oppose this legislation. That is why, if we get the chance, we shall repeal it.

The DEPUTY SPEAKER (Ms Grierson): Before I give the call to the member for Blair, I need to confirm that it is the wish of the House to debate this order of the day concurrently with the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. There being no objection, the chair will continue to allow that course to be followed. The question is that this bill be now read a second time.

Mr NEUMANN (Blair) (20:13): I speak in support of the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. This tranche of legislation is the fulfilment of this Labor government's commitment—a major reform agenda which we took to the 2010 election—to deliver better regulation, reduce red tape and improve transparency and accountability in the sector.

In a submission in relation to this legislation, Dr Matthew Turnour, an expert in the not-for-profit law and regulation and a director of the Australian Charity Law Association, quoted Jonathan Edward Garton's The Regulation of Charities and Civil Society in identifying six overlapping grounds justifying the regulation of not-for-profit organisations. Those grounds are: preventing anticompetitive practices; controlling campaigning; ensuring trustworthiness; coordinating the sector; rectifying philanthropic failures; and preventing challenges to organisational quiddity.

Dr Turnour in his consultation paper said that not-for-profit organisations in general and charities in particular:

… have enjoyed favourable treatment since time immemorial. … … …

Elaine Abery has observed that the favouring of charities is at least as old as Ezra's return of the exiled Jews. Colombo and Hall pointed to evidence of tax favour for charities in ancient Greece, ancient Rome and in ancient Egypt. They began their work with the words: 'Exempting charities from various forms of taxation is a practice that appears as old as western civilization itself'. The exemption has applied in the United Kingdom since William Pitt introduced income taxation.

This is an important piece of legislation that deals with organisations that have been around for a very long time in Western civil society.

The not-for-profit sector is a massive factor in our economy, a major player and consists of organisations which do tremendous work, from sporting organisations to church organisations to organisations that work with disability, health, education, conservation and many other forms of noble purpose. It is a sector that comprises at least 600,000 not-for-profit organisations. There are about 180,000 bodies corporate, about 100,000 incorporated associations, 12,000 companies limited by guarantee—I created plenty of those when I was a practising lawyer—and 3,500 cooperatives. It has been growing in size over the years and it has had an annual
growth rate of about 7.7 per cent since 2000. Currently it adds about $43 billion to our GDP and employs about eight per cent of Australia's workforce. There are over 4.6 million volunteers who contribute close to $15 billion worth of unpaid work. This is a very large sector of our society. It is comparable, as Minister Shorten pointed out in a speech a couple of years ago, to the transport and storage sector of our economy. So it is a very, very large sector of our society.

Currently there are close to 180 pieces of Commonwealth, state and territory legislation governing the sector and about 19 separate agencies regulating and determining the charitable purpose status of any particular entity. So the system is overburdened with regulation, the taxation arrangements are complex, there is a lack of transparency and accountability in the sector, it lacks coherence and there is already a high compliance burden. It is not as if this sector does not have interaction with government, the community and what the member for Menzies called civil society.

The legislation before this House establishes what is called the Australian Charities and Not-for-profits Commission as a national regulatory body. It really establishes that and sets a framework. It charges the ACNC with the capacity to register not-for-profit entities and maintain that public register. It is voluntary to go on the register but, of course, registration is a prerequisite for gaining access to Commonwealth tax concessions. I doubt whether those opposite if they were on the Treasury bench would change that. Other Commonwealth concessions, exemptions or benefits are also contingent on registration.

This legislation comes as a result of many, many reports in relation to this particular sector, and those opposite did not respond to the sector's request for a national regulatory body when they were in power. The reports are many and varied in relation to this particular sector. We have an ambition to create a one-stop shop regulatory body for the not-for-profit sector. We believe that it is important to consult. We have consulted and we will continue to negotiate and consult with states and territories and the not-for-profit sector. It is important to do so. It is of vital importance because this is a major sector that deals with Australians every day from the Torres Strait to Tasmania and from Palm Beach to Perth. The reviews over the last 17 years—including the 2001 report of the inquiry into the definition of charities and related organisations, the 2009 review into Australia's future taxation system and the Productivity Commission report of 2010 titled *Contribution of the not-for-profit sector*—all make it clear that it is in Australia's national interest to establish a national regulatory body to streamline regulation in the sector.

There will be further amendments in relation to this. One of those relates to requiring the government to consult the not-for-profit sector in developing and implementing governance and external conduct standards. We will also ensure those standards do not prevent a charity from engaging in political advocacy in respect of their charitable purpose except where, of course, that advocacy is unlawful or in support of, say, a candidate for a political party such as, for example, Labor, the Liberals or the Greens.

It is interesting for us to be lectured by the member for Menzies in relation to the not-for-profit sector because the political parties opposite who now say they champion the sector were the very people who when in office banned community organisations and the not-for-profit sector from making public statements without informing the
government first—the gag rule—and, even more ominously, were involved in a position where they could dictate staff changes. So they have now had a Damascus road conversion with respect to the not-for-profit sector, previously banning them, effectively gagging them, from criticising and advocating for the causes in which they believed and on behalf of people, whether they were the homeless or disabled or any organisation or individual or group of individuals, to government or in the media. When in government they gagged these organisations and opposed them having a voice. But now they say in opposition that they will support them.

Lest we think that those opposite have changed, we have only to look to my home state of Queensland.

The same political party, the LNP—the Liberal National Party over there—have already introduced the gag clause in any contracts with the not-for-profit sector. Talk about censorship, dictatorship and authoritarianism! They have done that already with health and other organisations in the not-for-profit sector. Following the Howard coalition government doing that, the Campbell Newman LNP government in Queensland is engaged in this authoritarianism with the not-for-profit sector. When we got into power we abolished the Howard coalition gag rule in 2008 because we wanted organisations to be able to respond and advocate for their causes, the people on whose behalf their organisation was formed. We believe they should be able to advocate without fear of their funding being lost.

We believe differently from the Howard coalition government. We believe differently from the Campbell Newman LNP government in Queensland. I think it is in the DNA of those opposite. They have history, they have form and their position in Queensland is contemporaneous. When on the treasury bench, when it comes to the not-for-profit sector, they say: ‘Shut up, sit down and say nothing or you will lose your funding.’ When in opposition, ‘We're your best friend.’ I think the not-for-profit sector know the reality of what is going on.

We have supported the not-for-profit sector and there are many organisations that have benefited from that. In Queensland we are seeing the detrimental effect on the not-for-profit sector of an LNP government. We saw it with the Howard government. The not-for-profit sector is now feeling the squeeze. About 23 not-for-profit organisations such as tenancy advocacy services in my home state, including IRASI in Ipswich, will lose staff. IRASI help those in need—the poor, the weak, the vulnerable—on tenancy issues. Last year they supported and represented about 152 people in court. This not-for-profit organisation took 600 phone calls. People go there and speak to them face to face. That is gone now, under the actions of the Campbell Newman government. So much for the Liberals' commitment to the not-for-profit sector. They will not support it. The state LNP member for Ipswich said in relation to this not-for-profit organisation in my city of Ipswich that they can just speak to their neighbours for tenancy advice. That is the attitude of the coalition parties to the not-for-profit sector.

We have situations in my home city where the not-for-profit sector is feeling the pinch, not just in having their funding cut but in losing access to services which assist the people they represent. An example is the Ipswich Women’s Centre Against Domestic Violence. I was pleased to be at their fun day the other day. I was there at their party in the park, in Queens Park on 6 September. There were craft activities, face painting, a sausage
sizzle et cetera. I spoke to a number of the women there. The LNP government in Queensland is cutting funding to the services for women who seek help who are suffering from sexual abuse and physical abuse. The funding that goes to the health services in Ipswich that assist those women is being cut and jobs are being lost. So do not come into this place and tell us how you are great champions of the not-for-profit sector, as if you are somehow great supporters, because you have form on this issue. You had historical form when you were in government and you have form up in Queensland, my home state, in the way you deal with it.

These people opposite are supporters of the not-for-profit sector so much so that when it comes to actually finding money to assist organisations in the not-for-profit sector in my home city of Ipswich—organisations like CODI, Focal Extended, IRASI, Aaftercare, the Endeavour Foundation, CATS, organisations that help people in the disability sector—those opposite and their allies, their comrades and colleagues in Queensland, cannot even come up with $20 million to assist the not-for-profit sector to help people with disabilities. They cannot even come up with that. I heard the member for Menzies go on and on about this, about how they are going to champion the not-for-profit sector. But on this issue of helping the not-for-profit sector they have wrong choices, wrong priorities and wrong values. Once again it is the same old Liberals, saying one thing in opposition and doing another thing in government.

The legislation that is before this place will ensure that governance standards do not prevent—I repeat: do not prevent—a charity from engaging in political advocacy. (Time expired)
at the state level. Secondly, it is claimed that, even if these bills do nothing to improve the position at the state level, they will deliver some efficiencies at the federal level, but on analysis these claims are quite implausible.

Thirdly, contained in this package of measures is the imposition, in a number of ways, of onerous, challenging and difficult new requirements for charitable, not-for-profit and voluntary organisations which place burdens on organisations and people wishing to make a contribution through the sector.

Let me turn firstly to the question of how this package of measures imposes a new regulatory regime at the federal level when the government has clearly conceded that it has not secured any tangible outcomes in rolling back the regulation of charitable and not-for-profit organisations at the state level. This was a very clear message from participants in the sector who appeared before the recent inquiry conducted by the Parliamentary Joint Committee on Corporations and Financial Services as well as a number of other committees of this parliament which have looked at these bills. The national and state and territory peak bodies for volunteering highlighted the significant concern in the sector about the duplication and overlap between Commonwealth and state and territory laws governing the not-for-profit sector. They had this to say in their submission:

The ACNC—

the Australian Charities and Not-for-profits Commission—
is meant to relieve these compliance burden issues by providing a 'one-stop' regulation shop. However it is argued by some that red-tape reduction cannot be achieved without collaboration between Federal and State and Territory governments.

… … …

A number of NFP agencies expressed their concern about this matter … harmonisation between the two levels of government is some time away.

Mission Australia also commented on the disparity between what was promised to the sector and what is actually going to be delivered, having this to say:

We support the notion of the ACNC as a one-stop regulatory stop and support the notion of a Charity Passport that will see us provide our financial and governance information once, to be used often. Yet it is disappointing to see no evidence of how this is being achieved.

Our overriding concern is that rather than reducing red tape and compliance burden, the ACNC will add another layer of compliance and that nothing will be taken away.

Those are the words of one particular non-profit organisation analysing the practical impact of this package of measures on their activities. Their conclusion is that, despite the bold promises, the practical consequence will be no reduction in red tape but, on the contrary, an increase in red tape. In a similar vein, Father Brian Lucas of the Catholic Church had this to say, when he appeared before the committee recently:

Much has been said about the need for reduction of red tape. That was very much the rationale that led a number of the various government inquiries to recommend a national regulator. You will have heard, I am sure, that there is still concern in many sectors that particular legislation that we are now dealing with does not bring about the reduction of red tape that was envisaged.

The Australian Conservation Foundation had this to say:

ACF is concerned that rather than remove duplication, the ACNC Bills will duplicate reporting obligations.

We heard that these issues are of considerable concern to independent schools, who are worried that they will be required to report much of the same information that today they provide to the Department of
Education, Employment and Workplace Relations to the ACNC as well. So far, there has been no indication of any information-sharing agreement having been reached between the ACNC and the Department of Education, Employment and Workplace Relations. We heard from the Catholic Bishops Conference that they are concerned about Catholic schools facing a competitive neutrality problem because this will impose new, burdensome reporting obligations on Catholic schools, obligations which will not be faced by the state school just down the road.

Against this backdrop of real and tangible concerns, what satisfaction has the government been able to offer that there will be a harmonisation between federal and state and territory obligations leading to the promised reduction in red tape? I am sorry to say that absolutely no satisfaction on this point has been given by the government.

In evidence to the Parliamentary Joint Committee on Corporations and Financial Services, the interim commissioner of the ACNC task force told the committee that no state or territory government has yet entered into a memorandum of understanding with the Commonwealth to participate in the new regulatory arrangements. There is no state or territory government which has yet entered into a memorandum of understanding.

We heard from Mr Ronalds, a senior official of the Department of the Prime Minister and Cabinet. He was asked about the progress of negotiations with the states, and he was also asked why it was the case that these arrangements with the states had not been put in place first before the imposition of this new layer of Commonwealth regulatory requirements. Here is what he had to say—with, I must say, a certain lofty disdain which perhaps only officials of the Department of the Prime Minister and Cabinet can display. He said:

Our view—and, I must say, with our considerable experience of COAG processes—is that that would take many years to do.

By that he means many years to arrive at a deal between the Commonwealth and the states. He went on to say:

Our perspective is that it was much better to begin the regulatory reform process, to make the improvements at the Commonwealth level and to then work very constructively with the states and territories, and that is in fact what is going on.

That is his claim. I must say that I was wholly unpersuaded by that claim, because, if you analyse what Mr Ronalds said when he said it 'would take many years' to achieve a deal between the Commonwealth and the states and territories, what he is in fact saying is that it is going to take many years before regulation at the state and territory level is likely to be wound back. That therefore means that for many years charities will now face the operation of this new Commonwealth level of regulation on top of, in addition to, the existing level of state and territory regulation which they face.

Let me turn, then, to the second point I want to address, which is that the efficiencies which we are told will be achieved at the federal level by reason of the introduction of the Australian Charities and Not-for-profits Commission are quite implausible. It really does strain the credulity of any objective observer that these benefits will be claimed. In practical terms, the benefits are going to require other Commonwealth departments and agencies agreeing either to hand over their own regulatory powers to the ACNC or, at the very least, to harmonise their regulatory requirements with the ACNC. For example, it was claimed that the charities would be able to lodge their details once with the ACNC and that, once those details were on the register maintained by the
ACNC, then any other Commonwealth agency or department which is to grant them money under a contested grant process, for example, would be able to take the information as read. There will be no need to provide it separately, and so, rather than having to provide a 20-page application form, they will only need to provide a couple of pages because most of the information will already be on the ACNC’s register.

Wouldn’t that be a marvellous thing if it were in fact to happen? Wouldn’t it be a marvellous thing if these efficiencies could be achieved? On this side of the House, we do not dispute that it would be a marvellous thing; we are just deeply sceptical that it is actually going to happen. There appear to be no tangible mechanisms to ensure that bureaucrats in other departments will cheerfully vacate the field when the ACNC comes along. I asked a question on this point, at the committee’s hearings last week, of Ms Linda Lavarch, who is chair of the Not-for-Profit Sector Reform Council. This was her very reassuring answer. First she told me that there is a compact that has been signed to deal with these matters. Then she said:

A compact advocate at the deputy secretary level has now been appointed in each department. It is their role to take the leadership in their department to ensure that they not only are the principals of the compact but also have a shared vision with the sector about reducing red tape. The red tape is not just reduced for the sector; it is reduced for government as well.

I am deeply sceptical. In theory, of course, it is plausible that the ACNC could be a one-stop shop and that other agencies could wind back their levels of involvement and accept, for example, information that had been already lodged with the ACNC. In practice, this would require a remarkable and most unlikely change in bureaucratic behaviour.

Let me turn briefly to the third point I want to make, which is that the new law presents major difficulties for charities in a range of areas. First of all, it imposes onerous new requirements to deal with issues like the threat of money laundering. It is hard to understand why this needs to be dealt with in the ACNC Bill when there are already other regulatory regimes which address the issue of money laundering.

Another way in which this new legislation creates difficulties for charities is that it establishes draconian powers on the part of this new regulator. Just as one example, the new regulator will have the power to disqualify a director, whereas, by contrast, if ASIC, the corporate regulator, wants to disqualify a director, it must first seek a court order. In fact, this regulatory regime is extraordinarily intrusive, with enforcement powers and provisions—division 70, ‘Information gathering powers’; division 75, monitoring powers; powers to gain warrants; powers to enter onto the property of charities; and so on. This is very far from being the so-called light-touch enforcement regime that we were promised by officials appearing before the committee.

In conclusion, the coalition stands for supporting not-for-profit organisations and volunteers. We believe that this onerous and intrusive package of regulation will do precisely the opposite, and that is why we oppose it.

Ms Hall (Shortland—Government Whip) (20:43): I rise to support the legislation before us tonight. In doing so, I would like to pledge my support for the not-for-profit sector and for all those tens of thousands of volunteers that work within the communities that every politician in this parliament represents, because it is the work of those volunteers and the not-for-profit sector that really help our society function in
the way it does. The legislation before us tonight is the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012.

As previous speakers on this side have outlined, the legislation establishes the Australian Charities and Not-for-profits Commission, which I will refer to from here on as the ACNC.

It charges ACNC with registering not-for-profit entities and maintaining a public register; it provides for the powers of the ACNC Commissioner in relation to the regulation of registered entities; it establishes a single national regulatory framework for not-for-profit entities; and it sets out the obligations and responsibilities of registered entities. All these things are very important—it is all about transparency, accountability and ensuring that our not-for-profit sector functions appropriately.

The new regulatory framework will enable the implementation of a robust and streamlined regulatory framework for the not-for-profit sector, including a report once, use often reporting framework. Anyone listening to the previous speaker, the member for Bradfield, would think this was about increasing reporting requirements, about making it harder for the not-for-profit sector, when in fact it is all about cutting red tape and reducing the bureaucracy. A report once, use often reporting framework is one way that this legislation will bring that to fruition.

The new regulatory framework will also support the sector's transparency, governance and accountability, and I think every member of this House would like to ensure that the not-for-profit sector is transparent and would like to be satisfied that governance and accountability are in place, ensuring that we have a strong and viable not-for-profit sector. It will provide information to the public about the not-for-profit sector, assisting donors to make more informed choices and promoting philanthropy. That is also very important, because the not-for-profit sector is becoming more and more important in our society. The public needs to have confidence in the administration, the governance and the accountability of the sector. That is what this legislation does—it gives the public, investors and those people who rely on the not-for-profit sector that confidence.

The objects of the ACNC Bill are to maintain, protect and enhance the public trust and confidence in the Australian not-for-profit sector. I have touched on that slightly already by emphasising how the bill does exactly that, and how important it is for the not-for-profit sector to enjoy the trust and confidence of the Australian people. The bill will also support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector. I do not think anyone could disagree with that object—it is imperative. The third object of the bill is to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector. Listening to the previous speaker, you would believe that all this legislation does is increase red tape and regulation, when in fact it is about ensuring confidence in the not-for-profit sector, it is about reducing regulation and it is about giving confidence to the community, to those who use the not-for-profit sector and to those who invest in it.

All members would be aware that the not-for-profit sector is large and diverse. It is a key part of Australia's community, providing many important services to those who are disadvantaged or in need. The not-for-profit sector operates in many areas. It is actively involved in the provision of aged care, in the provision of services that assist unemployed
people and in the provision of support to people who need assistance in a variety of ways. It is because of this important role that the not-for-profit sector plays in our community that we need to ensure confidence while at the same time reducing red tape. It is fair to say that the not-for-profit sector is growing strongly, and it is important that that growth be promoted while maintaining transparency and reducing unnecessary regulation. Often this regulation hinders the ability of not-for-profit organisations to deliver on their core goals. I work very closely with a number of not-for-profit organisations in my community, and I know how their services are valued and how important it is that the right sort of framework is in place.

One thing that quite disturbed me when I was preparing to make this speech was the number of reviews of the not-for-profit sector over the last 17 years. I think there have been something like six reviews—there has been review after review after review but unfortunately there has been no action. There is strong evidence that there need to be changes in this area. All six separate reviews of the charitable and not-for-profit sector have recommended a national regulator. I ask myself, who does not support a national regulator? And it is no surprise to learn that the opposition are opposing it—just as they oppose practically everything. One thing the opposition are good at doing is saying no, and that is what they are saying here—no to reform and no to putting in place a national regulator.

It is really disappointing, when we have a positive and proactive reform, as is encompassed in the legislation before us—a reform that will strengthen and support the not-for-profit sector as it grows and develops into the future—that those on the other side of this House are opposing it. This reform has strong support from across the not-for-profit sector, from organisations such as ACOSS, the Community Council for Australia and the National Roundtable of Nonprofit Organisations. These are key players in the not-for-profit sector, yet those on the other side of this parliament are refusing to support this legislation. This sector has been subjected to six reviews over 17 years, with no action. What those on the other side of this parliament are saying is, 'No, we do not want any action and, no, we do not want to listen to those key players in the not-for-profit sector.' These are players who have been involved in the sector for many years. They are asking government to give them a national regulator and they support reform.

Reform for the not-for-profit sector was an election commitment of the government. The government's reform agenda for the not-for-profit sector is quite ambitious. We want to implement some of the most progressive reforms this sector has seen over the last century. In doing that, we recognise the key role that not-for-profit organisations play in our community. We want to assist them by putting in place a one-stop regulator. A one-stop regulator will really benefit not-for-profit organisations.

Whilst the previous speaker was quite scathing about the government's intention to negotiate with the states and territories on a national regulator, the government is totally committed to doing it. It is imperative that the states do not react in a parochial way but rather look at what the best outcome for the not-for-profit sector is—what the most effective way for not-for-profits to operate is and how they can operate with efficiency while at the same time giving the community a high level of confidence in the sector.

The government has undertaken extensive consultation. There was an inquiry held by the House of Representatives Standing
Committee on Economics. A number of recommendations were made and those recommendations have been taken seriously—some changes have been made to the legislation as a result. I believe the Senate Community Affairs Legislation Committee is handing down its report tomorrow and I will be very interested to read that. As I have mentioned, this sector has been the subject of six reviews, an inquiry by the economics committee and an inquiry by the Senate committee—for 17 years this issue has been looked at and looked at, but no action has been taken.

It is time there was some action. It is time both sides of this parliament listened to the issues raised by the sector. It is important that government acknowledges the key role played in our community by the not-for-profit sector and, at the same time, puts in place the right regulatory framework, a framework which will enable the sector to deliver and to do so in an efficient and effective way.

I know that seeking their support for the legislation is asking a lot of the opposition. A critical flaw in their policy is that it does not address the deficiencies which currently exist. I believe that, if they are really serious about supporting the not-for-profit sector, they need to acknowledge the fact that there are currently deficiencies in the system as it operates now. This legislation sets out a real reform agenda which is going to make it easier for the not-for-profit sector to operate and I wholeheartedly support the legislation before us tonight.

Mr BUCHHOLZ (Wright) (20:58): In my opening remarks on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012, it would be remiss of me not to offer some advice to the previous speaker with reference to the intent of this bill. Whilst at face value, as it says in the preamble, the bill seeks to reduce red tape for our not-for-profit and charities sector, the coalition shares my great concern that this is just not achievable given the evidence we received at the hearings of the House of Representatives Standing Committee on Economics.

I represent the electorate of Wright. Earlier in my term, we suffered massive loss of life as a result of flooding. Those in my electorate were firsthand recipients of the generosity of charities from right across Australia who came to our aid.

So it is only fair that I return the favour to those agencies, who under this bill will be burdened with extra regulatory requirements. I will extrapolate from the Hansard the evidence that was provided to the House committee and leave the government in no doubt that the tack they are taking on this legislation will not reach its objectives; and, for that reason, the coalition cannot support these bills.

The not-for-profit sector plays a major role in Australian society. It comprises 600,000 entities that provide services in education, sport, welfare, arts, religion, culture and community wellbeing. By definition, the sector also engages heavily with volunteers, and much of its contribution to Australian society is outside the dollar economy, but it is estimated that volunteer time donated to this nation is in excess of $14.6 billion, a colossal effort by those who give their time freely.

These bills provides for the establishment of a new statutory office, the Australian Charities and Not-for-profits Commission, which would be the Commonwealth regulator for the not-for-profit sector. The bill provides the ACNC Commissioner with a range of enforcement powers, and those
powers are modelled on those given to other Commonwealth regulators such as ASIC, APRA and the ACCC. The bills provide the ACNC with the authority, no less, to issue warning notices, issue directions, enter into enforceable undertakings, apply to the courts for injunctions on charities, suspend or remove responsible entities, and appoint acting responsible entities. These are enormous powers being given to this body under this legislation.

The bills specify the conditions that must be satisfied before the ACNC Commissioner can use enforcement powers, the scope and range of the ACNC's enforcement powers and the associated penalties for contravening enforcement powers issued by the ACNC Commissioner. The commissioner would be able to exercise enforcement powers only over registered entities. The commissioner may generally only use enforcement powers against federally regulated entities; however, the commissioner may revoke the registration of any registered entity. The ACNC Commissioner's enforcement powers in relation to external conduct standards apply to all registered entities.

Only the coalition's plan will help the sector. We support a much smaller commission, to focus on innovation, education and advocacy. Our intention is to cut red tape—genuinely cut red tape—as reflected in our proposal in the family services area, where contracting reforms will make it easier for agencies in civil society. The intention of the bills, we are told, is to reduce red tape, with the ACNC Commissioner to cooperate with other government agencies to oversee a simplified and streamlined regulatory framework for not-for-profit entities. When challenged, the ACNC said, 'Our plan to reduce red tape is to go to the states and have them reduce their regulatory burden on the sector.' In doing that, they would be creating another level of bureaucracy over the top of an already regulatory compliance laden sector. The bill should place a clear obligation on the government and its agencies to reduce the unnecessary duplicative and burdensome administrative reporting and compliance obligations on not-for-profits. Evidence provided to the House of Representatives Standing Committee on Economics in its inquiry on the draft bills revealed the serious concerns of stakeholders and that there is a lack of confidence that this legislation will reach its objective of reducing red tape.

The previous speaker, the member for Shortland, indicated that the legislation had wide-ranging support across the sector. That is just not true. There are many players in the sector who oppose this legislation and it is my intention tonight to highlight their concerns. ACOSS—an organisation mentioned by the previous speaker as showing undeniable support—was concerned that the benefits from minimising procedural requirements and duplication or cooperation between the commission and other government agencies do not provide adequate assurance that the sector will benefit from this reform. Their submission said:

Throughout the evolution of this reform, the sector has been assured of principles such as ‘light touch regulation’; and of the commitment to reduce duplication of reporting requirements and enhance the value of the reporting that is undertaken in terms of information for and about the sector. Yet these principles are not evident in the ACNC Bill. It is important that the legislation includes an explicit objective of reducing red tape. Yet these principles are not evident in the ACNC Bill. It is important that the legislation includes an explicit objective of reducing red tape.

That is firsthand evidence that ACOSS have serious concerns about this legislation, so it is fair to say that there is not support for it right across the sector.
The coalition acknowledge the wishes of the not-for-profit sector that the reduction of red tape should be made an explicit objective of the bill, but we are greatly concerned that these objectives will not be met. Mr Bill Daniels, Executive Director of the Independent Schools Council of Australia, said in his evidence to the economics committee inquiry:

... we would say that some of the proposals in this legislation are simply another layer of legislation and that reporting and accountability would add to the burden—

hardly the comments of someone supportive of the bill, I would suggest. At the same hearing, I asked:

One of the cornerstones of the proposed bill is that it will reduce compliance red tape. Do you have an indicative date or indicative opinion from the states as to whether or not they are moving towards reducing their compliance requirements?

From the Hansard, Mr Daniels response was:

I have been with this organisation for more than a decade. I have seen no reduction whatsoever in reporting requirements—in fact an increase in reporting requirements ... There has been no discussion whatsoever with the states or, indeed, with the Commonwealth department that I am aware of that has involved the independent sector on any reduction in reporting requirements. The only discussion that I have had with the Commonwealth apart from the ACNC briefings we had received is a less-than-perfect understanding of what is intended by the commission. So there has been no discussion whatsoever of any reduction or any proposal to reduce reporting.

Perplexed by this response from someone who was supposedly a supporter of the bill, I asked him:

Would that be a concern of the organisation that you represent here today given that evidence that we heard earlier today was clearly underpinned and motivated by the fact that there was going to be a reduction in red tape in order to streamline funding and provide long-term stability to the sector? If that fundamental piece was not going to be there or is not evident before the legislation is put before the House, does that raise a concern with you?

Mr Daniels comment was:

It is a concern—but it is just another added complexity that each individual school would have to deal with. It is likely to add a layer of reporting and accountability that is not there.

When the government says they are going to put mechanisms in place to reduce compliance and the expectation is that the compliance reductions will come from the states, can you imagine the state health departments reducing their level of compliance on their hospitals which would fall under this bill? Would you suggest the state education departments which would reduce their level of compliance because now there was another layer of bureaucracy in Canberra? I suggest not.

The states have not agreed to hand over any of their powers with respect to charities and not-for-profits to the Commonwealth—such as the powers with respect to incorporated associations, fundraising et cetera. So the new regulator will be an additional layer of red tape and thus not achieve its primary objective of reducing regulation. We the coalition believe government should get out of the way of civil society and let them do what they do best—help people and help the community. Labor is creating a roadblock for the operation of charities and the not-for-profit sector and for people's involvement in civil society. The bill provides a tiered system of registration based on revenue thresholds. This has been done in order to minimise the compliance burden placed on registered entities.

Reporting requirements under the bill are proportional to the size of registered entities, based on revenue thresholds. There are three
tiers: a small registered entity is an entity with annual revenue of less than $250,000; a medium entity is considered to be under $1 million; and a large entity is over $1 million or more. Revenue is calculated in accordance with the relevant accounting standards issued by the Australian Accounting Standards Board.

During the inquiry, the committee received evidence that the proposed thresholds were too low. In its submission, the Anglican Diocese of Sydney expressed explicit concern that the revenue thresholds used to determine whether a registered entity is small, medium or large remains ‘unhelpfully low’—again, far from the support that the Labor government are saying there is unqualified support for. The submissions also noted that the thresholds currently proposed are based on those used by states and territories under incorporated associations legislation and also under the Corporations Act for companies limited by guarantee. We understand it is convenient for these thresholds to be retained, particularly to ensure that there is minimum impediment for state and territory agencies agreeing to report the ACNC as a one-stop shop. However, beyond convenience, there is no obvious basis as to why these thresholds should be adopted for the whole sector and, in our view, good reason to doubt their suitability as thresholds for the whole sector under the ACNC Bill.

In hearing this evidence we have the ACNC now aligning itself with the very organisations for which they claim they are going to reduce the thresholds. This is not what one would perceive to be a positive step to remove itself from state legislation. Instead, we see Labor putting up policy which supports the parasitic behaviour of a growing bureaucracy, justifying its own existence.

The Independent Schools Council of Australia also protested against the probable impact of the threshold on the independent schools sector. Most schools would qualify as large entities with the consequent reporting burden that applied to that tier. I would like to take you to the directors' liability and the impact of those volunteers who give many hours around the nation. A provision of the bill deals with obligations, liabilities and offences under the act, and provides that:

If an entity is subject to an obligation or liability, or commits an offence, certain entities that are responsible for managing the primary entity may also be subject to the obligation or liability, or commit the offences, in specific situations.

In effect, the bill imposes personal liability on directors of bodies corporate in certain circumstances. The bill establishes a regime for administrative penalties. These can be imposed by Commonwealth agencies without the need for court action—quite perplexing. However, appropriate sanctions are required for a deterrent effect and protect those who seek to cooperate with the commission.

The committee also received evidence that the Australian Institute of Company Directors questioned the value of placing liabilities on people who essentially are volunteers working for the community—comments such as:

It concerns me massively that we might be the first country in the world to make being a not-for-profit, as a director, more onerous than being a for-profit. That is what this bill does.

In conclusion, this bill is Labor to its boot laces. The bill is presented to the House with the intent of reducing red tape. I have provided evidence from the sector which shares my concern that you cannot reduce red tape by creating another layer of bureaucracy. The bill provides unnecessary penalties on volunteer organisations which
are the backbone of our nation and it is unfair that penalties inflicted on them would be greater than that under the Corporations Act.

My heart goes out to every single volunteer who assisted me in the electorate of Wright during those terrible floods. Again, it is my civic duty and my responsibility in this House to try to reduce the burdens on not-for-profits by opposing this bill.

Ms SAFFIN (Page) (21:13): I rise to speak in support of the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits (Consequential and Transitional) Bill 2012, referred to as bills one and two. The not-for-profit sector—or the NGO sector, as it is commonly known—is a sector I am very familiar with. It is a sector I worked in for a long time—and the Minister for Health is nodding her head, because she did as well. We have history going back a long time of working in that sector, understanding that sector and knowing it.

In its development the sector has not had an appropriate regulatory framework to give it the protection and the status and all the other things that it needs. We have heard a lot in here tonight about the number of inquiries that have taken place on the not-for-profit sector—three substantial inquiries over about 17 years. I think that everybody has thrown their hands up and said: 'It's too hard. We won't deal with this; it's just too hard,' but everybody knows that change has to happen. It is time to say: 'We're going to start. We're going to do it, and we'll do it now.' There will be a transition period where some things develop which we know will need to be changed. There is a five-year review built into the legislation, and, even before the five-year formal legislative review, there will be ongoing review. The minister, the government and everybody associated with the bill have made this fact clear. But introducing change can disturb people. The not-for-profit and NGO sector is broad, and trying to make sure that absolutely everybody who runs a not-for-profit knows every detail about it is a challenging task. The ACNC task force was set up to make sure of this. It did some consultation, and I have been doing some consultation myself locally, giving information to people and trying to assure them that this legislation is being done for them rather than to them, because often the two things can be confused.

I said that there have been three separate reviews over the last 17 years of the charitable and not-for-profit sector; I meant that there have been six. However, the three reviews that I was referring to were the 2001 report of the inquiry into the definition of charities and related organisations, which is always a rather vexing issue; the 2009 review into Australia's future tax system; and the Productivity Commission's 2010 report Contribution of the Not-for-Profit Sector. All these reviews have recommended the same thing, as did the reviews over the last 17 years that preceded these three. They have recommended simplifying and harmonising taxation and regulation of the sector. They have all recommended without hesitation or any caveats a national regulator, a statutory definition of a charity and the modernisation of the sector.

I listened to the contribution of the honourable member for Wright, and I agree that we need to let civil society do the work it does and does well and not interfere in it. But the sector also needs some changes, and that is what these bills aim to achieve. I also heard the member talk about directors' liabilities, and I turn now to talk about the liabilities of people who run not-for-profits, charities and NGOs. When I worked in the
not-for-profit sector I used to do workshops, seminars and roundtables on people's liabilities and responsibilities. One thing I used to say was that, within the sector, you can be a tiny little charity organisation doing some really good work at a very local level and in a very specific area and attract almost the same fiduciary duties and responsibilities as companies such as BHP. Over the years, with the common law and corporations law, even though they might have been registered under the associations incorporation acts at their respective state levels, they attracted such responsibilities and liabilities. That is of the things that the reviews over the past 17 years have been trying to deal with. I can remember one of the cases, though I forget the case reference now. It was a case involving the Victorian division of the National Safety Council. They had a voluntary board and they were doing their charitable work. They also had people who worked for them and a CEO, and the case had to do with fraudulent activity. The chairman of the board ended up with a judgement against him for a huge amount of money. The case went behind the corporate veil, and he had to pay back a lot of money. Cases such as this are of real concern in the charitable sector. I will always remember that case. I am not going to mention the name of the chairman of the board there, but it was probably a terrible shock to him because he was doing good and doing it voluntarily, and he ended up with huge liabilities in the judgement against him. I used to do my workshops and seminars and roundtables on this case in order to try to communicate to people the sorts of things that they needed to do protect themselves.

I am not saying that these bills are about the same thing, but the whole focus is on saying that the sector is different to and separate from big corporations and that it needs its own regulatory framework. I am pleased that the government has embarked on providing the sector with its own regulatory framework instead of saying, as everybody has said after the six separate reviews of the charitable and not-for-profit sector, 'It's just too hard; we won't do it.' Reform has to start somewhere.

I will outline briefly the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. In the 2011-12 budget, the government announced that it would establish the Australian Charities and Not-for-profits Commission as a national regulator. Initially only tax endorsed charities will be regulated by the ACNC, but the bill establishes a framework that can be extended to all not-for-profit entities in the future. That is a good thing, because it gives a transition; it gives people time.

The main bill establishes the ACNC. It charges the ACNC with registering not-for-profit entities and maintaining a public register. It provides for the powers of the ACNC commissioner in the regulation of registered entities. It establishes a single national regulatory framework for not-for-profit entities and sets out the obligations and responsibilities of registered entities.

The second bill contains amendments to Commonwealth legislation resulting from the establishment of the ACNC, giving operational effect to the main bill. It makes ACNC registration a precondition for charities to access certain Commonwealth tax concessions as well as a number of other Commonwealth concessions, benefits and exemptions. It contains transitional provisions to allow registered entities time to transition smoothly from the currently regulatory framework into the new ACNC regulatory framework.
I have had discussions with local charities and made direct representations to the minister about some of the things the local people have said. I have invited the minister to come and talk with some of my local groups and he has accepted that invitation. I will have a round table in my seat of Page and invite members of the not-for-profit sector along so they can sit around the table and have a conversation with me and the minister about the implementation of the bills.

I have also had discussions with the Catholic Diocese of Lismore. It covers a broad area, larger than just the city of Lismore, my home town. They have raised with me some issues relating to implementation. They support the thrust of the bill, with the single national regulator and the regulatory framework, and they want to be assured that there will be a reduction in red tape. They want assurance that the reports they currently make under certain acts, particularly under the Schools Assistance Act, can be deemed to be reports that will satisfy the new national regulator. I agree with that; it is just common sense. That is clearly what we need to do if we are to reduce red tape. They also want assurance that the basic religious charity status that operates now will be maintained. I also support that and have had discussions with the minister about it. In relation to the ACNC register, we have to make sure that due process and natural justice are followed before people can give warnings and directions. I am assured that that will be the case. I have copies of submissions from the local Lismore diocese which I have put before the minister. It is clear that these bills form a large part of the government's reform agenda in the not-for-profit sector.

Over the years, I have taken up the issue of DGR status, which comes through the ATO. I have written many submissions and helped organisations to get DGR status. It is not always easy to get DGR status. Yes, there is law and, yes, there is a form one follows. I have found it easy to write the submissions as long as you have the corporate entity that satisfies the legal requirements. But sometimes people are puzzled and ask, 'Why do they get it but we don't?' That is an issue I have been working on with neighbourhood centres and learning centres. I have been advocating for that to be clearer, and I think everyone would agree with me on that. This is an issue that I am passionate about, and I hope to see some changes in this area.

I support the bills, noting some issues of caveat. I commend the bills to the House.

**ADJOURNMENT**

**The DEPUTY SPEAKER (Ms AE Burke) (21:29):** Order! It is so near to 9.30 pm I propose the question:

That the House do now adjourn.

**Australian National Internships Program**

**Mrs MOYLAN (Pearce) (21:29):** Earlier this year I had the privilege of participating in the Australian National Internships Program and was assigned a student from ANU. I have previously participated in the program which provides the opportunity for a student to work in Parliament House with a member or senator and to undertake a research project. This counts towards their academic work, which is complemented by real life experience in a working office.

Brilliant young ANU student Eleni Stratton accepted the task of writing a research report for me on the topic of 'Our other ocean: The case for an Indian Ocean centre'. It is a matter that has interested me for over a decade. I do not believe that Australia has been as engaged as we should.
be with a region so important to our future—
economically, strategically and culturally. It is a matter I have raised over these years
with relevant ministers, shadow ministers and Austrade. I believe it is vital to ensuring
that we have the knowledge and skills needed to understand the region and fully engage with our neighbours with whom we share the great Indian Ocean.

It was a privilege to guide Eleni's work with the help of my former adviser Simon
Hall who assisted her during the non-sitting weeks. In the executive summary of the
report, Eleni Stratton made the following observations:

The Indian Ocean Region (IOR) has attracted increasing strategic and political attention in
recent years. It hosts a third of the world's population, a trillion dollar economy, and rapidly
growing levels of consumerism and individual wealth. Much of the world's trade in energy
crosses the Indian Ocean and flows through its choke points. Regional wars and crises have led
to unprecedented levels of involvement, reinforced by strategic competition between India
and China, energy politics, and issues of environmental and human security.

Australia's interests in the IOR are many and varied. Indian Ocean Trade routes are critical to
the survival of all major world economies, and vital to Australia's import and export markets and
sea-lines of communication. Fast growing populations and economies in IOR offer many
opportunities for enhanced economic and trade cooperation with Australia. At the same time,
uneven distribution of wealth, food and water shortages, and acute environmental stress may
provoke political instability in the region. The IOR is the zone of Australia's interaction with
most significant neighbours—including the People's Republic of China, India, Indonesia, and
others—many of which are presently undergoing major security, social and economic challenges.

Despite the strategic and economic importance of the IOR to Australia, the capacity of Australian graduates to interact effectively and sensitively with the countries of the region is stagnant or
declining. Indonesian Studies and Indonesian language learning in Australian education is in

... ... ...

Australia can no longer afford to neglect the study of other regions, languages and cultures.
Nor can it continue to shift focus from one country to the next. Selective and politicised
funding does not make for sound scholarship or reliable analysis. In order to adapt to rapidly changing circumstances, Australian students need to appreciate the diversity of the IOR and understand the issues central to the region as a whole.

I end part of the executive summary at that point, but in formulating this report I asked Eleni to keep an open mind as to whether there is a case for the establishment of an Indian Ocean centre. She carefully researched and analysed the issues and has produced what I think is an outstanding report, recommending the establishment of an Indian Ocean centre in Australia. On the completion of the report, Eleni Stratton left for Washington, and I wish her well for what I know will be a bright future. I am sure she will make a fine contribution to this nation in whatever field of endeavour she undertakes in the future.

I seek leave to table the full report of Eleni Stratton's work as an intern.

Leave granted.

Kingston Electorate: Completion of Projects

Ms RISHWORTH (Kingston) (21:34):
It has been an exciting time in my electorate of Kingston over the last few weeks. I have attended the openings of a number of important local projects that will improve the southern Adelaide region significantly. It is important to note that all of these projects have been funded by this Labor government, and many of them are projects that I have committed to in my community and have now delivered.

CHAMBER
I would like to talk about the opening of the GP Super Clinic at Noarlunga. In 2007 I knew that local health services were important to my local area. I was very pleased with the big response to my petition calling for a GP Super Clinic in the local area. With the contribution of $12 million from the state government and $12 million from the federal government, I was pleased to join the federal and state ministers for health to open the $25 million GP Super Clinic at Noarlunga. This will offer a huge range of services in my electorate—things that have often been difficult to get—after-hours GPs, psychologists, podiatrists, specialists in early childhood and family support, to name just a few. This GP Super Clinic sits alongside the headspace site which, I am informed by its operators, has generated considerable interest and attendance which will deliver important mental health care services to young people in the electorate.

On this weekend I am very pleased that I will be joined by both the state and federal transport ministers to open the rail bridge that is part of the Noarlunga to Seaford rail line. The community had called for this important project for over 30 years and it is now one step closer to completion. It is the longest rail bridge in the country. It is 0.1 kilometres longer than the Sydney Harbour Bridge. This important piece of infrastructure has been wholly funded by the federal government, and is delivering something that the residents in Kingston for the last 30 years have needed. I look forward to the completion of the tracks, which will coincide with the electrification of the existing line to provide an excellent service to the southern suburbs of Adelaide.

I also attended the opening of the trade training centre at Southern Vales Christian College. It was my pleasure to open this important centre. Of course, this was a commitment made by Labor in 2007 to deliver trade training to high schools, which we now see this at the college's Aldinga campus, as with many other schools in my electorate. This $1.5 million project is an important project that delivers certificate I and II courses in hospitality to secondary students. They get credit for their SACE—their year 11 and 12—and also learn some important life skills, transitioning themselves to a life of employment. I think this is really exciting. Not only is the centre really important to the school, it adds to the philosophy of the school, which is to encourage a love of agriculture and a love of cooking—as they put it, paddock to plate. This is an important investment funded by this federal Labor government.

Another project that I was pleased to be at the opening of is the d'Arenberg Stables Wine Immersion Centre. This was funded under the tourism quality grants program, which the Labor government has put money into. The opening of an interactive display at d'Arenberg winery was very important. I would highly recommend d'Arenberg wine to those in the House who have not tried it before. It is a very good wine from the McLaren Vale region. The centre connects people with the product. There is a wonderful interactive display and a blending bench. If you go there you can make your own wine by blending a number of different wines together. It is a wonderful project that the federal government has contributed to, dollar for dollar, in partnership with the local tourism association.

There have also been openings of a number of projects under the Regional and Local Community Infrastructure Program delivered by the federal government. Those projects and the ones I have mentioned have improved local community infrastructure in a range of ways and are examples of how this
federal government is committed to local communities. (Time expired)

Parkes Electorate: Employment

Mr COULTON (Parkes—The Nationals Chief Whip) (21:39): I rise tonight to speak about an issue that has become quite a problem in western New South Wales, including in my electorate of Parkes. That issue is the shortage of skilled workers.

In the last season since the drought broke there has been a real shortage of people to do the job, mainly in agriculture but also in mining jobs. Many people drifted away over the 10 years of the drought into other employment, but now that the seasons have returned there is a real shortage of skilled worker. In the last wheat season and the last cotton season, which is winding up now with the ginning process—it is the largest cotton harvest in the history of the country—much of that work is being done by workers from overseas. Backpackers from the UK, Europe, Korea, India—you name a country and there are young people from it in my electorate at the moment working on farms on cotton gins and in grain handling facilities.

Filling the shortage in this way is a stopgap; the nature of these tourism work visas means that a problem is emerging. Taking on someone to work on an agriculture property requires that they undergo quite an intensive training process. Much of the equipment is GPS-guided and you have to have an aptitude for it. Some people never quite get it and move on; other people do get it after the six months. Quite often by the time they are getting very proficient and can work on their own, unsupervised, they have to move on because of the requirements of their visa. There is a need for flexibility to come into the system to allow those people to stay longer.

The other issue is with 457 visa, which has no qualification for farm worker. It is very difficult to get someone to come and work on a property on a 457 visa. There needs to be a complete look at this problem of the lack of skilled people to work in these areas. There will be a forum in Moree, in north-western New South Wales, in my electorate, on 27 September. There will be representatives of the Department of Immigration and Citizenship, the department of regional development, local councils and New South Wales farmers. I will be chairing the forum, which will look at options that might be available, including a skilled migration zone, to bring in skilled people and take advantage of the job opportunities that exist.

Over the last 20 years agriculture has become very mechanised, very technical, and you need a certain type of person to do that. Some of the farms in my electorate have as many as 10 backpackers working on them at the moment. They are shipping out grain and getting ready for the harvest, which will be in six or eight weeks time.

Having said that, we must not forget the unemployed people in my towns at the moment. It is a great irony that we have a shortage of skilled workers yet we still have a level of unemployment. Unless we as a community bring those people along with us and upskill them—many of these people are Aboriginal members of my community—and try to get them into employment, we are not doing our job. I believe that we need to find the job, place the person and then put the resources of government into keeping them in those jobs. Many of these people have got tickets in all sorts of different fields, through training organisations, but if there is no job at the end of their training it is pretty pointless. I encourage anyone in the area to come along on 27 September and take part in a forum that will give some direction and offer some hope for the problem we have
with a shortage of skilled labour. *(Time expired)*

**Greenway Electorate: Education**

Ms ROWLAND (Greenway) (21:44): I rise this evening to discuss the federal Labor government's commitment to education reform and to reaffirm my personal commitment to supporting schools in my electorate and the value I place on education as an investment in our nation's future. I would also like to discuss some of the threats that exist to improving Australian schools and to the education outcomes of all students.

Only last Thursday I joined students, teachers and staff at St Mark's Catholic College in Stanhope Gardens in my electorate to officially open their brand new facilities funded by the federal Labor government and the St Mark's school community. At St Mark's, $3.5 million has been invested by this government to construct new general learning areas and specialist science areas that will be enjoyed by students and staff for generations to come. I would like to thank Principal Peter Stoyles, Jayne Campbell and all the fantastic staff at St Mark's for hosting such a wonderful day. Your new facilities are amazing.

This investment at St Mark's is on top of the record education spending on all schools—government, Catholic and independent alike—in my electorate thanks to this government's Building the Education Revolution program. This is a program responsible for over $60 million of infrastructure investment for schools in my electorate alone, a program that has been warmly welcomed by the Greenway community at large but derided by those opposite. Each of these infrastructure projects are investments in the future of this nation. They are the foundation on which a quality education can be built and they are a result of this Labor government's commitment to education.

During the visit to St Mark's, I was joined by the Executive Director of Schools for the Catholic Education Diocese of Parramatta, Mr Greg Whitby, someone who has demonstrated an outstanding understanding of the educational needs of students in western Sydney in particular. We are fortunate to have Mr Whitby as such a strong advocate for putting research about improved learning models into practice—for example, the benefits of agile learning spaces, which we see in many of the new BER facilities. The qualitative and quantitative benefits of these innovative approaches to learning as well as a strong focus on teacher quality and student outcomes are truly instructive.

As I have spoken about on countless occasions in this place, I am blessed with the educational leaders across my community, whom I value and admire. We on this side of the House are committed to improving education in all schools—Catholic, independent and government alike. I know that education is the great enabler; I have seen it firsthand. It is clear that for the vast majority, particularly in western Sydney, the postcode still unfortunately dictates education outcomes—and that is something this government has been changing and is committed to changing.

But there is one thing standing in the way of improving education outcomes for students in my electorate—and that is the O'Farrell Liberal government in New South Wales. Today the New South Wales Liberal government slashed $1.7 billion from the New South Wales education system. Premier O'Farrell has announced $1.7 billion in cuts from public schools, Catholic schools, independent schools and TAFE colleges in what is the worst attack on the New South
Wales education system in 20 years. As the chief executive of Christian Schools Australia, Stephen O'Doherty, said to the Sydney Morning Herald yesterday:

I can't remember a worse process since the dark days of the late 1980s.

That is a very telling remark coming from a former New South Wales Liberal MP.

On top of these cuts, 1,800 school teachers, TAFE teachers and support staff will be sacked, TAFE fees will increase by 9.5 per cent and the state government will stop subsidising certain TAFE courses. This comes after the New South Wales Minister for Education said on ABC Radio before the last state election: 'We're not going to change what the Labor government currently does in terms of their funding for non-government schools. The current government has funded them a particular way and we're not planning to change that.' As the countless calls, emails and other online communications from local parents and teachers in my electorate over the past couple of days can attest, today's announcement exposes those words as complete untruths. This New South Wales Liberal government is exposed as one that attaches no value to education nor has any understanding of the long-term damage these cuts will cause. The impacts of these short-sighted cuts have created serious concerns for schools and families in my electorate.

The Catholic Education Commission believes these cuts will require independent Catholic schools to increase their fees, force reductions of teacher numbers and even force school closures. This is straight out of the Tory playbook—slash and burn schools and services for families and completely fail to appreciate education as an economic and social investment in our future.

National Family Business Day

Mr VAN MANEN (Forde) (21:49): I rise tonight to make the House aware that 19 September next week is National Family Business Day. It is the brainchild of Family Business Australia. Family Business Australia hopes this day of celebration will highlight the importance of these businesses as the backbone of the Australian economy. I would like to take this opportunity tonight to stress the importance of this sector and, more broadly, the small business sector as one of the key pillars of our economy.

Aspiring entrepreneurs have always dreamed of owning and operating their own small businesses. But, nowadays, the dream of starting your own business can be overwhelmed with red tape, paperwork and regulation and, more often than not, small business people are giving up their dreams of operating their own business for steady employment as the task of navigating the maze overwhelms them. In the current business environment, small business owners feel like they have had the wind knocked out of them. They have lost confidence and it is about time something was done to restore hope, reward and opportunity for this vital sector of our community.

There is no reward for innovation or entrepreneurship under this government. Statistics from the ABS tell a damning story. Between June 2007 and June 2011, some 800,000 small businesses have left the marketplace—that is, since Labor's election. Furthermore, statistics from Dunn and Bradstreet show that small business start-ups have decreased by 95 per cent. During this time, the Labor government has introduced 18,089 new regulations and only repealed 86, which means that on average 11 new regulations a day have been added. Add to this the cost of doing business like paying rents and wages, purchasing goods and making room for the greatest carbon tax on Earth and it is no wonder small business owners are struggling to continue to keep their doors open. It has been like an
eradication exercise in favour of big
government, big corporations and big unions
versus the little guys.

A paper by the IPA on small business
explains the importance of small business
from the aspect of economic democracy and
draws attention to the following statement
made by the Committee for Economic
Development in the United States:
Whatever its type or stage of growth, the small
business is a manifestation of one of the basic
freedoms … This is the freedom to enter or leave
business at will, to start small and grow big, to
expand, contract or even to fail. This freedom to
be enterprising is an aspect of the economic
democracy without which our political
democracy cannot exist.
The coalition respects the small to medium
business sector enough to understand that
you cannot tax and regulate them into
prosperity. Our plan seeks to strengthen local
communities, broaden and boost our
economy, and drive prosperity and
innovation into the future. It will be driven
by lifting productivity.

As National Family Business Day
approaches, I would like to conclude
tonight's speech by acknowledging some of
the local family businesses which I have the
privilege of assisting in my electorate. It is
worth noting that the family business sector
accounts for around 70 per cent of all
businesses in Australia and employs 50 per
cent of the Australian workforce. I truly
appreciate
the great family businesses in my
electorate—businesses such as Aarons
Linen, Merino Country, the famous Yatala
Pies, Tey's Brothers Abattoirs, A&T Cabinet
Makers and Holmwood Highgate. These are
just some of the many small businesses
employing hundreds of workers in my local
community.
The coalition understands that for small
business less paperwork means higher
profits, boosted sales and more time with the
family. We also understand that red tape not
only stifles existing business activity but also
hinders entrepreneurship and innovation,
which create new businesses. Under the
coalition, a 'one in, one out' approach to
regulation will be a reality, not an aspiration.
We will seek to return hope, reward and
opportunity to the small business community
in Australia. (Time expired)

Potato Imports

Mr ZAPPIA (Makin) (21:54): For the
past two years or so Australian potato
growers have raised concerns with the
government about the push by the New
Zealand government to lift the ban which has
been in place since 1988 on the import of
New Zealand potatoes into Australia. The
concerns relate to the risks of bringing into
Australia diseases and pests which have been
detected in New Zealand potatoes but which
to date the Australian potato industry is free
from. Of particular concern is the psyllid
insect, which was first detected in New
Zealand in around 2008. Since that time,
according to one report, New Zealand potato
growers have suffered crop losses of up to 60
per cent from the bacteria.

Commonly referred to as zebra chip,
because the potato flesh becomes striped, the
disease means the potato becomes
unsellable. Of major concern is that to date
there is no effective treatment available to
control or rid crops of the zebra chip disease
once infestation occurs. This is a very real
concern to potato growers in my home state
of South Australia, where the potato industry
is estimated to have a farm gate production
value of about $206 million and produces 80
per cent of the nation's fresh washed
potatoes.

The Department of Agriculture, Fisheries
and Forestry has developed a draft set of
conditions under which the New Zealand
potatoes could be imported into Australia.
The conditions were the subject of a public consultation process, which I believe ended on 3 September—this month. Australian potato growers are understandably concerned that the ban will be lifted and that the discussion paper is really about the conditions under which that occurs.

There are several concerns which I raise about this process and the issue more broadly. Firstly, the Australian potato industry is very much dependent on Australia's disease-free image. It is a marketing advantage which has enabled the Australian industry to survive, albeit with difficulty, throughout some very tough times. The loss of the disease-free advantage would destroy the industry, even without factoring in the additional losses caused by infestation. Secondly, once the disease or pest enters Australia the damage is irreversible. Thirdly, I suspect that the push to import New Zealand potatoes is purely profit driven by industry sectors who have no interest in where potatoes are sourced from or any possible long-term damage to the local industry.

Fourthly, the import conditions and procedures, listed in the public discussion document, highlight the extraordinary precautions importers must take. That in my view is an admission of the serious risk that is being contemplated and that must be managed. Furthermore, the listing of so many conditions simply raises the likelihood of failure. Either through inadvertency, human error or by deliberately ignoring conditions, it will only be a matter of time before a condition is breached and the disease gets into Australia. Nor is it reasonable to expect that all conditions will be properly policed in all stages at all times.

There is no need and no pressing justification for allowing the Australian potato industry and the livelihoods of growers to be placed at any risk, let alone such a serious risk. In fact it should be standard practice that food products are not imported from known risk source countries. I understand that recently, due to similar concerns about zebra chip, the South Korean government banned the importation of potatoes from the US. I also note that a live psyllid was found at the Crewe Place AQIS facility in New South Wales last year in a consignment of tomatoes from New Zealand during inspection. Whilst the biosecurity measures appear to have worked in this case, the incident shows that concerns are justified and that precautions are not infallible.

Three years ago the Australian government made a difficult and controversial decision to continue the ban on beef imports from the USA because of the presence of mad cow disease in US cattle, even though at the time we were told that the proposed biosecurity procedures would ensure that any meat imported would present no risk. The decision to continue the ban proved to be the right course of action, as I believe that mad cow disease continues to be detected in US cattle.

In a similar vein, the cautious approach of today's decision to strengthen existing legislation relating to the issuing of fishing licences is also the right decision. We should not put at risk the livelihood of Australians, and the guiding principle to all these matters should be very simple: if any risk whatsoever arises then approval should not be granted. I have today written to the Minister for Agriculture, Fisheries and Forestry about this matter and I urge his department to listen to the Australian potato growers and reject the application to have unprocessed New Zealand potatoes imported into Australia.
Macquarie Electorate: Local Sporting Champions

Mrs MARKUS (Macquarie) (21:59): I rise to speak about the outstanding young athletes from my electorate whom I recently met. These young people are recipients of the 2012 Local Sporting Champions grants, and I was delighted to be able to recognise their outstanding achievements and to communicate to them how proud of them I am and their community is. The grants provide financial assistance for young people aged 12 to 18 towards the cost of travel, accommodation, uniforms or equipment when competing.

Prior to meeting the Local Sporting Champions grant recipients I endeavoured to gain a better understanding of their achievements. Having done so, I was tremendously proud to have such outstanding young people in our local community. Having now met these athletes, having heard of their determination, commitment, discipline and ability, I am immensely proud not only of their achievements but of what and who they are: great Australians.

Summalea Arndt is only 17 and hails from Glossodia in the Hawkesbury. Summalea is a member of the Nepean Aquatic Centre Swim Club and has achieved incredible results in the pool. Like her fellow grant recipients, Summalea is likely to continue to achieve long into the future. Summalea participated in the Olympic trials in Adelaide in March 2012 and the age nationals in Brisbane in April 2012. Summalea's receipt of the Local Sporting Champions grant assisted her in realising her goal of competing against the best swimmers in her age group in this nation.

Brothers Aiden and Jake Nelson are only 13 and 14 respectively, but both have made considerable achievements in football. Both the brothers, who are from Kurrajong, were selected to participate in the Football New South Wales state titles at different locations. The grants they received permitted each parent to escort the boys to the respective state trials and encouraged their development in the sport.

Maya Suzuki of Glenbrook is a champion triathlon competitor and recently participated in the New South Wales All Schools Triathlon in Western Australia.

Mathew Newton of Warrimoo recently represented New South Wales Country and City Schools Cricket at the New South Wales state schoolboy championships. Mathew has been a keen and high-achieving cricketer for many years, and I was delighted that he has continued to progress within advanced competitions.

Gemma Dunn of Valley Heights is a high-achieving and very talented young shooter. In June this year Gemma competed with Australian International Shooting at the Junior World Cup in Suhl. We are all tremendously proud of her achievements and hope very much that she can realise her goal of eventually competing at the Olympics.

Joseph Dunne of Leura, like our recent local Olympic champion Jessica Fox, is an outstanding kayaker. In March this year Joseph participated in Monsoon Madness at the Australian national championships. We all hope that before too long another Blue Mountains Olympic kayaker may well appear in our midst.

Jacqueline Anyon-Smith of Wilberforce recently represented the NSW metro state team at the national football championships. Jacqueline is a very talented young woman, and I have no doubt that she will achieve her goal of competing with the Matildas.

Kellie Wilding is also a footballer and in the last few days participated in the School Sport Australia Football Championships in Darwin, representing the New South Wales
primary schools association. Kellie is from Hazelbrook in the Blue Mountains and is only 12 years old. I hope very much that her achievements this year signify the beginnings of a wonderful sporting career.

Dominique Ellison of Pitt Town Bottoms will tomorrow begin her competition at the 2012 World Show Ski Tournament. Dominique has been skiing since she was only 18 months old and has been training for 11 years. I wish her all the best and know that her family and her community are tremendously proud of her.

Madeline Gudgeon of Springwood is only 12 but has already achieved so much in her chosen sport of netball. In July Madeline competed at the PSSA Netball School Sport Australia Championships. Madeline has a wonderful future ahead of her and I know that she will continue to achieve great things long into the future.

Shannon and Lauren Usher are both gymnasts. The pair competed last month at the National Clubs Championships, representing their club, the Kachan School of Tumbling and Performance.

Lauren Cosgrove of Richmond is also a gymnast and recently competed in the World Age Group Acrobatics Competition, representing Gymnastics Australia, in Orlando, Florida.

I think it is also very important to acknowledge the vital role played by the parents and families of these athletes. Without the early mornings, long hours and late nights, their success would not be possible.

**Learn Earn Legend! Program**

Mr MELHAM (Banks) (22:04): With a number of my parliamentary colleagues this week, I hosted two young students as part of the Learn Earn Legend! Work Exposure in Government program. I was very happy to spend some time with Mikey Donald and with Jessi Bryan. Jessi is currently studying at Banora Point High School in New South Wales and is moving toward becoming a diesel mechanic. Currently he is completing work experience as a step to that ambition. Mikey is from Cairns and is currently studying at Pymble Ladies' College in Sydney, New South Wales. She hopes eventually to work in the area of Indigenous health.

The Learn Earn Legend! Program utilises role modelling for young Indigenous Australians from years 11 and 12 to encourage and support them to stay at school, get a job and to be a legend for themselves, their families and their communities. Role models are provided by such legends as Evonne Goolagong-Cawley, Scott Prince and Preston Campbell. Mikey described Evonne as her 'second mother' in terms of her availability and support. Evonne, apart from her other significant achievements, has run the Goolagong National Development Camp since 2005 for Indigenous youngsters with potential to become pro players, coaches or administrators. From the program, 19 young people have received tennis scholarships, six are qualified level 1 coaches and four work in sports administration. Scott Prince is an Indigenous All Star and has a role as a Learn Earn Legend! ambassador. Scott works at inspiring Indigenous children, both on and off the field, to get the education they need to follow their dreams. As a former NRL player with the Titans, Preston Campbell is also an ambassador for the program.

What particularly struck me as I spoke with both Jessi and Mikey is how much a part of the program the ambassadors and mentors actually are. Both students spoke of their ambassadors and mentors with firsthand knowledge. None of these sporting greats just lends their name to this worthwhile
program; they are in reality a part of it. It could be easy to lend their name to a program and not participate, but, in speaking with the students yesterday and today, I know that these mentors directly interact with and support the students.

The program aims at exposing the students to opportunities in political life and in government departments and agencies. I note from Minister Collins that at 31 December 2011 there were around 3,700 Indigenous Australians in the Australian Public Service, or 2.2 per cent of its employees. It is important that these students, especially those who live outside the capital cities, are exposed to the opportunities available to them. It is in this way that the students are able to aim for a career perhaps outside those they may have previously considered.

Both Jessi and Mikey are impressive people, and they valued the experience of visiting Parliament House and Canberra. They are quite clear on what their aspirations are but are happy to consider new ideas and approaches. My office was also able to arrange a visit to the Aboriginal Tent Embassy and to Old Parliament House. The students were able to see the changes that have occurred specifically in Indigenous affairs in this country since the establishment of the tent embassy—now a heritage site—in 1972. They were also able to see, apart from anything else, the massive technological changes since that period, at least in the press gallery and in members’ offices.

I regard this as a valuable exercise for the government to undertake and was happy to spend my time with these students. They were open minded and interested in what they experienced. I trust that Jessi and Mikey consider the visit worthwhile and will take some of this place with them as they move into the next stage of their lives. I wish them both well. From what I saw of them, they are the leaders of tomorrow. I draw inspiration from their enthusiasm, from their vision and from their generosity of spirit, and we are in good hands in interacting with them.

Aged Care

Ms MARINO (Forrest—Opposition Whip) (22:09): The government’s changes to aged-care funding under the Living Longer, Living Better program, which came into effect on 1 July this year, represent a knife to the heart of small local regional aged-care service providers. When the Labor Party spruiked their plan as the panacea for our aged-care system, they failed to tell the Australian people that this program is in fact an attempt to claw back $750 million from the aged-care sector over the next 2½ years.

The real result, as opposed to the misrepresentations of the government, is that residential aged-care providers receive less funding for new patients than they received for patients last year. A very frail, elderly Australian entering aged care in the current year now brings with them federal funding of around $56 to $63 a day less than a resident admitted last financial year. Given the average turnover rate in aged-care facilities of around 50 per cent per annum, by the end of the current financial year, half of the residents will be funded by the government at this new lower rate. At the end of the next financial year, nearly all the residents will be on the lower rate of funding. For a 40-bed unit, this would represent a loss of funding of close to half a million dollars by the year 2014-15.

I cannot understand why the government does not understand the impact that this is having on small aged-care facilities, particularly those in my electorate. I think the government must be asleep. Many aged-care providers in regional Australia are already losing money. That is why they
cannot afford to add additional beds. They are already losing on each and every bed, and extra beds create even greater losses. That is why, of the 5,278 new residential aged-care places allocated to Western Australia since 2007, only 1,910, or 36 per cent, have been taken up. Now they will attract even less. There will be fewer aged-care facilities in my community. This government is making it even harder for our elderly by cutting support for the most needy and the most frail. There are examples starting to flood in from all around the nation.

Funding for residential aged care is managed under the Aged Care Funding Instrument, in which levels of acuity—nil, low, medium and high—are assessed over a range of biological and behavioural factors to determine the funding received. The factors are categorised as activities of daily living, behaviour, and complex health care, and there are 12 in total. The levels are frequently reviewed in individual patients. In one case recently from my electorate, despite the patient's level of acuity rising from low to medium in the behavioural section due to deteriorating behaviour, the payment actually dropped by $18 a day. It is really astounding that, as the need increased, the funding reduced.

Given the impending increase in aged-care needs bearing down on Australia in the form of an ageing population, this assault on the viability of residential aged-care providers is really not acceptable. A $56-a-day loss equates to $392 a week, or $20,440 a year per resident. The onset of this issue will be insidious but cumulative, as gradually more and more residents are turned over and lower payments become far more common. Crunch time will probably be around the end of the current financial year when the new budgets are prepared.

If we are judged on how well we treat our most vulnerable, in the case of Labor and its new funding model it is definitely a fail. I hope that there are no closures of aged-care facilities anywhere in Australia as a result of this measure.

We know that we have increasing requirements in aged care. I receive phone calls in my office because of the beds that have not been taken up in Western Australia—because of the shortage of beds—from people who cannot get their loved ones into the facility that they want or need and from those who are seeking care right throughout the south-west. For those from my electorate who may be watching tonight: I am going to continue to stand up for you on this issue. I know how important aged care is, and I know how important those small local aged-care facilities are in my electorate of Forrest. That is why this issue is a major one throughout Australia.

**Asylum Seekers**

**Dr LEIGH (Fraser) (22:14):** In recent months much of the debate in Australia over refugees has centred around whether countries with which we deal have signed the 1951 United Nations Convention relating to the Status of Refugees and its 1967 protocol. For the coalition I think this is largely just another excuse to say no. Let us face it, refugee policy in the Howard years was hardly characterised by a great deference to international law. But there are many people of goodwill who I meet at my community forums and mobile offices who ask me, quite reasonably, why the government wants to deal with a non-signatory country. I wish to use the chance this evening to answer that question.

Broadly, there are three sets of countries. There are rich countries that are able to enforce their border protection—for example, OECD nations are almost entirely
signatories. Then there are poor countries to which many refugees would not wish to go. Somalia is one country that comes to mind. Again, they are happy to sign the convention. Then there is a third group of countries—those poorer countries situated close to refugee sending nations. In many cases these countries are not signatories. As a branch member in the ACT, Barbara Phi, has pointed out to me, countries like India, Pakistan, Malaysia and Indonesia are non-signatories, and they are non-signatories for various reasons. Chief among those reasons is that they do not wish to attract refugees from neighbouring countries.

The reality is that the refugee convention was created to deal with the mass flight of refugees from war ravaged Europe in the 1950s. The reality now is that people are fleeing in much greater numbers. According to the United Nations High Commissioner for Refugees, at the end of 2011 Pakistan had 1.7 million refugees. As a result, there are substantial resource implications for such countries of signing the refugee convention. The costs of processing asylum seeker claims and meeting education, health and housing obligations can be prohibitive for poorer nations. For those bordering refugee-sending nations, these obligations are a very real resource issue.

In April 2007, the Malaysian foreign ministry's parliamentary secretary told the news outlet Malaysiakini it would not officially recognise refugees since:
The government is of the opinion that if Malaysia becomes party to the Convention, considering its strategic geographical location in the region, it would be a drawing factor for refugees to come to Malaysia.

Malaysia is concerned that, were it to sign the refugee convention, it would be obliged to resettle close to 100,000 people in its camps. A recent UNHCR evaluation on the protection of urban refugees reported Malaysia 'considers the task of providing refugees with protection, assistance and solutions to be the responsibility of the international community'. It went on:

While refugees and asylum seekers are tolerated, it was on the clear condition that UNHCR provides any resources and services associated with their presence.

I am committed to international agreements; I support the aims of the refugee convention. But we must realise the context in which the refugee convention was built. Even the opposition spokesperson, the member for Cook, has said the refugee convention 'no longer reflects the practical reality'. The practical reality is that we are in a region in which many of our neighbours are nonsignatories to the convention, and if you want a regional framework then that necessitates dealing with non-signatory countries.

The Houston report recommended that we establish bilateral agreements in the short term while working towards a longer term regional framework under the Bali process. That means that we have an international agreement that is able to share appropriate responsibility for the 3.6 million refugees in our regions. That is why we have endorsed the recommendations of the Houston report and have made the necessary compromises, many of them painful, to stop the politicking and make sure people do not risk their lives at sea. The opposition would turn the boats back to Indonesia, a non-signatory country. They would send boats back to Sri Lanka, a non-signatory country. This is simply unacceptable. (Time expired)

**Pompe Disease**

Mr ROBB (Goldstein) (22:19): Tonight I would like to raise the plight of Catherine Jenner, a young woman from Cheltenham, which is in my electorate of Goldstein. This mother of two is just one of 25 people in...
Australia to be suffering from the rare recessive metabolic disorder known as Pompe disease. Catherine's body is wasting away, despite approval some four years ago by the Therapeutic Goods Administration of treatment for this disease. The federal government has not seen fit to pay for this life-saving treatment. The disease, caused by a deficiency in an enzyme, will progressively disable the heart and muscles, and within two years Catherine is expected to be confined to a wheelchair.

This is a tragic case because there is a very recognised treatment widely available. Myozyme is an enzyme replacement therapy—a well-established drug which stabilises the condition. It is now available in more than 50 countries. It is not a cure but it is effective in slowing the progress of this insidious disease. In 2008 this treatment received marketing approval from the Australian Therapeutic Goods Administration. Since then the Australian Pompe's Association has lobbied the federal government to approve funding for this therapy. The Pharmaceutical Benefits Advisory Committee has deferred a decision on listing pending further information. We all know what that means—it is a euphemism for delay which has been orchestrated from political circles, from the federal government.

These types of delays are unfortunately typical of what we have increasingly seen from this government over recent years, and they are a direct result of financial mismanagement.

In fact, they are delays which stem from things such as that evidenced just last week by the World Economic Forum report, which confirmed that, in 2007-08, Australia ranked 10th in the world in terms of wastefulness of government spending but that, by 2012-13, Australia had slumped to 48th in the world. When you turn that into real dollars—real programs and real quality of life for individuals—we are talking billions. Billions of dollars have been wasted by this government through lack of attention to detail, misplaced priorities and the sheer incompetence associated with things like the pink batts scheme and the schools program. The list goes on and on.

That is why this government has a $120 billion black hole in unfunded promises. After all the potential benefit of the resources boom and after having had the terms of trade higher than we have seen for 150 years, we are left with a $120 billion black hole—and these sorts of programs not being able to be funded. This is a shame of the highest order. It is so frustrating that this government is indefinitely deferring access to desperately needed drugs and treatments.

Catherine is the human face of the impact of the government's penny pinching and mismanagement. She said:

The available treatment can't undo what is already done to my body but it can arrest the progress of the disease. My body is getting weaker and I am getting more and more exhausted. Within six months I will need a walking aid and a year after that I will be in a wheelchair. I need this treatment now. I go between anger and disbelief that I have a life-threatening disease for which treatment is available but my government won't cover the cost.

(Time expired)

Aged Care

Mrs D'ATH (Petrie) (22:24): I rise to speak about aged care and recent activities and events in my electorate. I was recently invited to spend a day at one of the aged-care facilities in my electorate and then attend the Aged and Community Services Australia National Conference on the Gold Coast to talk about my experience of having spent that day at the local facility. I had the great pleasure of going to Blue Care's Azure Blue
aged-care and residential living facility at Redcliffe and spending time in their new wound clinic.

It was amazing to watch the work being done. The clinic is offered weekly. They also get a doctor from the Royal Brisbane and Women's Hospital to come in once a fortnight to check on the patients. Until you attend one of these clinics and spend some time with the doctors and nurses, you do not appreciate the skills and expertise required in this area. You also do not appreciate what can happen to elderly people who just, for example, have a simple fall. Even a scratch on their leg, because of other illnesses and conditions, end up being very serious—they can end up hospitalised. I got to see the great work being done and how they are helping many people in our community locally in these clinics. That helps avoid those people needing to be hospitalised or needing long-term care. They also go out and help people in their homes.

At the new aged-care facility at Azure Blue I also got to visit with some residents who had only just moved in during the last week from their previous aged-care facility at Brighton. I met Marjorie, Janice and Jack. They were very happy with their new rooms and were already busy decorating them and enjoying their new surroundings.

It was a pleasure to go down to the conference. The member for Fadden was invited to do the same thing. The two of us sat with Dr Norman Swan and answered questions about our experiences in spending a day at a local facility.

These issues are important to me because 20 per cent of the people in my electorate are over the age of 60. There are over 25,000 pensioners in the electorate of Petrie. I do understand that these people have contributed a lot to our community during their working lives and in raising their families. I also understand that they continue to contribute a lot as volunteers, as members of service organisations and so on. We have a responsibility to make sure we are supporting them in their senior years.

That is why it was my pleasure, on Saturday, 1 September, to have the Minister for Mental Health and Ageing, the Hon. Mark Butler, come to my electorate and, with me, host two aged-care forums. We held one at Bracken Ridge State High School and one at Hercules Road State School at Kippa-Ring. Across the two events, over 550 seniors came along for the day. They were very interested in hearing what the government's aged-care reforms are all about. I promised my electorate that I would hold dedicated forums so they could hear what these aged-care reforms are about and what it all means for them. They certainly appreciated that and took the opportunity to ask lots of questions.

I appreciated the minister going through the key elements of the aged-care reforms—putting more funding into helping people stay at home and ensuring that those who can and want to stay at home are able to do so with proper support. The minister talked about better support and about choices in residential care. All of us have heard from our electorates about the problems with bonds. The minister talked about how the reforms will change the way that those bonds are paid, giving people and their families much more choice.

The minister talked about the importance of investing in the aged-care workforce and how we need more aged-care workers—nurses and personal carers—into our aged-care facilities. He talked about the need to invest in this workforce if we are going to meet the challenges of the future. Importantly, the minister talked about the
huge investment this government is going to make in dealing with dementia.

I thank the stallholders who came to the forums—Anglicare, Wesley Mission, Feros Care, Alzheimer's Australia (Qld), Suncare, TriCare, United Voice, Centacare, Medicare Local, Meals on Wheels and Blue Care—for coming along and letting the seniors in our area know about the important providers in the area and the support this government is providing to seniors. I thank the minister for coming to my electorate. (Time expired)

House adjourned at 22:30

NOTICES

The following notice(s) were given:

Ms Macklin to present a bill for an act to amend the law relating to family assistance, social security, child support, paid parental leave and Indigenous education, and for related purposes.

Ms Plibersek to present a bill for an act to amend the law relating to dental benefits, and for related purposes.

Mr Shorten to present a bill for an act to amend the law relating to transactions in derivatives, and for other purposes.

Ms King to present a bill for an act to amend the Industrial Chemicals (Notification and Assessment) Act 1989, and for related purposes.

Ms Bird to present a bill for an act to amend the law relating to higher education, vocational education and training and research funding, and for related purposes.

Mr Georganas to move:

That this House:

(1) condemns in the strongest possible terms, the cruel slaughter of Australian sheep at the Al Rai meat market in Kuwait City;

(2) supports the urgent investigation into the matter by the Department of Agriculture, Fisheries and Forestry;

(3) demands the strongest possible penalties be imposed for any identified contravention of the current provisions of the Exporter Supply Chain Assurance System (ESCAS);

(4) calls on the Minister for Agriculture, Fisheries and Forestry to review the ESCAS to ensure its integrity, efficacy and adequacy;

(5) notes the level of public concern in the community about live exports in general, including the widely held desire for a total shut down of the industry; and

(6) recognises the economic and employment creation potential of expanded meat processing in Australia.

Mr Christensen to present a bill for an act to amend the Environment Protection and Biodiversity Conservation Act 1999, and for related purposes.

Ms Grierson to move:

That this House:

(1) notes that:

(a) dementia is the greatest cause of disability in Australians aged 65 and over;

(b) there are almost 280,000 Australians living with dementia and 1.2 million who provide support and care; and

(c) every week an estimated 1,600 new cases of dementia occur, with the number expected to grow to 7,400 new cases per week by 2050, resulting in 1 million Australians living with dementia by 2050;

(2) recognises the significance of Dementia Awareness Week (21 to 28 September) in promoting and advocating the needs of those living with dementia, their families and carers;

(3) welcomes the Health Ministers' designation of dementia as the ninth National Health Priority Area; and

(4) acknowledges the ongoing contributions of Alzheimer's Australia and its State and Territory associations in supporting and advocating for those affected and leading the charge in the fight against dementia.
Mr Neumann to move:
That this House:
(1) recognises that the rates of employment for people with disability in Australia is significantly less than people without disability;
(2) commends the efforts taken so far by disability advocates and a number of big and small businesses that are working to remedy this concerning trend;
(3) acknowledges the significant economic and productivity benefits of having in work, more Australians with disability; and
(4) calls on the Government to:
   (a) engage with the Australian Securities Exchange (ASX) about the merits of the ASX extending its Corporate Governance Principles and Recommendations to require reporting on the employment of people with disability; and
   (b) explore ways to ensure companies employing more than 100 employees report on their efforts to employ more people with disability.

Mr Oakeshott to move:
That this House:
(1) recognises the need for comprehensive tax reform to maximise the standard of living for Australians for the next 50 years; and
(2) encourages the Treasurer to:
   (a) release a 10 year road-map for comprehensive tax reform as a standalone Budget Paper as part of the 2013 14 Budget, and
   (b) include reform for consideration beyond the 4 year forward estimates period.

Mr Husic to move:
That this House notes:
(1) with deep concern, proposals being advanced to automatically return any Sri Lankan national seeking asylum in Australia; and
(2) that:
   (a) this is a policy that would target only one group of asylum seekers originating from only one particular country;
   (b) the automatic return of Sri Lankan nationals without the processing of their claims for asylum fails to comply with the Refugee Convention; and
   (c) if enacted, the policy would forcibly return asylum seekers to a country that is not a party to the Refugee Convention.

Mr Oakeshott to move:
That this House request the Prime Minister and Treasurer to:
(1) direct the Commonwealth Grants Commission to allocate an annual fixed percentage of Goods and Services Tax (GST) revenue directly to the 654 local councils throughout Australia;
(2) include this annual allocation as part of the GST Review currently underway and for implementation through any required legislative or executive government processes; and
(3) consider constitutional recognition of local government only in the event of any successful legal challenge to the direct annual allocation of GST revenue to local councils within Australia.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Foreign Affairs and Trade: Travel Expenditure**
(Question Nos 1095 and 1102)

**Mr Briggs** asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade and Competitiveness, in writing, on 20 June 2012:

What was the total cost of overseas travel for departmental staff?

(a) 2008-09  
(b) 2009-10  
(c) 2012-11  
(d) 2011-12

**Dr Emerson:** on behalf of the Minister for Foreign Affairs and myself, the answer to the honourable member’s question is as follows:

Travel expenditure is reported annually in the department’s financial statements. These amounts include both domestic and overseas travel as well as expenses and travel allowances. The department does not report separately its overseas travel costs. To collect this data would require a significant diversion of resources. In these circumstances, I do not consider the additional work can be justified.

**Australian Conservation Foundation**
(Question Nos 1175 and 1184)

**Mr Briggs** asked the Minister for Employment and Workplace Relations and the Minister for School Education, Early Childhood and Youth, in writing, on 21 August 2012:

For (a) 2007-08, (b) 2008-09, (c) 2009-10, (d) 2010-11, and (e) 2011-12, what grants were provided to the Australian Conservation Foundation, including the amount, purpose, and program each was delivered under.

**Mr Garrett:** The answer to the honourable member’s question is as follows:

DEEWR did not provide any grants to the Australian Conservation Foundation for 2007-08, 2008-09, 2009-10 or 2010-11.

DEEWR provided one grant to the Australian Conservation Foundation in 2011-12, the details are as follows:

<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Value (incl GST)</th>
<th>Grant Purpose</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Conservation Foundation</td>
<td>$220,000.00</td>
<td>To engage with key education for sustainability stakeholders to assess and recommend strategies and actions for the delivery of learning for sustainability outcomes across the Australian Curriculum, as one of three cross curriculum priorities covering Foundation to Year 12 schooling years. Key stakeholders to be consulted include: the Australian Education for Sustainability Alliance; the Australian Curriculum, Assessment</td>
<td>Program 2.6, National Action Plan on Literacy and Numeracy – Strategic Initiatives – COPE</td>
</tr>
<tr>
<td>Recipient Name</td>
<td>Value (incl GST)</td>
<td>Grant Purpose</td>
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<td>and Reporting Authority; Education Services Australia; state, territory and non-government education authorities and teachers and other community education for sustainability stakeholders.</td>
<td></td>
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</tbody>
</table>