COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

HOUSE OF REPRESENTATIVES

OFFICIAL HANSARD

NO. 8, 2011

WEDNESDAY, 15 JUNE 2011

FORTY-THIRD PARLIAMENT
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
INTERNET
The Votes and Proceedings for the House of Representatives are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

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

SITTING DAYS—2011

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>8, 9, 10, 21, 22, 23, 24, 28</td>
</tr>
<tr>
<td>March</td>
<td>1, 2, 3, 21, 22, 23, 24</td>
</tr>
<tr>
<td>May</td>
<td>10, 11, 12, 23, 24, 25, 26, 30, 31</td>
</tr>
<tr>
<td>June</td>
<td>1, 2, 14, 15, 16, 20, 21, 22, 23</td>
</tr>
<tr>
<td>July</td>
<td>4, 5, 6, 7</td>
</tr>
<tr>
<td>August</td>
<td>16, 17, 18, 22, 23, 24, 25</td>
</tr>
<tr>
<td>September</td>
<td>12, 13, 14, 15, 19, 20, 21, 22</td>
</tr>
<tr>
<td>October</td>
<td>11, 12, 13, 31</td>
</tr>
<tr>
<td>November</td>
<td>1, 2, 3, 21, 22, 23, 24,</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>City</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADELAIDE</td>
<td>972AM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936AM</td>
</tr>
<tr>
<td>CANBERRA</td>
<td>103.9FM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5FM</td>
</tr>
<tr>
<td>HOBART</td>
<td>747AM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585AM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630AM</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

Printed by authority of the House of Representatives
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Albanese, Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Alexander, John Gilbert</td>
<td>Bennelong, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, Hon. Kevin James</td>
<td>Menzies, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, Karen Lesley</td>
<td>McPherson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bandt, Adam Paul</td>
<td>Melbourne, VIC</td>
<td>AG</td>
</tr>
<tr>
<td>Billson, Hon. Bruce Fredrick</td>
<td>Dunkley, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, Sharon Leah</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Hon. Julie Isabel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, Hon. Christopher Eyles</td>
<td>McMahon, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bradbury, Hon. David John</td>
<td>Lindsay, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Briggs, Jamie Edward</td>
<td>Mayo, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Broadbent, Russell Evan</td>
<td>McMillan, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Brodtkmann, Gai Marie</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Buchholz, Scott Andrew</td>
<td>Wright, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Anna Elizabeth</td>
<td>Chisholm, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, Hon. Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, Hon. Mark Christopher</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, Hon. Anthony Michael</td>
<td>Holt, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Champion, Nicholas David</td>
<td>Wakefield, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Cheeseeman, Darren Leicester</td>
<td>Corangamite, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Chester, Darren</td>
<td>Gippsland, VIC</td>
<td>Nats</td>
</tr>
<tr>
<td>Christensen, George Robert</td>
<td>Dawson, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Ciobo, Steven Michele</td>
<td>Moncrieff, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Clare, Hon. Jason Dean</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Cobb, Hon. John Kenneth</td>
<td>Calare, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Collins, Hon. Julie Maree</td>
<td>Franklin, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Combat, Hon. Greg Ivan, AM</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Coulton, Mark Maclean</td>
<td>Parkes, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Cream, Hon. Simon Findlay</td>
<td>Hotham, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Crook, Anthony John</td>
<td>O’Connor, WA</td>
<td>NWA</td>
</tr>
<tr>
<td>Danby, Michael David</td>
<td>Melbourne Ports, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>D’Ath, Yvette Maree</td>
<td>Petrie, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Dreyfus, Hon. Mark Alfred, QC</td>
<td>Isaacs, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Dutton, Hon. Peter Craig</td>
<td>Dickson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Elliot, Hon. Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Hon. Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Emerson, Hon. Craig Anthony</td>
<td>Rankin, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Entsch, Warren George</td>
<td>Leichhardt, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Ferguson, Hon. Laurie Donald Thomas</td>
<td>Werriwa, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Hon. Martin John, AM</td>
<td>Batman, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Fitzgibbon, Hon. Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Fletcher, Paul William</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Forrest, John Alexander</td>
<td>Mallee, VIC</td>
<td>Nats</td>
</tr>
<tr>
<td>Frydenberg, Joshua Anthony</td>
<td>Kooyong, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Gambaro, Hon. Teresa</td>
<td>Brisbane, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Garrett, Hon. Peter Robert, AM</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Gash, Joanna</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Georganas, Steve</td>
<td>Hindmarsh, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Gibbons, Stephen William</td>
<td>Bendigo, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillard, Hon. Julia Eileen</td>
<td>Lalor, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Gray, Hon. Gary, AO</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Grierson, Sharon Joy</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, Hon. Alan Peter</td>
<td>Bruce, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Griggs, Natasha Louise</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Haase, Barry Wayne</td>
<td>Durack, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hall, Jill</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hartsuyker, Luke</td>
<td>Cowper, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hawke, Alexander George</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Christopher Patrick</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Husic, Edham Nurreddin</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Irons, Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jenkins, Harry Alfred</td>
<td>Scullin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Jensen, Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Stephen Patrick</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Jones, Ewen Thomas</td>
<td>Herbert, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Katter, Hon. Robert Carl</td>
<td>Kennedy, QLD</td>
<td>Ind</td>
</tr>
<tr>
<td>Keenan, Michael Fayat</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Hon. Michael Joseph, AM</td>
<td>Eden-Monaro, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Kelly, Craig</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>King, Hon. Catherine Fiona</td>
<td>Ballarat, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Andrew Charles</td>
<td>Bowman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Leigh, Andrew Keith</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ley, Hon. Sussan Penelope</td>
<td>Farter, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Livermore, Kirsten Fiona</td>
<td>Capricornia, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Lyons, Geoffrey Raymond</td>
<td>Bass, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>McClelland, Hon. Robert Bruce</td>
<td>Barton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Macfarlane, Hon. Ian Elgin</td>
<td>Groom, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Macklin, Hon. Jennifer Louise</td>
<td>Jagajaga, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Marino, Nola Bethwyn</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Markus, Louise Elizabeth</td>
<td>Macquarie, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Marles, Hon. Richard Donald</td>
<td>Corio, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Matheson, Russell Glenn</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>McCormack, Michael</td>
<td>Riverina, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Melham, Daryl</td>
<td>Banks, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Mirabella, Sophie</td>
<td>Indi, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Mitchell, Robert George</td>
<td>McEwen, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Morrison, Scott John</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Moylan, Hon. Judith Eleanor</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Murphy, Hon. John Paul</td>
<td>Reid, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Neumann, Shayne Kenneth</td>
<td>Blair, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
<td>--------</td>
</tr>
<tr>
<td>Neville, Paul Christopher</td>
<td>Hinkler, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Oakeshott, Robert James Murray</td>
<td>Lyne, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>O’Connor, Hon. Brendan Patrick</td>
<td>Gorton, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>O’Dowd, Kenneth Desmond</td>
<td>Flynn, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>O’Dwyer, Kelly Megan</td>
<td>Higgins, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>O’Neill, Deborah Mary</td>
<td>Robertson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Julie Ann</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Parke, Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Perrett, Graham Douglas</td>
<td>Moreton, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Plibersek, Hon. Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Prentice, Jane</td>
<td>Ryan, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ramsey, Rowan Eric</td>
<td>Grey, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Randall, Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Ripoll, Bernard Fernand</td>
<td>Oxley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Rishworth, Amanda Louise</td>
<td>Kingston, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, Hon. Andrew John, AO</td>
<td>Goldstein, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Robert, Stuart Rowland</td>
<td>Fadden, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Rowland, Michelle</td>
<td>Greenway, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Roxon, Hon. Nicola Louise</td>
<td>Gellibrand, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Roy, Wyatt Beau</td>
<td>Longman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Rudd, Hon. Kevin Michael</td>
<td>Griffith, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Ruddock, Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Saffin, Janelle Anne</td>
<td>Page, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Schultz, Albert John</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Scott, Hon. Bruce Craig</td>
<td>Maranoa, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Secker, Patrick Damien</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Shorten, Hon. William Richard</td>
<td>Maribyrnong, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Sidebottom, Peter Sid</td>
<td>Braddon, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Simpkins, Luke Xavier Linton</td>
<td>Cowan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Slipper, Hon. Peter Neil</td>
<td>Fisher, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Hon. Anthony David Hawthorn</td>
<td>Casey, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Hon. Stephen Francis</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Smyth, Laura Mary</td>
<td>La Trobe, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Snowdon, Hon. Warren Edward</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Somlyay, Hon. Alexander Michael</td>
<td>Fairfax, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Southcott, Andrew John</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, Hon. Sharman Nancy</td>
<td>Murray, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Swan, Hon. Wayne Maxwell</td>
<td>Lilley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Symon, Michael Stuart</td>
<td>Deakin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Tehan, Daniel Thomas</td>
<td>Wannon, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Thomson, Craig Robert</td>
<td>Dobell, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Thomson, Kelvin John</td>
<td>Wills, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Truss, Hon. Warren Errol</td>
<td>Wide Bay, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Tudge, Alan Edward</td>
<td>Aston, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, Hon. Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vamvakinou, Maria</td>
<td>Calwell, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Van Manen, Albertus Johannes</td>
<td>Forde, QLD</td>
<td>LP</td>
</tr>
</tbody>
</table>
### Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vasta, Ross Xavier</td>
<td>Bonner, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Washer, Malcom James</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
<td>Ind</td>
</tr>
<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Wyatt, Kenneth George</td>
<td>Hasluck, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
</tbody>
</table>

**PARTY ABBREVIATIONS**
ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party; CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent; AG—Australian Greens

### Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
GILLARD MINISTRY

<table>
<thead>
<tr>
<th>Role</th>
<th>Minister/Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>Hon. Julia Gillard MP</td>
</tr>
<tr>
<td>Deputy Prime Minister, Treasurer</td>
<td>Hon. Wayne Swan MP</td>
</tr>
<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>Hon. Simon Crean MP</td>
</tr>
<tr>
<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
</tr>
<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
</tr>
<tr>
<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Kevin Rudd MP</td>
</tr>
<tr>
<td>Minister for Trade</td>
<td>Hon. Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
</tr>
<tr>
<td>Minister for Immigration and Citizenship</td>
<td>Hon. Chris Bowen MP</td>
</tr>
<tr>
<td>Minister for Infrastructure and Transport and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
</tr>
<tr>
<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
</tr>
<tr>
<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>Hon. Tony Burke MP</td>
</tr>
<tr>
<td>Minister for Finance and Deregulation</td>
<td>Senator Hon. Penny Wong</td>
</tr>
<tr>
<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
</tr>
<tr>
<td>Attorney-General and Vice President of the Executive Council</td>
<td>Hon. Robert McClelland MP</td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
</tr>
<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
</tr>
<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>Hon. Greg Combet AM, MP</td>
</tr>
</tbody>
</table>

[The above ministers constitute the cabinet]
Minister for the Arts: Hon. Simon Crean MP
Minister for Social Inclusion: Hon. Tanya Plibersek MP
Minister for Privacy and Freedom of Information: Hon. Brendan O’Connor MP
Minister for Sport: Senator Hon. Mark Arbib
Special Minister of State for the Public Service and Integrity: Hon. Gary Gray AO, MP
Assistant Treasurer and Minister for Financial Services and Superannuation: Hon. Bill Shorten MP
Minister for Employment Participation and Childcare: Hon. Kate Ellis MP
Minister for Indigenous Employment and Economic Development: Senator Hon. Mark Arbib
Minister for Veterans’ Affairs and Minister for Defence Science and Personnel: Hon. Warren Snowdon MP
Minister for Defence Materiel: Hon. Jason Clare MP
Minister for Indigenous Health: Hon. Warren Snowdon MP
Minister for Mental Health and Ageing: Hon. Mark Butler MP
Minister for the Status of Women: Hon. Kate Ellis MP
Minister for Social Housing and Homelessness: Senator Hon. Mark Arbib
Special Minister of State: Hon. Gary Gray AO, MP
Minister for Small Business: Senator Hon. Nick Sherry
Minister for Home Affairs and Minister for Justice: Hon. Brendan O’Connor MP
Minister for Human Services: Hon. Tanya Plibersek MP
Cabinet Secretary: Hon. Mark Dreyfus QC, MP
Parliamentary Secretary to the Prime Minister: Senator Hon. Kate Lundy
Parliamentary Secretary to the Treasurer: Hon. David Bradbury MP
Parliamentary Secretary for School Education and Workplace Relations: Senator Hon. Jacinta Collins
Minister Assisting the Prime Minister on Digital Productivity: Senator Hon. Stephen Conroy
Parliamentary Secretary for Trade: Hon. Justine Elliot MP
Parliamentary Secretary for Pacific Island Affairs: Hon. Richard Marles MP
Parliamentary Secretary for Defence: Senator Hon. David Feeney
Parliamentary Secretary for Immigration and Multicultural Affairs: Senator Hon. Kate Lundy
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing: Hon. Catherine King MP
Parliamentary Secretary for Disabilities and Carers: Senator Hon. Jan McLucas
Parliamentary Secretary for Community Services: Hon. Julie Collins MP
Parliamentary Secretary for Sustainability and Urban Water: Senator Hon. Don Farrell
Minister Assisting on Deregulation and Public Sector Superannuation: Senator Hon. Nick Sherry
Minister Assisting the Attorney-General on Queensland Floods Recovery: Senator Hon. Joe Ludwig
Parliamentary Secretary for Agriculture, Fisheries and Forestry: Hon. Dr Mike Kelly AM, MP
Minister Assisting the Minister for Tourism: Senator Hon. Nick Sherry
Parliamentary Secretary for Climate Change and Energy Efficiency: Hon. Mark Dreyfus QC, MP
SHADOW MINISTRY

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

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

[The above constitute the shadow cabinet]
<p>| Shadow Minister for Employment Participation | Hon. Sussan Ley MP |
| Shadow Minister for Justice, Customs and Border Protection | Mr Michael Keenan MP |
| Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation | Senator Mathias Cormann |
| Shadow Minister for Childcare and Early Childhood Learning | Hon. Sussan Ley MP |
| Shadow Minister for Universities and Research | Senator Hon. Brett Mason |
| Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House | Mr Luke Hartsuyker MP |
| Shadow Minister for Indigenous Development and Employment | Senator Marise Payne |
| Shadow Minister for Regional Development | Hon. Bob Baldwin MP |
| Shadow Special Minister of State | Hon. Bronwyn Bishop MP |
| Shadow Minister for COAG | Senator Marise Payne |
| Shadow Minister for Tourism | Hon. Bob Baldwin MP |
| Shadow Minister for Defence Science, Technology and Personnel | Mr Stuart Robert MP |
| Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC | Senator Hon. Michael Ronaldson |
| Shadow Minister for Regional Communications | Mr Luke Hartsuyker MP |
| Shadow Minister for Ageing and Shadow Minister for Mental Health | Senator Concetta Fierravanti-Wells |
| Shadow Minister for Seniors | Hon. Bronwyn Bishop MP |
| Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate | Senator Mitch Fifield |
| Shadow Minister for Housing | Senator Marise Payne |
| Chairman, Scrutiny of Government Waste Committee | Mr Jamie Briggs MP |
| Shadow Cabinet Secretary | Hon. Philip Ruddock MP |
| Shadow Parliamentary Secretary Assisting the Leader of the Opposition | Senator Cory Bernardi |
| Shadow Parliamentary Secretary for International Development Assistance | Hon. Teresa Gambaro MP |
| Shadow Parliamentary Secretary for Roads and Regional Transport | Mr Darren Chester MP |
| Shadow Parliamentary Secretary to the Shadow Attorney-General | Senator Gary Humphries |
| Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee | Hon. Tony Smith MP |
| Shadow Parliamentary Secretary for Regional Education | Senator Fiona Nash |
| Shadow Parliamentary Secretary for Northern and Remote Australia | Senator Hon. Ian Macdonald |
| Shadow Parliamentary Secretary for Local Government | Mr Don Randall MP |
| Shadow Parliamentary Secretary for the Murray-Darling Basin | Senator Simon Birmingham |
| Shadow Parliamentary Secretary for Defence Materiel | Senator Gary Humphries |
| Shadow Parliamentary Secretary for the Defence Force and Defence Support | Senator Hon. Ian Macdonald |</p>
<table>
<thead>
<tr>
<th>Shadow Parliamentary Secretary for Primary Healthcare</th>
<th>Dr Andrew Southcott MP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health</td>
<td>Mr Andrew Laming MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Citizenship and Settlement</td>
<td>Hon. Teresa Gambaro MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator Hon. Richard Colbeck</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Fisheries and Forestry</td>
<td>Senator Hon. Richard Colbeck</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business and Fair Competition</td>
<td>Senator Scott Ryan</td>
</tr>
</tbody>
</table>
CONTENTS

WEDNESDAY, 15 JUNE 2011

Chamber
MOTIONS—
Minister for Health and Ageing................................................................. 6049

BILLS—
  Competition and Consumer Legislation Amendment Bill 2011—
    First Reading ......................................................................................... 6052
    Second Reading ..................................................................................... 6052

COMMITTEES—
  Economics Committee—
    Report ................................................................................................. 6056

BILLS—
  Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011—
    Second Reading ..................................................................................... 6059
    Consideration in Detail ......................................................................... 6068
    Third Reading ....................................................................................... 6074
  Governance of Australian Government Superannuation Schemes Bill 2011—
    Second Reading ..................................................................................... 6074
    Consideration in Detail ......................................................................... 6106
    Third Reading ....................................................................................... 6109
  ComSuper Bill 2011—
    Second Reading ..................................................................................... 6109
    Third Reading ....................................................................................... 6109
  Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011—
    Second Reading ..................................................................................... 6109
    Third Reading ....................................................................................... 6109
  Carbon Credits (Carbon Farming Initiative) Bill 2011—
    Second Reading ..................................................................................... 6109

STATEMENTS BY MEMBERS—
  Macarthur Electorate: Medicare ............................................................... 6111
  Melbourne Ports Electorate: Child Care ..................................................... 6112
  Bonner Electorate: Gateway Counselling and Wholeness Centre ............. 6112
  National Palliative Care Week .................................................................. 6112
  Live Animal Exports ................................................................................. 6113
  Home and Community Care Program ....................................................... 6113
  Queen's Birthday Honours ...................................................................... 6114
  New South Wales: Workers' Rights ........................................................... 6114
  Logan Country Chamber of Commerce ................................................. 6115
  Wellington, Mrs Patricia ......................................................................... 6115

QUESTIONS WITHOUT NOTICE—
  Carbon Pricing ....................................................................................... 6115
  Carbon Pricing ....................................................................................... 6118
  Carbon Pricing ....................................................................................... 6119
CONTENTS—continued

Carbon Pricing ................................................................. 6121
Carbon Pricing ................................................................. 6122
Murray-Darling Basin ......................................................... 6123
Workplace Relations ......................................................... 6124
Carbon Pricing ................................................................. 6127
Workplace Relations ......................................................... 6128
Carbon Pricing ................................................................. 6129
Hearing Impairment ......................................................... 6131
Carbon Pricing ................................................................. 6132
Murray-Darling Basin ......................................................... 6133

AUDITOR-GENERAL’S REPORTS—
Report of the Independent Auditor ........................................ 6134

COMMITTEES—
Selection Committee—
Report ............................................................................. 6135

DOCUMENTS—
Presentation ......................................................................... 6138

MATTERS OF PUBLIC IMPORTANCE—
Carbon Pricing ..................................................................... 6139

BILLS—
Families, Housing, Community Services and Indigenous Affairs and Other Legislation
Amendment (Election Commitments and Other Measures) Bill 2011—
Tax Laws Amendment (2011 Measures No. 2) Bill 2011—
Tax Laws Amendment (2011 Measures No. 3) Bill 2011—
Tax Laws Amendment (2011 Measures No. 4) Bill 2011—
Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2011—
International Tax Agreements Amendment Bill (No. 1) 2011—
Acts Interpretation Amendment Bill 2011—
Returned from Senate ......................................................... 6156

Higher Education Support Amendment (No. 1) Bill 2011—
First Reading ...................................................................... 6156
Carbon Credits (Carbon Farming Initiative) Bill 2011—
Second Reading .................................................................. 6156

ADJOURNMENT—
Broadband ........................................................................... 6186
Chisholm Electorate: Manufacturing ....................................... 6187
Casey Electorate .................................................................. 6188
Firefighters ........................................................................... 6189
Live Animal Exports ......................................................... 6190
150th Anniversary of Italy's Unification .................................. 6192
Foreign Aid Budget .................................................................. 6193
Hindmarsh Electorate: Glenelg Cinema .................................... 6195
Workplace Relations ............................................................. 6196
Namadgi School ................................................................... 6197
Renewable Energy .................................................................. 6198
CONTENTS—continued

Live Animal Exports ................................................................. 6200
NOTICES .................................................................................. 6201
Main Committee
CONSTITUENCY STATEMENTS—
  Live Animal Exports ................................................................. 6202
  Sport ...................................................................................... 6202
  Small Business ...................................................................... 6203
  Dalai Lama ............................................................................. 6204
  Beyer, Mr Luke ....................................................................... 6205
  Blair Electorate: Roads ............................................................ 6206
  Cook Electorate: Sutherland Shire Relay for Life .................... 6207
  Petition: Easter Sunday .......................................................... 6208
  Boothby Electorate: Home Insulation Program ......................... 6209
  Israel ...................................................................................... 6210
BILLS—
  Appropriation Bill (No. 1) 2011-2012—
    Consideration in Detail ......................................................... 6211
BUSINESS .................................................................................. 6304
Wednesday, 15 June 2011

The SPEAKER (Mr Harry Jenkins) took the chair at 09:00, made an acknowledgement of country and read prayers.

MOTIONS

Minister for Health and Ageing

Mr DUTTON: I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Dickson from moving the following motion forthwith: That this House calls on the Minister for Health and Ageing to attend the Chamber and explain why publicly the Minister has made comments condemning contact with and donations from tobacco companies and yet privately has written to tobacco company executives seeking their financial support.

This is a government that is all at sea, not just on this issue but on every issue it takes—

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

That the member be no longer heard.

Question put.

The House divided. [09:06]

(The Speaker—Mr Harry Jenkins)

Ayes....................70
Noes....................74
Majority...............4

AYES

Adams, DGH
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ

Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Zappia, A
Mr PYNE: I move:
That the member for Dickson be granted an extension of time.

Question put.

The House divided. [09:13]

(The Speaker—Mr Harry Jenkins)

Ayes................. 72
Noes................ 72
Majority............. 0

AYES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Slipper, PN
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Windsor, AHC

NOES
Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'ATH, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O'neill, DM
Parke, M
Pibberek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ
Wyatt, KG

NOES
Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakakou, M
Zappia, A
The SPEAKER: There being an equality of votes, I am required to exercise my casting vote. I take as my guidance, as I have indicated to the House in the past, *House of Representatives Practice* pages 182 to 183. I exercise my vote with the noes on the basis that there is not a majority for the proposition, and by casting my vote for the noes it does not stifle further discussion of the proposition.

Question negatived.

The SPEAKER: Is the motion seconded?

Dr SOUTHCOTT (Boothby) (09:20): It is seconded, Mr Speaker. Hypocrisy in politics is a toxin, Minister Roxon. She says one thing and does another.

Mr ALBANESE: I move:

That the member be no longer heard.

Question put.

The House divided. [09:24 am] (The Speaker—Mr Harry Jenkins)

Ayess....................70
Noes....................74
Majority................4

AYES

Adams, DGH
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combat, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gillard, JE
Hockey, JB
Kelly, MJ
Neville, PC
Rowland, MA
Grierson, SJ
Hall, JG (teller)
Husie, EN
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Griffin, AP
Hayes, CP (teller)
Jones, SP
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Zappia, A

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Abbott, AJ
Alexander, JG
Andrews, KL
Bandt, AP
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartshuyker, L
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Oakeshott, RJM
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
The Competition and Consumer Legislation Amendment Bill 2011 will give effect to two important reforms to strengthen and clarify our competition and consumer laws.

First, the bill will enact laws to deal with creeping acquisitions by amending section 50 of the Competition and Consumer Act 2010 (CCA). The amendments will give greater clarity to the provisions regulating mergers and acquisitions. They will ensure the Australian Competition and Consumer Commission (ACCC) and the courts have the power to reject mergers and acquisitions that would substantially lessen competition in any local, regional or national market.

The bill also enhances and simplifies the unconscionable conduct provisions of the Australian Consumer Law and the Australian Securities and Investments Commission Act 2001.

The unconscionable conduct amendments are central to the implementation of uniform consumer laws throughout Australia. They were agreed by the Ministerial Council on Consumer Affairs (now the COAG Legislative and Governance Forum on Consumer Affairs) at its meeting in Perth on 30 April 2010.

These amendments clarify the parliament's intention as to how the unconscionable conduct law should apply. They will place the ACCC and the Australian Securities and Investments Commission (ASIC) in a better position to take more effective enforcement action.

I would like to recognise the valuable work of my predecessor, the former Minister for Competition and Consumer Affairs, the Hon. Dr Craig Emerson MP, in developing this bill prior to its previous introduction.

The government previously introduced this bill into the parliament on 27 May 2010. The bill was referred to the Senate Economics Legislation Committee, which recommended that the bill be passed.

The bill passed the House of Representatives on 24 June 2010 and was awaiting introduction into the Senate when the 2010 election was called, causing the bill to lapse.

Creeping acquisitions

Creeping acquisitions are a series of small-scale acquisitions that, individually, do not substantially lessen competition in a market, but collectively may do so over time.
Concerns about creeping acquisitions were raised in the context of the ACCC's report of the inquiry into the competitiveness of retail prices for standard groceries. In its report, while noting that such acquisitions do not appear to be a significant current concern in the supermarket retail sector, the ACCC expressed its support for the introduction of a general creeping acquisitions law.

Subsequently the government undertook extensive public consultations in 2008 and 2009 to seek the community's views on possible reform options. Through its consultations, the government identified two amendments which would clarify the operation of section 50 to confirm that the ACCC's current interpretation, as set out in its November 2008 publication, *Merger Guidelines*, is correct.

The first amendment in the bill will amend subsections 50(1) and (2) of the Competition and Consumer Act to replace references to 'a market' with references to 'any market'. This amendment will clarify the ability of the ACCC or a court to consider multiple markets when assessing mergers and acquisitions.

The amendment will clarify that businesses cannot challenge a decision to block a proposed acquisition on the grounds that the substantial lessening of competition identified was in one or more markets other than the primary market relevant to the merger or acquisition.

The ACCC and the courts will be able to consider the totality of the competitive effects resulting from an acquisition, including impacts in upstream and downstream markets, not just impacts in 'a market'.

The bill also amends subsection 50(6) of the Competition and Consumer Act. That subsection has the effect of limiting the scope of section 50 to acquisitions in markets that are 'substantial' in a state or territory or region of Australia.

The amendment to this subsection will provide greater certainty regarding the current practice of the ACCC of considering acquisitions in local markets. The *Merger Guidelines* state that the 'substantiality criterion' can be satisfied in many ways, including by the number of customers, total sales or the geographical size of the market.

The *Merger Guidelines* do not have the force of law. While the interpretation of the ACCC of subsection 50(6) has not been tested by the courts, it was considered by Justice French in his 2003 decision in the Federal Court in the case of *Australian Gas Lighting Company v ACCC*.

While expressing no conclusive view, his Honour left open the possibility that whether a market is considered 'substantial' under subsection 50(6) may be determined with reference to Australia as a whole. If this view were to become established in law through the accumulated weight of legal precedent over time, then it could well preclude acquisitions in geographically confined markets from being considered under section 50. This would prevent the application of section 50 to local markets where creeping acquisitions have been identified as a concern. The bill deletes the word 'substantial' from subsection 50(6). This removes the risk highlighted by Justice French that a court could in the future adopt the view that acquisitions in geographically confined markets may not be considered substantial and therefore not fall within the scope of section 50.

The government's amendment to section 50 will remove that possibility, allowing the ACCC or a court to continue to examine acquisitions in all markets, including in relatively small, local markets.
Together, these amendments will strengthen the acquisitions provisions of the Competition and Consumer Act under section 50 by clarifying the scope of the law and increasing certainty around its application to markets where creeping acquisitions have been a concern.

In addition to these amendments, when announcing the way it would respond to concerns about creeping acquisitions, the government also confirmed the power of the ACCC to act in relation to the acquisition of greenfield sites.

The ACCC already considers it has the power to review acquisitions of greenfield sites whether through purchase or lease. However, if the ACCC is challenged on this in the future, the government has stated it will not hesitate to confirm this power.

These amendments were agreed with the states and territories under the intergovernmental Conduct Code Agreement 1995.

**Unconscionable conduct**

The amendments the bill will make to the unconscionable conduct provisions of the Australian Consumer Law are the product of a recommendation of the Senate Economics Legislation Committee, which inquired into the statutory definition of unconscionable conduct in 2009.

The Senate Economics Committee recommended that the government set up an inquiry process to determine whether examples or a statement of principles would enhance the unconscionable conduct provisions of the Australian Consumer Law.

On 5 November 2009, Minister Emerson convened an expert panel to consider the issues raised in the Senate Economics Committee inquiry. Professor Bryan Horrigan, Mr Ray Steinwall and Mr David Lieberman—all of them experts in competition and consumer law and distinguished in their professional fields—agreed to serve on the panel.

The government is grateful for the work of the panel—which included many hours on top of their already busy schedules. In its work, the panel was assisted by officials from the Treasury and the Department of Innovation, Industry, Science and Research.

The government is also grateful to those who made submissions to both the Senate committee and to the expert panel. This helped to ensure the range of perspectives that exist in relation to this issue were understood.

The expert panel found that the unconscionable conduct provisions have been regularly enforced since their inception, and that the case law is still developing.

Having said that, the panel also noted that the provisions are not easily understood and could be clearer for businesses, consumers, enforcement agencies and the courts. However, the panel found that a list of examples of unconscionable conduct would not be helpful. Indeed, the panel said such a list might give rise to misguided expectations about the scope and application of the law to specific factual scenarios.

Instead, it recommended the inclusion of some interpretative principles in the unconscionable conduct provisions. The government has adopted all of the panel's recommendations concerning unconscionable conduct, including the introduction of interpretative principles.

The first principle will deal with concerns that the practical application of the equitable concept of unconscionable conduct is too narrow when applied to business and consumer relationships. Courts have tended to stick closely to the traditional equitable concept when applying the statutory prohibitions contained in sections 21 and 22.
of the Australian Consumer Law, formerly sections 51AB and 51AC of the former Trade Practices Act, and sections 12CB and 12CC of the ASIC Act.

For example, the common law required victims of unconscionable conduct to establish that they were at a 'special disadvantage' through factors like infirmity, age or a difficulty understanding English, before a court would recognise that unconscionable conduct had occurred. The present statutory prohibitions on unconscionable conduct sought to remove limitations such as these on the ability of people to seek redress when subjected to unconscionable conduct.

The bill amends the law to make it clear that the prohibition is not limited to the equitable or common law doctrines of unconscionable conduct. The courts should not limit the application of the provisions by reference to ancient common-law doctrines that are not part of the statute.

The second interpretative principle will clarify that courts can examine the terms and the manner and extent to which the contract is carried out. This principle makes it clear that unconscionable conduct is not limited to the bargaining practices leading to the formation of a contract.

Unconscionable conduct can also be apparent in the way in which a party exercises its rights under a contract or in the way in which a party behaves once a contract is made. It can also apply to the way in which contracts are renewed, renegotiated or terminated.

This interpretative principle will ensure that any unconscionable conduct—not just that occurring before contracts are made—is subject to the full force of the law.

The final interpretative principle to be introduced by the bill is that the prohibition on unconscionable conduct applies to systemic conduct or patterns of behaviour and that there is no need to identify a person at a disadvantage in order to attract the prohibition.

Unconscionable conduct is not limited to individual transactions or events. A pattern of systemic conduct or patterns of behaviour occurring over a period of time—which might include an accumulation of minor incidents—can also amount to unconscionable conduct.

This interpretative principle ensures that conduct, rather than individual transactions or events, is the focus of the provisions.

Further, as the focus is on the conduct rather than the victim, this principle reinforces the point being made in the first interpretative principle that there is no need to identify a person who is at a disadvantage in order to enforce the prohibition.

Other amendments

The bill will also remove the distinction in the existing provisions between unconscionable conduct that affects businesses and that which affects consumers.

It combines the existing sections 21 and 22 of the Australian Consumer Law and sections 12CB and 12CC of the ASIC Act, respectively, into one section and rationalises their drafting to apply a single set of specific factors which the court may consider.

This amendment will eliminate the potential that the concept of unconscionable conduct in the two existing provisions could diverge, through a false assumption that the existence of two provisions signals a distinction in policy. Any divergence has the potential to lead to confusion, and the distinction should be removed before any such notion develops. The amendments will also ensure that a single, cogent body of legal precedent can develop around the statutory concept of unconscionable conduct.
as it applies to both consumers and businesses.

The application of the Australian Consumer Law as a law of the Commonwealth and of the states and the territories has many advantages, one of which is that it can be enforced by courts at all levels in a consistent fashion.

In some states and territories the courts, including lower courts and tribunals, will be applying the prohibition on unconscionable conduct for the first time. Providing clarity in the interpretation of these provisions will do much to ensure the consistent application of our new, national consumer law across Australia.

I can also inform the chamber that the Ministerial Council for Corporations was consulted in relation to the amendments to the laws in the national corporate regulation scheme, namely the amendments to the ASIC Act, and they have been approved as required under the Corporations Agreement.

I should also note that the bill corrects a small number of drafting errors in the Trade Practices Amendment (Australian Consumer Law) Act (No. 2) 2010.

Conclusion

Together the amendments contained in this bill will bring greater clarity and certainty to the application of key provisions of our competition and consumer laws.

The amendments to section 50 will ensure that the ACCC and the courts can assess the totality of the competitive effects associated with acquisitions which occur in geographically confined local markets.

The amendments to the unconscionable conduct provisions will ensure there is a much clearer understanding of the conduct that these provisions have always been intended to address. The amendments will protect Australian small businesses, but without creating market distortions which would only reduce their competitiveness and their resilience.

The amendments will protect consumers by ensuring that competition is protected and fostered. They will strengthen the prohibition against conduct that is designed to stifle competition through the imperceptible development of market dominance or through unconscionable business conduct. I commend the bill to the House.

Debate adjourned.

COMMITTEES

Economics Committee

Report

Mr CRAIG THOMSON (Dobell) (09:47): On behalf of the Standing Committee on Economics I present the committee's report entitled Advisory report on the National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011 together with the minutes of the proceedings.

Ordered that the report be made a parliamentary paper.

Mr CRAIG THOMSON: by leave—I am very pleased because this is a unanimous report of the committee, which these days is quite a rare event but one that is worth noting and celebrating, almost, in terms of the way in which this parliament has worked, where we have tended to see anything that we put up being opposed just for the sake of opposition. I need to place on record my thanks to all the committee for working so constructively together to come up with this unanimous report.

The National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011 makes a number of reforms to lenders' practices for home loans and credit cards. For example, it requires lenders to publish key-facts sheets for both of these
products, which will make it easier for consumers to compare products. Additional reforms for credit cards are: preventing lenders from sending unsolicited credit-limit-increase offers to individuals unless they elect to receive them; preventing lenders from charging fees where a consumer goes over their credit limit, unless the consumer elects to be able to go over their credit limit; and, requiring lenders to pay off consumers' debt with the highest interest, unless the consumer elects otherwise.

The most important reform concerns unsolicited credit-limit-increase offers to individuals. The committee heard consistent evidence during the inquiry that the aggressive marketing by banks of limit increases was a key reason why some consumers have credit problems. Credit cards have a number of unique features, two of which are high interest rates and the fact that consumers are only required to pay a very small amount each month. Aggressive marketing by the banks appears to be designed to put consumers at the limits of their credit capacity, whereupon the unique features of credit cards mean that individuals concerned are paying interest with little capacity to reduce the principal. While the debt treadmill may be good for bank profits, it has significant social costs, and this is why the committee supports the bill.

The committee also supports the bill because it will increase competition in the market and make consumers better off. Therefore, while there will probably be transition costs for lenders, the extra compliance should have no impact on prices for consumers, due to increased competition. Costs for lenders should be further reduced because many have already voluntarily adopted some of these reforms.

In addition to recommending the bill's passage, the committee is also recommending that the commencement date for the fact sheets for home loans be set back from 1 September 2011 to 1 January 2012. This is because the industry has consistently stated that they need more time to prepare their systems, and Treasury has agreed that in this case more time is needed. The industry has also stated that the end of the year is a busy period, so the committee believes that ASIC should be practical in how it enforces home loan fact sheets in those early weeks of January.

I would like to thank those organisations that assisted the committee during the inquiry through submissions or by participating in the hearing in Canberra. I have already thanked my colleagues on the committee for being able to reach a unanimous position in their contributions. I would particularly like to thank the staff of the secretariat. We are finding that in this parliament we are getting two or three bills referred to committee weekly, and the secretariat have gone above and beyond in their efforts to make sure that we can get our reports out, that they can be presented to parliament and that the business of parliament can continue to operate.

I will use this time to say that we need to be looking at the resources given to these committees, because quite frankly the workload in this parliament, compared to the last, is light years different. If we want this parliament to continue to function in an efficient manner we need to make sure that resources are given to the committee. I again thank the secretariat for the great work they did and the long hours they worked. They should be commended and I am very happy to put that on the record.

Mr CIOBO (Moncrieff) (09:52): by leave—I rise to offer the coalition's in principle support for the House of Representatives Standing Committee on
Economics recommendations as outlined in the *Advisory report on the National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011*, which is before the House today. In relation to elements of what the government is seeking to do through the bill that the committee undertook to review is the fact that some substantial detail is yet to be resolved, insofar as that detail will be contained within regulations and not within the bill itself. In broad terms, it is fair to say that coalition members of the committee are happy to support the thrust of this legislation. We are happy to support the thrust of what was attempted to be achieved. One important point I would make is that I give credit to the Labor Party for changing their position on the implementation date of these reforms. It was always the concern of coalition members that a situation would arise whereby there would not be sufficient time for the necessary reforms as a result of this legislation to be undertaken and implemented. In this respect, the move to effectively extend the starting date was, we thought, a positive measure, and so we are certainly supportive of that.

In broader terms, we give in principle support for the bill's amendment to the National Consumer Credit Protection Act to establish a number of key features in the new act. We are always looking for ways to support positive policy. This is an opposition that wants to work constructively for the betterment of Australian society. Where downfalls exist, as they currently do, we support the provisions contained in the bill that address them—such as, the requirement for lenders to produce a key fact sheet for standard home loans; the requirement for lenders to produce a key fact sheet for credit card contracts, to provide for some regulation regarding the circumstances in which borrowers can exceed credit limits on their cards and to prohibit fees being charged by a credit provider where they do so and the consumer has opted to have a higher supplementary buffer. Likewise, we support the development of a hierarchy for payments made under credit card contracts and the requirement for credit providers to allocate repayments by the borrower to that part of the balance of their credit card in which they charge the highest interest rate. These are all worthy initiatives.

That notwithstanding, in speaking as a member of this House, I had concerns about some of the regulation as it was predicted to be incorporated within regulations about credit providers making so-called unsolicited invitations and borrowers being encouraged to increase their credit card limits. These remain points of some concern for me. But, as I said, we did not want some of these fringe issues to detract from the overall thrust of the bill. In that sense, the coalition is happy to support the report of the committee. We do think that, like a lot of the groundwork that was undertaken by the former coalition government on credit regulation and making sure that consumers were empowered and informed when it comes to credit decisions, this report is another step on that journey.

I mirror the sentiments of the chair of the committee with respect to two aspects as well. The first is to thank the committee for their hard work. I know at times the committee secretariat find the ebb and flow of some of the dissenting or non-dissenting and majority reports inconsistent and perhaps difficult to deal with. That notwithstanding, we on this side of the House are certainly grateful for their principled work and for the fact that they continue to press on with this work. The second element is with respect to the chair's observation that the secretariat also require some additional resources given their very extensive workload. For a
committee such as the House of Representatives Standing Committee on Economics, it is perhaps not unsurprising that there has been a marked increase in the amount of regulation and legislation that it will be looking at and reviewing as a very active House of Representatives committee. It is one of the main committees, indeed, for this parliament. Economics is, of course, at the forefront of what the Australian government should be dealing with. I think it is absolutely warranted for a committee like the House of Representatives economics committee to ensure that its secretariat is fully able and equipped to deal with all the necessary trials, tribulations and challenges that go with a very active and heavy workload of such committee. I thank the House for its time.

**BILLS**

**Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all the words after 'That' be omitted with a view to substituting the following words:

'whilst not declining to give the bill a second reading, the House:

(1) notes:

(a) the bill proposes that information will be obtained to determine whether the operators of child care services are financially viable, and likely to remain so;

(b) the bill also proposes that financial information will be obtained relating to large long day care centre operators;

(c) the growing burden of red tape and regulation imposed on small businesses, not-for-profit organisations and industry by the Gillard Government; and

(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a "one in, one out" rule; and

(2) calls on the Gillard Government to immediately adopt the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year.'

**Ms LIVERMORE** (Capricornia) (09:57): I am very pleased that the House has had the opportunity to return to this very important piece of legislation and that I have the opportunity to continue my remarks. When I was last speaking, I was talking in general terms about what the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011 is seeking to achieve and, very importantly, what it is seeking to avoid. And very clear in everyone's mind and memory are the events of late 2008, when ABC Learning centres collapsed so spectacularly and potentially disastrously. What we found out going through that process was that ABC was a ticking time bomb of financial incompetence and risk-taking. It was a ticking time bomb that was all the bigger by the time it blew up as a direct result of the Howard government's preference for letting the market rip rather than taking any responsibility for the childcare system relied on by millions of Australian families.

At the time it became insolvent, ABC Learning owned or operated just over 1,000 childcare centres in Australia, caring for around 120,000 children from 95,000 families and employing 16,000 childcare workers. It was the largest single provider of child care in the country, with up to 20 per cent of long day care centres and 24 per cent of all long day care places. Those figures and
the growth of ABC Learning had all happened in the space of fewer than 10 years, with ABC Learning only listing on the Australian Stock Exchange in 2001. A lot of that growth had come from the acquisition of existing centres. So ABC came to completely dominate the market. We got to the stage where the collapse of ABC Learning, when it came, was potentially catastrophic for the day-to-day functioning of families and their employers.

As a member of a working family myself, I know how finely balanced families are and how the carefully constructed schedule of work and family obligations is only made possible by the availability and reliability of child care. Take child care out of that delicate balance and you have major consequences for family finances and family relationships. That is what families were faced with the day the banks moved on ABC Learning. Those family members are also employees of thousands of businesses across Australia that all of a sudden were faced with accommodating panicked requests for unscheduled leave from parents whose childcare arrangements had evaporated for what looked at the time to be an indefinite period. The collapse of ABC happened virtually overnight, but the government was very quick to appreciate the consequences for families and for staff of the centres. The government acted immediately to keep centres open in the first instance and then worked with the receivers to carefully manage the process of assessing individual centres, offering some for sale, all the while continuing to provide financial support where necessary to minimise the impact on families and the employees of ABC.

Later in the administration process the government made available a further $34 million to keep 262 centres open while the court-appointed receiver managed the sale of the centres to new owners who could then continue to operate them. A $15 million loan was ultimately made to the Good Start consortium to help it to purchase and operate 678 of the former ABC centres. That money will be repaid in full, but the government made sure it was there when it was needed. On behalf of the families in my electorate who had children in ABC centres and ABC staff, I say that that was money well spent. In the end over 90 per cent of ABC centres continue to operate for Australian families today.

The government did what we had to do during those difficult times of 2008 and 2009, but we never want to find ourselves in that position again. We have already acted to introduce measures to better ensure the financial viability of childcare centre operators and to protect parents in the event of any future closures of centres for whatever reason. New applicants seeking to operate a childcare centre and to receive childcare benefit payments will now undergo closer
scrutiny of their financial background and that of any key personnel associated with the centre.

Since 2010, the operators of childcare centres are required to give the department a minimum of 42 days notice of their intention to close. This protects parents from the ABC situation of showing up one morning to find the door of the centre closed. Families should not have their lives thrown into disarray like that. It is important that, if children have to move centres, families have the time they need to find a centre they feel comfortable with and children have time to settle into that new centre. It should be not done in a way that causes stress or employment difficulties for parents. Children are usually fairly resilient and adaptable; nonetheless, families should have the chance to change their child's care in a way that causes the least possible disruption and distress to the child.

This bill takes the scrutiny of those organisations that operate a large number of childcare centres even further. The government is not going to ignore the lessons of the ABC debacle. ABC was allowed free rein by the previous Howard government while it gambled with the lives of its employees and the families who relied on ABC as a vital piece of their work and home life jigsaw. One lesson from the ABC collapse is that government must take responsibility for ensuring the stability of the childcare sector. The other lesson is that special attention needs to be given to the dynamics of the sector.

The collapse of ABC, the subsequent sale of centres and the emergence of new providers have resulted in one large long day care centre operator and a number of medium-sized operators. This is a trend that is likely to remain in place in the future. We cannot leave ourselves exposed to the risk of any of these large providers running into financial difficulty and having to close. The measures in this bill will therefore apply to providers that operate 25 or more long day care services.

There are currently six providers that will be required to comply with the new financial viability process. Those providers will be required to submit financial reports to the department on an annual basis. Where there are concerns about the financial position of an entity, the department will be able to seek more frequent reporting from the entity to monitor its financial position. In addition, the bill gives the government greater powers to audit any of those large long day care providers where there are concerns about the ongoing financial viability of the provider. For the first time, large long day care providers will be required to demonstrate that they are financially viable as a condition of initial approval and they must continue to demonstrate this each year. This is a sensible and reasonable early warning system which is all about preventing the kind of chaos that threatened families and, indeed, our whole economy when ABC collapsed almost without warning a few years ago.

As a mother with children who attend a local childcare centre most weeks, I know how hard the staff there have to work. After providing fun and stimulating activities for the children and giving them individual care and attention and documenting their progress, it is hard to see how those workers could fit anything else in. I would hate to think that this bill placed any greater burden on childcare workers, but that is something the government is very well aware of. There has been consultation with the childcare sector, particularly those affected operators, about these proposals and the consensus is that they do not expect the financial scrutiny requirements to be difficult or onerous. The view was that the financial statements
required are already prepared and that these new requirements could be met using existing financial systems and resources.

There was certainly no indication during the consultation that the measures in this bill will lead to an increase in childcare fees. That is just the opposite of what this bill seeks to achieve. We want to make sure that childcare centres remain strong and viable and therefore open so there is choice and competition in the sector for the benefit of parents and children. The government has announced $1.9 million to support these and other regulatory measures that will ensure the stability of the childcare sector. That is just part of the historic levels of funding the government has committed to in order to enhance the quality and affordability of child care for Australian families. That includes $273.7 million to support the introduction of the new National Quality Framework for Early Childhood Education and Child Care.

The government has also acted to help families with the costs of child care. One of the first things we did on coming to government was to increase the childcare rebate substantially. Families can now claim 50 per cent of their out-of-pocket expenses for child care, which is an increase from the 30 per cent rebate that was available under the previous government. The maximum amount of the rebate—the cap—was also raised at the same time that we brought it from a 30 per cent rebate to a 50 per cent rebate.

One of the other things we have done, directly in response to listening to families and understanding their daily and weekly needs to balance their budget and meet the costs of child care, was to increase the frequency of payment of that rebate. When we took over from the previous government we changed it from an annual payment to a quarterly payment, and as of 1 July this year it will become available to families on a fortnightly basis. Again, this was in response to the pressures families are under and is a very practical measure to help with the costs of child care.

Just as important as the affordability of child care is, of course, the stability of the sector. This bill gives the government more power to monitor the viability of large providers, which means that families can be more secure in the childcare choices they make for their children. I commend the bill to the House.

Mr CHESTER (Gippsland) (10:08): I rise to speak in relation to the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. I will begin my contribution by referring specifically to the second reading speech by the Minister for Employment Participation and Childcare and Minister for the Status of Women. There were plenty of rhetorical flourishes in that speech as the minister tried to muster what I regard as quite a broad defence of the government's appalling record in regional child care. I quote from that speech to set the scene for my comments today. The minister said:

The Australian government recognises that child care is an essential enabler of workforce participation, most particularly for Australian women.

At a time when employers are crying out for workers then it is essential that we are supporting parents who want to return to work to be able to participate confidently.

Parents need to have trust that when they drop their child off in the morning that their child is in quality child care.

Importantly, they also need to know that when they drop their child off at care, someone will be there to meet them each and every day.

This is in the context of the collapse of the ABC Learning Centres, but the message is consistent with the minister's comments in
the Women's Budget Statement from earlier this year. I quote again:

Childcare is essential in enabling parents who are primary care givers, often women, to enter and remain in the workforce.

As I have said before in this place, this government is very good at making these grand statements, but when it comes to actually delivering on the ground in regional areas it has been a complete failure.

I refer the House specifically to some recent activity in the Victorian state parliament, where there was quite a bit of excitement about the Take a Break occasional care program. For those not familiar with the Take a Break program, the Executive Officer of the Association of Neighbourhood Houses and Learning Centres, Angela Savage, describes Take a Break as follows:

The Take a Break (TAB) occasional child care program provided respite for parents and guardians of children aged from 0-6 years, enabling them to participate in a range of activities including recreational classes, activities, shopping, social events and voluntary community activities.

Two hundred and twenty community organisations received government funding through the TAB program, over 120 of which are Neighbourhood Houses and Learning Centres. This funding contributes towards the organisation’s child care operating costs, such as salaries, on costs and consumable items. At least 142 childcare workers stand to lose their jobs if the services close.

It goes on to say:

Long day care is not an appropriate or affordable option for all families. Occasional care often provides the only opportunity for these children to socialise and for families to have time out.

The TAB program makes occasional care more affordable for the families who need it. This includes those on low incomes, culturally and linguistically diverse communities, grandparent carers, and parents of children with a disability.

TAB funding is critical to the continued provision of affordable occasional childcare for communities serviced by Neighbourhood Houses, particularly those in rural and regional areas.

The legislation before the House is all about the financial viability of childcare services and providing oversight so that there are no nasty surprises. In her own words, the minister said that it would never happen again. She said that following the catastrophic collapse of ABC Learning, the Australian government committed to strengthen stability of the childcare industry so that parents could be confident that their care arrangements will be there to support them when they need it.

Quite frankly, that is just not the case in regional areas like Gippsland, and it is not the experience of the occasional childcare providers who have had their funding stripped away by this Gillard Labor government. I do not know why anyone is surprised that this government has stripped away funding from the Take a Break program. After all, it has already withdrawn its funding and its promises to build 260 childcare centres, and the people in Yarram in my community are still waiting for the $1.5 million that the Labor candidate promised during the 2007 federal election. Nonetheless, it is worth tracking the reactions to the withdrawal of the funding from the Take a Break program and the action in the Victorian parliament that I mentioned earlier. I have here some copies of Hansard from the Victorian parliament in which the member for Narre Warren South is absolutely outraged. She says:

Our local occasional child-care providers are valued by our local families. They are available for local mums and dads who may need their kids to be cared for while they do the shopping, attend appointments or return to study. These services also provide children with the opportunity to socialise and interact with other children.
She goes on to say:
The Premier just does not know how hard it is for ordinary families to access affordable child care.
That is the Labor member for Narre Warren South in Victoria.

Then we have the Labor member for Yan Yean, who has whipped herself into a frenzy. She thundered in the Victorian parliament:
The action I seek is for the minister to reverse her decision to defund the Take a Break occasional child-care program. Scrapping this important child-care program is one of the massive budget cuts across the education sector.

The member for Yan Yean was directing her anger at the Victorian state minister. Perhaps she should have been directing it to this place, where the federal minister is the one responsible for cutting $12.6 million out of the program. The member for Yan Yean went on to say:
This means that in the district I represent and nearby, occasional child-care services at Eltham, Montmorency, Diamond Creek, Panton Hill, Warrandyte and Greensborough are now at risk … The Premier claims he is supporting families, but at the same time he is making it harder to access occasional child care.

I have a news flash for the member for Yan Yean. It was the federal government, under the Gillard Labor Party, that took 70 per cent of funding away from the Take a Break program in the first place.

But the facts do not get in the way of a story when it comes to the new Labor member for Bendigo West either. This is what she had to say about the Take a Break program:
Six months is all it has taken for the conservatives to reveal their true colours and the fact that, despite their spruiking of false promises, they have never had and will never have the community or families as their no. 1 priority. Worse still, these three centres are not alone, because at least 31 rural towns and regional centres stand to lose their only child-care providers as a result of this government's budget cuts to community-based occasional child care.

The member goes on:
In Maldon the neighbourhood centre's occasional child-care program runs for 3 hours a week and provides paid employment for three staff, and it is the only child care offered in Maldon. In Maldon there is no other choice. There is no family day care or after-school-care program. There are 21 occasional child-care places at Maldon's neighbourhood house. That means 21 families will be affected by these cuts, including single parents, young mums and dads needing a break, parents attending classes or work, and children from Tarrengower Prison. This service will not survive these funding cuts and the program will cease to run. With community sector workers already the lowest paid in the state, what a blow it would be for the staff of these centres to now face unemployment because of this government's heartless decision to cease funding for this program. So much for a caring budget!

These are Labor state members expressing their outrage at the Victorian state government, which was only ever responsible for 30 per cent of the Take a Break funding program. The federal government was the one that withdrew 70 per cent of the funding.

The member for Bendigo West and her colleagues need to understand the bulk of this money was stripped away from regional communities by the Labor Party, by her colleagues here in this place. Her own federal colleague, the member for Bendigo, has meekly sat here in this parliament and done nothing to help Maldon, or any of the other 31 rural towns she expresses so much concern for, retain their Take a Break program. The member for Bendigo West should really direct her anger at her colleague, the member for Bendigo. The member for Bendigo has done exactly what he has been told—he has turned up to vote when he has been told, he has shut up when he has been told and he has not done a thing.
to protect the families of Maldon or anywhere else from the cuts to the Take a Break program.

I am pleased that the minister is here today to hear me express some of the concerns coming from the Gippsland community in relation to the Take a Break program. We are talking about communities, Minister, where it is the only source of child care available to these desperate families, and this government has decided to withdraw its funding and leave it to the state government. Now we have state members of parliament in Victoria expressing their outrage. They are so angry, Minister. I wonder if they are contacting you and expressing their concern to you directly. I wonder if they have actually bothered to get on the phone and raise it with their local Labor federal members of parliament, who are the ones responsible for the withdrawal of 70 per cent of funding for this program. The good people of Bendigo and other parts of regional Victoria certainly deserve better representation in this place than their members, who are just doing what they are told on such an important issue for regional families.

I happen to believe that the Victorian government should make a contribution to the Take a Break program. They should continue to make their contribution of 30 per cent, but the federal government should restore the 70 per cent of funding that it ripped away from regional families last year. I am proud to say that the coalition made that commitment during last year's federal election campaign and it remains our policy today. To save a miserable $12.6 million over four years this Labor government withdrew its support for a childcare program which responded directly to local needs. What this government does not seem to understand is that one size does not fit all. In small regional communities you do need to have local solutions to local problems, you do need to have the flexibility of the funding program, and this was a program that worked, and the minister should be supporting it.

The feedback I am receiving from my electorate is a case in point. It is not just me standing up here complaining, Minister, I have families right across my electorate who want this program to continue. They need both levels of government to work together to deliver it for them. Recently I had the great pleasure of visiting the Paynesville Community Centre, which the East Gippsland Shire Council has just redeveloped. It is now a brand new and terrific centre. Minister, you would enjoy a visit to it to see what has been achieved in the Paynesville community. I visited the brand new childcare centre with three lovely mums and their six children who showed me around. The problem is that the centre is about to become redundant because there is no funding to continue the occasional childcare program after December this year. The manager of the Paynesville Neighbourhood House, Karen Fleischer, wrote to me after the visit and said:

If the service ceases to exist at least thirty families will be affected. Support for these families is limited at the best of times with little, if any, extended family, no public transport, and generally limited means of income. Occasional Child Care benefits not only the children but equally the parents who either attend work or study commitments or are able to simply take a break or pursue other activities such as sport & recreation, work, study, attend appointments etc. The result is a win-win for the family and community as a whole.

Karen went on to say:

If this vital service ceases to operate due to lack of funding, children will be placed at further risk than already exists. Increasing the fee structure sufficiently is not an option due to the small population of this rural town and due to many
children coming from low income families. We also believe such an increase would in fact eliminate the children most in need.

To sum up this situation, it is the community, families (especially working families), employers and people undertaking studies or attending medical appointments that will be affected by the funding cutback and I am sure that there will be an out cry from the public at large.

I have also received correspondence from a more remote part of my electorate where the big providers, which the minister is so worried about in this legislation, will never establish a service. It will simply not be commercially viable for any of those big providers to establish a service in these areas. But we did have a service, at least partially funded by the federal government, until last year. Families are desperate in the area of Swifts Creek, for example, to keep their service associated with the local community centre. I received a letter from Charlie Schroeder at Cassilis that said:

It would seem that the federal Labor government has abandoned responsibility for children and in particular young families with children in the more isolated areas. Certainly the Swifts Creek/Omeo region of Victoria.

I wonder if the person/people who decided to cut the Occasional Childcare funding considered the hardship the tyranny of distance loads onto young families.

Children, especially in rural areas where there is greater distance between neighbours benefits from childcare by:
- allowing them to associate, interact and socialise with other children
- permitting them access to different stimuli, toys and activities
- teaching them good life skills, learning to deal with adults other than their parents and children of various ages other than siblings.

Charlie Schroeder's letter continues and makes a very good case, so I forwarded his letter to the minister for her consideration. I also have a letter from Bev Kibble of Swifts Creek who wrote:

How can the Government propose major training programs for single mothers to fit them for employment and in the current budget remove any means of support for the same people to have their children cared for?

There are also young Mums who may have inclinations of post natal depression who can have considerable relief to know that even for a few hours one morning a week they can have a break to go to the shops or just have some personal space.

I have sent all these letters to the minister so she will be able to get copies in her office. The final letter is from Mal and Kath Smith also from Swifts Creek in relation to the withdrawal of occasional childcare funding which said:

The effect this will have on our family and others like ours is devastating. This funding has ensured that at least some form of regular childcare is available to our families in this isolated and remote township of Swifts Creek.

Our family does not have other options for childcare on the days currently being offered by the Swifts Creek Community Centre within the area.

Losing regular childcare will mean that one of us has to give up our jobs, our career and our security.

With both of us working the second income enables us to pay bills and mortgages and still enjoy sport and recreational activities with our children. Two incomes decreases our stress from financial pressures and reduces our reliability on other government services.

Our children have benefited from this outstanding childcare service and are exposed to different environments, adults, and children, which has aided in developing their ability to integrate with the world outside this isolated community.
We believe that both Federal and State Governments need to commit to funding remote communities for childcare services, as childcare here must be run as not-for-profit. Profit based childcare is just not viable given population and socio-economics.

I sincerely do appreciate the minister being in this place while I read out those very compelling accounts from people in my electorate in relation to the Take a Break occasional childcare program and the need for continued funding. Now I understand that the government believes that we need to move towards all licensed premises but in the Victorian example the neighbourhood houses were meeting all of the criteria and the neighbourhood houses themselves had taken enormous steps in providing a professional and accredited childcare service. In many regional areas, and I note that the member for Corangamite is in the House this morning, we will have small towns which simply have no option at all for parents as to occasional childcare services. Mr Deputy Speaker, even if you look past the broken promises and the empty rhetoric from those opposite in terms of plans to build 260 childcare centres and to provide $1.5 million for Yarram in my electorate, there is one last insult to rural and regional Australian families in this debate in the House today. It is going to cost $1.9 million for the minister to introduce a watchdog to look over the shoulder of the large childcare providers to make sure that, in her words, 'this never happens again'. That $1.9 million would fund all of the Take a Break programs in Victoria and families in my electorate would be able to enjoy a small sample of one of the basic services that their city friends take for granted. Instead of more nanny state legislation, why won't the minister reinstate the funding for the Take a Break program and live up to some of this government's empty rhetoric?

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (10:23): I thank all members for their contribution to this debate today on the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. If ever you wanted an example of opposition for opposition's sake, then we have heard it today in the comments from those members opposite. I want to take a moment to remind people of what this legislation is about. This legislation is about cleaning up the mess that they let be created in Australian child care. I have to admit that I am shocked that I have to remind those opposite of the impact of the ABC Learning collapse. Let us recall that when ABC Learning collapsed 100,000 Australian families and 16,000 workers were at risk of being left out in the cold—100,000 Australian families who did not know if their care arrangements would be there for them the next day and 16,000 Australian workers who did not know whether they would have a job to go to the next day. This would have been a catastrophe, and we know this, if not for the government's quick and decisive action. We stepped in and we stabilised the sector, keeping ABC Learning's doors open for families while future arrangements were made. Because of this 90 per cent of these centres continue to operate for Australian families today. But, going further, our government is determined to make sure that this never ever happens again. We are deliberately taking a more hands-on role in monitoring the stability of the childcare sector so that such a collapse cannot happen again.

I remind those opposite that the ABC Learning experience happened only because the former coalition government let it virtually expand unhindered and unchecked.
They sat back and were quite prepared to let the childcare market rip. The members opposite might be well placed to read the regulation impact statement when it comes to this bill or to talk to some of the services who will be impacted by this measure. We know that this does not represent a huge burden on large long-day-care providers. Many already collect and prepare financial information like this. The majority of large long-day-care providers consulted in the development of these measures indicated that they could address the requirements by using existing financial systems and resources. The difference is that we will now have an early warning system so that the government knows where the problems might lie so that we can instigate an audit where we have serious concerns about financial liability so we can protect the care arrangements and indeed the jobs of all of those relying on our childcare services.

So this will establish an early warning system so that the Australian government can anticipate and respond to a potential collapse of a major childcare provider like ABC Learning. We are taking these steps here today because parents need to have trust, when they drop their child off in the morning, that their child is in quality child care. Importantly, they also need to know that when they drop their child off at care someone will be there to meet them each and every day. The coalition clearly does not support this commitment but we remain committed to ensuring this for Australian families and indeed for the sector so it can remain strong and stable. I commend this bill to the House.

Question negatived.
Original question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Ms LEY (Farrer) (10:27): by leave—I move opposition amendments (1) and (2) circulated in my name:

(1) Schedule 1, item 15, page 7 (lines 29 to 31), omit subsection (4), substitute:

(4) The Secretary may require only financial information that:

(a) is of a kind listed in section 219GAA; and

(b) relates to any of the 5 financial years immediately preceding the date of the notice.

(2) Schedule 1, item 15, page 8 (after line 15), after section 219GA, insert:

219GAA  Financial information that may be required

The following kinds of financial information may be required under section 219GA:

(a) a statement of comprehensive income, profit and loss statement or statement of financial performance;

(b) a statement of financial position or balance sheet;

(c) a statement of cash flows;

(d) notes to the accounts;

(e) information relating to material (that is, greater than 10%) changes to the financial situation over a reporting period;

(f) information relating to breaches of debt covenants;

(g) information relating to ownership and organisational structure;

(h) information relating to sale or closure of child care services;

(i) information relating to plans to purchase new child care services;

(j) whether in the past 12 months any director was subject to personal bankruptcy proceedings or was a director of a company subject to insolvency proceedings;

(k) whether the operator has guaranteed the debts of another organisation in the past 12 months.

The coalition accepts that this bill will pass and that the department will seek financial information from 25 of Australia's largest
childcare providers. As I said in my speech in the second reading debate, I think this is a piece of nonsense. I do not really think it is even about the collapse of ABC Learning. I think it is the government taking a swipe at the private provision of child care. It is about a Labor government that cannot help itself from taxing, spending and interfering, and this is a major interference sort of bill. Having said that, we do accept that the bill will pass. But I really take exception to the types of information that this bill allows the Department of Education, Employment and Workplace Relations to ask of those 25 large private providers of child care. We believe that the financial statements, reports and information outlined in our amendments provide ample evidence of a business’s financial viability. Our concern is that, given the power to acquire additional information at will, the department may well exceed the mandate intended by this bill. So in our amendments we are specifying the actual information that the department may view from the childcare provider. We could decrease the administrative burden on the centres that could eventuate should these amendments be rejected. I remind the House that childcare centres are accountable to shareholders, boards and owners. Annual reports are compiled, accountants employed and businesses advised on their own viability. ASIC already provides stringent requirements for companies, very clearly outlining the obligations of directors. Where a director is in breach of his or her obligations in this role, then action can be taken. Where a centre is not viable, action would and should be taken by the organisation to rectify the situation. It is ridiculous that we would expect the government to step into this role.

There were a range of comments opposite that rang alarm bells to me, particularly the member for Robertson who said this bill was about taking aim at profiteering and unacceptable risks, as if those who provide private child care—if let get out of hand—would outrageously profiteer and take risks that they should not take. Members opposite have said that this will make centres accountable for their financial decisions—they are already accountable, as I have outlined.

The minister has mentioned the regulatory impact statement, which I have looked at in detail, and there was a long and complicated consultation process leading up to this. There is a national quality framework—I have had a lot to say about that on other occasions and I will again—but of that large allocation of, I think, $270 million, $1.9 million has been aside. If we create an inspectorate within the department, its job will be to assess the viability of new providers. Presumably this new allocation of funding is to employ new public servants. I do not mind new jobs but new jobs have to be productive, valuable and meaningful. I do not think anybody who moves into such a job would say, 'Everything's going well; we have the checks and balances in place—we don't need to be here.' No. Armed with clipboard, information, ratios, statistics and a questionnaire that is actually quite intrusive and insulting to providers, this new inspectorate would seek to gain information that it has not right to gain.

Having looked at the regulation impact statement, I then also talked to some of the stakeholders. I do not believe it is the case that everyone is quite relaxed about this. Many of them have said to me, 'We have so many other problems in the childcare sector at the moment and they relate directly to affordable child care.' I guess for some of us this is just one more burden. You cannot have a new initiative without a new framework, so the department employed McGrathNicol and they have provided a
weighty document titled *A framework to assess the financial viability of large long day care providers*. In it they talk about the ratios that we, in our amendment, will limit the department to in terms of its requests. What is particularly alarming is that part of what the minister proposes is an operational organisational questionnaire. This is qualitative information, not quantitative.

(Extension of time granted) The questionnaire of which I speak seeks information from long day care providers such as the following:

Please provide a diagram illustrating the ownership structure of your organisation and a detailed description.

I guess you would think that was fine.

Has the provider sold any services? List the names of the services, their addresses, the number of places provided, where they were operating, when, the reason why the services were closed, which organisations bought these services? Does the provider have plans to purchase new services over the next 12 months? If so, please list the name of the services et cetera. Does the provider have any other significant business activities outside the operation of childcare centres? If so, what percentage does revenue from childcare activities constitute your organisation's total income?

I have just pulled out four or five questions from this document. I think it is outrageous that middle-level bureaucrats—God love them!—in a public service department should be sent by their minister on a fishing expedition to childcare providers who, by virtue of the fact that they are the 25 largest providers in the country, will be doing this stuff to death.

We know the requirements that ASIC places on organisations. We know that the accountability is extreme. Why we would therefore need ratios to be calculated, qualitative data to be collected, a new section in the department to be created—all for what? There are so many more good uses to which we could put this $1.9 million of funding. The minister said the stakeholders are relaxed. In the consultation, they did not really indicate that they were relaxed. Some of them—and I quote from her own statement—said they were 'concerned about the confidentiality of information provided to the department in accordance with the proposed framework'. The information is actually none of the department's business.

Remember, if you are entitled to receive childcare benefit assistance from the Commonwealth, you already have to demonstrate your financial viability. You already have to provide significant information. You have to provide weekly occupancy data, for goodness sake. As if the department could not look at that and say, 'Perhaps there's something not right happening here concerning your financial viability.'

Providers have not said it is fine. My interpretation of their response—and remember, we are only talking about the top 25—is, 'We have so much else on our plate; I guess we will have to deal with this as well.' But it will cost providers. Why should a small business have to come up with information that is totally unrelated to its activities when it has already satisfied stringency requirements, when it has already provided this type of information over and over again and it is in the public domain? Why should they have to do this?

I might add that some providers have commented that had this framework existed prior to the collapse of ABC Learning it would not have captured the financial viability risk of that organisation in advance. People in the department do not have the skills to calculate the financial ratios and determine risks. Presumably that will be outsourced. What starts off as a small
section—$1.9 million, a few people—could grow. It will be the easiest thing in the world for this particular framework to be extended to every childcare provider, so that small providers will also be caught up in it. If you are talking about the risk of becoming unviable, and you are targeting that risk, why would you target the risk of somebody in a big way and not somebody in a small way? If that is the premise you are coming from, why would you not ask: is somebody who has just set up one or two centres—perhaps a sole trader or a partnership operation—not more likely to encounter problems than a large provider? Are they not more likely therefore to close their doors?

The minister and other speakers have talked continually about parents coming to the centre in the morning and the doors being closed, as if that tragedy, in some respects, is somehow connected to the substance of this bill. It is not.

I urge all members of this House to support my amendments, which list, specifically, the information that the department may ask for. As I have said, this bill is a waste of everyone's time. We accept that it is going to be passed but we do say that the information should be restricted to financial information and should be restricted to the financial information detailed in the amendments. There are the usual statements you would expect to see—profit and loss accounts, cash flows, notes to the accounts and various other pieces of information. (Time expired)

Ms Kate Ellis (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (10:38): The government will not be supporting these amendments. I take this opportunity to outline the reasons and also to correct some of the ridiculous misinformation that has been thrown about this chamber. First of all, the opposition have just committed some pretty basic errors, indicating that they have a very poor understanding of what these measures are actually meant to do. The first mistake was when the member for Farrer repeatedly said that these measures would affect the 25 largest childcare providers in Australia. That is not what these measures do. In fact, the bill says very specifically and particularly that these measures will be aimed at large long day care providers who have more than 25 services. At the moment, that is six providers across the nation. So let us just make sure we have our facts right when debating this important legislation.

The other thing we have heard is a scare campaign that it would be so easy for us to just extend this to every childcare centre across Australia. That is absolute rubbish. It would not be so easy because the legislation actually lists who would be impacted by this and to change that we would have to come before this parliament and have another debate and another vote. So let us not run scare campaigns on everything, even though it does seem to be the flavour of the month for the opposition.

This bill is an absolute priority for the government because the government are proud that we are investing some $20 billion of taxpayer funds over the next four years into the Australian childcare system. This is a massive increase on the investments we have seen previously, and it is because we recognise just how important accessible, affordable and quality child care is for Australian families. We want to make sure that it is safe and stable. Obviously there was a huge impact on families, on workers and on the sector when ABC Learning collapsed. We are committed to making sure that does not happen again.
The secretary is already constrained by this bill to requesting information only regarding financial viability. This is already in the legislation. It is not true that the secretary can go on broad fishing expeditions—they are already constrained by the bill before the House. I also note that the financial information listed in this amendment includes the type of financial information that maybe required. We listed those types of information in the explanatory memorandum because this is not an exclusive or exhaustive list and we will not be supporting the amendments to list them in the legislation.

This measure is consistent with similar measures which already exist and operate to assess the financial viability of providers in the vocational education and training area. This is not something new. Instead, this is another example of the opposition saying no—that is all they like to say, with their negativity and opposition for opposition's sake. I commend the bill as it stands. I oppose these amendments and I urge the House to do likewise.

Ms LEY (Farrer) (10:41): As I have said, I think the House is wasting its time on the substance of this bill and I do hope that members will support the coalition's amendments. The minister is quite right—it is not 25 centres in total; it is six providers. However, if you think of the number of centres those six providers might have—I am not sure if the minister has that information; her department should certainly have it although they have not provided it to me—that in fact makes the numbers of centres affected quite substantial. If each provider had 25 centres, you can imagine what reach this would have into the childcare sector.

It simply is not the case that the department or the government would not be able to extend the reach of this bill, and I want to mention a couple of other aspects that illustrate the power of the secretary to seek information. Certainly the operator maybe asked for information, but there is also a person who at any time during the year is entitled to seek 15 per cent or more of the dividends. Imagine that person suddenly having to jump through a series of hoops in relation to a facility that they are perhaps only distantly related to. There is a person who at any time during the financial year is owed a debt by the operator, or a person with whom the operator acts or is accustomed to act in concert—and so it goes on. This bill imposes this requirement on not just the operator but a range of organisations, bodies, actors, that in some ways might be quite distantly connected with the operator, certainly in a business sense. They may be close in a personal sense; I do not know. They would also be required to provide information, but what if they do not want to provide that information? What if that information relates to activities that have done nothing to do with the business? According to my reading of this bill, they would still have to give their total financial picture to the department.

I know that we can always be accused of scaremongering, and I know that in a perfect world of course we are not going to have people acting outside the bounds of legislation, but our responsibility is to look at what the legislation empowers people to do and assume that, if it allows for something, then at some stage it may happen. If there is a scoop-up clause that says 'whatever other information may be deemed necessary', it is reasonable to assume that at some stage that clause might be initiated and that officials of the department would be chasing the sort of information that I have described. I come back to the amendments we are moving. There are differences between the coalition and the government on the provision of
private child care generally, but on this bill let us put them to one side and say: 'If we accept that you want to do this and spend an initial sum of $1.9 million, which will no doubt escalate over time, on this activity, then please confine your questions to financial data such as we have listed.' The financial data that is in our amendments is quite exclusive. Do not ask for anything else. You will get all the information that you need from what is specifically listed in these amendments.

Remember that there is also a provision in this bill for the department to seek an audit if it finds a problem. We are not touching that provision at all, so it is incorrect for the government to suggest that we would be going soft on anyone who might, for whatever reason, fall through the cracks. As I have said, I do not believe that will ever happen. We are not even suggesting that the audit activity be limited. Leave the audit activity as it is, leave the bill as it is, but when you require information restrict it only to what we have listed in our amendments.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (10:46): It is outrageous that the opposition should still come into this House and try to downplay the impact that the collapse of ABC Learning had on Australian families, on Australian workers and on the childcare sector. They may be embarrassed that they let the market rip under their government, but we are determined to make sure that it never happens again. We will not accept watering-down this bill through these amendments, and if the opposition are not prepared to get on board and help us protect the Australian childcare industry then I call on them to get out of the way while we do it.

Question put:
That the amendments (Ms Ley’s) be agreed to.
Crean, SF  
D'Ath, YM  
Elliot, MJ  
Emerson, CA  
Ferguson, MJ  
Garrett, PR  
Gibbons, SW  
Grierson, SJ  
Hall, JG (teller)  
Hayes, CP (teller)  
Husic, EN  
King, CF  
Livermore, KF  
Macklin, JL  
McClelland, RB  
Mitchell, RG  
Neumann, SK  
O'Connor, BPJ  
Owens, J  
Perrett, GD  
Ripoll, BF  
Roxon, NL  
Saffin, JA  
Sidebottom, PS  
Smyth, L  
Swan, WM  
Thomson, CR  
Vamvakinou, M  
Windsor, AHC  

NOES  
Danby, M  
Dreyfus, MA  
Ellis, KM  
Ferguson, LDT  
Fitzgibbon, IA  
Georganas, S  
Gray, G  
Griffin, AP  
Hayes, CP (teller)  
Jones, SP  
Leigh, AK  
Lyons, GR  
Marles, RD  
Melham, D  
Murphy, JP  
Oakeshott, RJM  
O'Neill, DM  
Parke, M  
Piberserk, TJ  
Rishworth, AL  
Rudd, KM  
Smith, SF  
Snowdon, WE  
Symon, MS  
Thomson, KJ  
Wilkie, AD  
Zappia, A

PAIRS  
Abbott, AJ  
Gillard, JE  
Hockey, JB  
Kelly, MJ  
Neville, PC  
Rowland, MA

Question negatived.

Third Reading

Ms KATE ELLIS: by leave—I move:  
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Governance of Australian Government Superannuation Schemes Bill 2011

Second Reading

The SPEAKER: I understand it is the wish of the House to debate this order of the day concurrently with the ComSuper Bill 2011 and the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011. There being no objection, the chair will allow that course to be followed.

Debate resumed on the motion:

That this bill be now read a second time.

Mr ROBERT (Fadden) (10:57): Twelve months ago, the now Prime Minister told the nation that the government had lost its way and pledged to get the government back on track and to deal with the range of challenges before it. As an election came and went, a new paradigm arose from the ashes of what Labor had left behind and we were erroneously led to believe that things may well be different. One of the areas of difference was about engagement—engagement-led policies. A number of weeks ago the opposition approached the government with respect to this range of bills to talk about engagement and how we would sit down with the government and have a discussion. To the minister's credit, we did go through a range of issues. Minister Snowdon was there and representatives of the finance minister were there, and we outlined some issues and sought some information back. We asked a range of questions. Two weeks have passed and what have we heard from the minister's office? Nothing. Where is the information we requested, which the minister promised we would be provided? Nowhere. Putting aside the fact that I cannot take the minister at his word, we sought to engage and have a responsible discussion in order to agree on a position in the interests of the nation, and this government could not even be bothered to get back in contact with the opposition for further discussion. If that is the game the government want to play, if that is their concept of a new paradigm, if that is their idea of engagement-led policy then there is no doubt they are facing a demise, as the
front pages of the newspapers currently point out. That brings us to this bill, where the opposition has sought to engage and to negotiate in good faith, and the government has not even bothered to respond.

We are told these bills will merge the existing trustees for the Commonwealth civilian and military superannuation schemes into a single trustee body, the Commonwealth Superannuation Corporation, or CSC. They will establish ComSuper as a statutory agency with a CEO and staff, and a function of ComSuper of course will be to provide administrative services to the CSC. The CEO will be appointed by the Minister for Finance and Deregulation in consultation with the Minister for Defence. The CSC will be trustee for existing Commonwealth superannuation funds, including the Commonwealth Superannuation Scheme, the CSS; the Public Sector Superannuation Scheme, the PSS; the Public Sector Superannuation Accumulation Plan; the Military Superannuation Benefits Scheme; the Defence Force Retirement and Death Benefits Scheme; and the Defence Force Retirement Benefits Scheme.

The CSC board will consist of 11 members—an interesting choice for the number of board members—appointed by the Minister for Finance and Deregulation. It is here that the full magnitude of what this government is proposing rears its ugly head. Of these 11 members of the board, five will be chosen in consultation between the finance and defence ministers. Three will be nominated by the President of the ACTU, the Australian Council of Trade Unions, and they cannot be sacked; only the President of the ACTU can remove them, thereby emasculating the minister. Two members will be nominated by the Chief of the Defence Force. And there will be one independent chair. But it gets better, because a quorum is nine. Name me a single board in this country that has a quorum of nine out of 11, where three of those members—which could knock out a quorum—are from the ACTU, and the minister does not appoint and cannot remove them. So three people can knock out a quorum of a board sitting over Commonwealth funds. These are three people not chosen by the minister—that is, not chosen by an elected official. These are three people who cannot be removed by the minister, an elected official. Suddenly we will have a huge bulk of Commonwealth funds effectively controlled by unelected officials, and that is a statement of fact.

The bills also establish the Defence Force Case Assessment Panel. The panel will review any decision referred to it by the CSC relating to military matters such as death and disability pensions. The panel has been included in this version of the legislation, as opposed to the legislation the government first introduced in the last parliament, in response to concerns raised by stakeholders in the veteran and ADF community. Taken at face value, we agree with the establishment of such a panel. However, we are concerned that the CSC is not bound by any recommendations of that panel. It in effect can make it a toothless tiger when it comes to representing the interests of military personnel.

These bills were first introduced in a slightly different form on 4 February 2010 and were passed by the House. The coalition opposed them on 2 June, and of course the bills lapsed with the proroguing of parliament. The previous bills were amended in the House to slightly improve the board appointment process following a Senate committee inquiry. The changes included requiring consultation with the Minister for Defence on employing board appointments and requiring that at least one CDF nominated director be present where a reduced quorum, in some circumstances, is
permissible and when issues to be discussed related only to military superannuation matters. Whilst the coalition supported these minor amendments, we continued to oppose the bills because of the government’s fanatical desire to have ACTU representation.

When these bills were originally introduced—that is, in the last parliament—the Labor government had forgotten one thing. There was one tiny thing that they seemed to forget: to engage, to consult, to speak with the veteran and ex-service community, who would be impacted by it. That is not unusual in itself for this government. It revealed a complete ignorance as to what is important to the veteran and ex-service community. The Labor led Senate committee hearing into the bills largely whitewashed over the facts and the testimony given by key ex-service organisations, including the RSL and the Defence Force Welfare Association. Had the Labor government engaged with the veteran community, they would have quickly learnt that they would not tolerate the amalgamation of their super scheme with government civilian schemes if it meant that representation on the governing board was reduced or that the ACTU could effectively knock out a quorum of sittings. As it turned out, the veterans and ex-service organisations were right to question the legislation.

When these bills were introduced in the last parliament the Labor government did not just forget to talk to key stakeholders—namely, the veteran community; it forgot to engage with the coalition and has repeated the mistake once again. Last time, last year in eleventh-hour negotiations, when the Labor government realised it would be held accountable for its bad legislation, it finally decided to engage. This time it did not. And that is where the problem remains. The Labor government did not listen to concerns raised by the coalition or the ex-service organisations. They did not listen, but they caved in to the ACTU. I guess there is a requirement to pay back the tens of millions of dollars the trade union movement pumped into keeping this moribund Labor administration wobbly on at least one foot.

With regard to the current legislation before the House, it is like deja vu all over again: Labor not speaking to the coalition; one meeting held, in good faith, and no more; no questions answered; no engagement; information being requested; information promised, nothing coming up; no subsequent meetings. And the fundamental problems with the bill remain from the last iteration. Suffice to say we strongly oppose the bills, not least of all because the coalition cannot, will not, support the dominant position given to the ACTU over both Public Service and military superannuation funds. We cannot and we will not support the ACTU being able to block quorums. We cannot and we will not support the ACTU not being appointed, or not being removable, by the minister. Further, we will seek to introduce amendments to this bill, which have now been circulated. I hope that the Independents and the Greens will combine with us to knock out the bad parts of the bill by supporting these amendments.

The disproportionate representation of the ACTU on the board is backed up by this rabble of a government saying that the ACTU are the employee representatives and that therefore they should have a seat at the table. No-one argues with the longstanding tradition of employee representatives having a seat at the table. The minister should be able to appoint whomever he wants. If the minister wishes to appoint people from the ACTU, the minister should have the power
to do that. No-one is saying the minister should be stopped from appointing whomever he wants. Indeed, the minister could appoint seven from the ACTU if the minister so chose—the minister should have the power to do that. But the sheer idea that, as a kickback, the legislation says to the ACTU: 'Here are three positions for you and you also hold the power to block quorums if you want to,' is completely and utterly outrageous. The minister must have the power to appoint whomever he or she wants to the board, whomever he or she deems fit to be the employee representatives. That is fair and that is just and the opposition has no problem with that at all. But we will continue to oppose the idea of saying: 'ACTU, I know you represent only 14 per cent of the private sector and 41 per cent of the public sector, but you alone will be the employee representative. Forget the other 59 per cent who decided that the union movement, especially the CPSU, is completely irrelevant to their lives and what they do. Forget that as a statement of fact—we will still give you three plum positions.'

There are eleven members on the board; the minister should be able to appoint all of them. The idea that the minister cannot remove someone from the board, with that being delegated to someone—in this case, the president of the ACTU—makes a mockery of the concept of elected officials, accountable at the ballot box for their decisions, being able to hire and fire people on Commonwealth boards. Simply put, this bill gives excessive power to the ACTU with regard to board appointments, termination of board members and quorum arrangements for board meetings. The minister and the minister alone should make the appointments and they should not be outsourced to their all-powerful backers, the ACTU.

The current legislation still contains provisions which make it unacceptable to the defence and veteran communities. Only 41 per cent of public servants are members of a union. Why should the 41 per cent of public servants who choose to join a union have 100 per cent of employee representation on the new board? How are the other 59 per cent of public servants, who are not members of a union, represented under the government model? In 2007, the Prime Minister said, 'I will be a Prime Minister for all Australians,' or was that the last Prime Minister? Surely that means the minister should appoint all the board members to represent all the constituents who are involved in the superannuation funds within ComSuper.

We have raised these concerns with the government, who are nevertheless pressing ahead with their current model. As was the case when this legislation was introduced in the last parliament, the Labor government has made it clear it is unwilling to engage on this legislation. The embedding of the unions in the legislation as a right seems to be an absolute and utter article of faith for this government. The government should come up with a governance model which is more representative of the diversity of backgrounds and perspectives of public sector employees. Indeed, the government should have engaged with the coalition—

Mr Snowdon: You didn't want to.

Mr ROBERT: —and come back with responses to questions so that we could have reached an agreed position, Minister. In summary, the major issue with this bill remains the ACTU representation on the board. We will oppose today, we will oppose tomorrow and we will oppose the next day the privileged treatment of the union movement that occurs every day with this government. We will oppose it. Board members should be appointed by the Minister for Finance and Deregulation in consultation with the Minister for Defence.
The minister alone should appoint them. There should not be privileged positions for the Labor faithful and the Labor mates.

A second issue is that the ACTU is currently able to nominate more directors than is the Chief of the Defence Force. The defence and veteran community believes that military representation on the CSC board should be at least equal to that of the ACTU or, more importantly, there should just be no ACTU at all. Thirdly, the minister cannot dismiss an ACTU nominated director. It is outrageous that the government would put up a bill that says three members are from a privileged group and the government cannot get rid of them unless there is egregious behaviour—already extant legislation allows for dismissal in such a case—and only the President of the ACTU can get rid of them. Only an unelected official can get rid of them. It is unacceptable that the ACTU president, rather than the responsible minister, would have such power over appointments. The other five employer directors can be dismissed by the responsible minister but not the ACTU ones.

Given that a quorum of nine members is required for a board meeting and that three are ACTU directors—not appointed by the minister and not able to be removed by the minister—those three can prevent such a meeting from being held. That they can do so is simply and utterly outrageous. The bill cannot be supported in its current form. The opposition has circulated amendments in my name to make the bill far more acceptable to the veteran community and, indeed, to the Australian people.

Mr STEPHEN JONES (Throsby) (11:13): It is with great sadness that I follow the member for Fadden in this important debate, because what he has visited upon all in this place is a litany of irrelevance and demonstration of his absolute ignorance of the history of these schemes and how they operate. Let us go through, one by one, some of the gross misrepresentations and some of the examples of his absolute inability to comprehend or understand not only how public sector superannuation schemes have existed for over 50 years but how superannuation exists and is administered and how trustee arrangements operate. It is a great shame the member for Fadden is leaving the chamber at the moment, because he might actually learn something about the portfolio and about the issue that he proposes to expound upon.

Mr Robert: From you? Are you kidding me?

Mr STEPHEN JONES: Yes, you might actually learn something about this. The first thing is that if he really wanted to engage on this issue he might have turned up in 2009 when it was first raised. I know that the then minister for finance, the former member for Melbourne, started extensive consultations with all the stakeholders in 2009.

Mr Baldwin: That is rubbish. No he did not.

Mr STEPHEN JONES: I know this very well because I was one of the stakeholders involved in those consultations. I also engaged in discussions with members and representatives of the military schemes and others within the superannuation industry at that point.

But the member for Fadden turns up here a day late and a pound short in this debate and complains that for some reason he has not been listed to. Well, he has given us a very good reason today as to why he should not be listened to, and that is he has nothing to say of any relevance on the subject matter before the House. We heard him speak for almost 20 minutes on this important piece of legislation, but at no point did he grasp the
fact that the whole reason this legislation is before the House is that it will bring a net benefit to those people he purports to represent, as a former serving member of the Australian Defence Force, in his shadow portfolio responsibilities in this place. This legislation will provide a net benefit to the members of the current military superannuation schemes. It will do that because they are currently members of a scheme which has around $3 billion in funds under management. In the modern world of superannuation, unless you have scale you are certainly not going to be involved in the deals and the advantages and get the sorts of investment returns that provide the benefits to members. That is the purpose of our superannuation scheme.

In the litany of 20 minutes of irrelevance from the member for Fadden we did not hear one word uttered about the benefits that this legislation is going to provide to the members of the civilian and current military schemes. The reason we never heard one word on it is that he simply does not understand it. He does not understand the whole purpose for which we have employee representation on superannuation schemes—public sector and private schemes at large. This is obvious when he complains about the fact that employee representatives on the fund cannot be sacked by their boss. If that is the proposition he seriously thinks is the way that superannuation funds should be managed in this country he should get up and say it. He should get up and say that he believes employers should have the right to appoint and sack the trustee representatives on superannuation funds, because that is what he is saying. He is saying that he takes some issue about the fact that under this legislation the boss of the employees cannot sack the employee trustees on this important superannuation vehicle, which has around $21 billion of employee funds under management.

He seems to labour under the misapprehension that the money under management in these funds is somehow government money. It certainly is not. The money has been contributed by the civilian and military members of these funds. So it is only fair and reasonable, and it has been a principle in this place and throughout this country since before industry superannuation was established, that the members of funds should have some say and some control, consistent with their fiduciary obligations and equity law, over the management of those funds. But the member for Fadden seems to think that it is unreasonable for members of funds to have some representative rights on the management boards of their funds. He thinks it should only be the employer who has the right to dictate who controls the funds. I am sure he is out of step. He would be a very brave man to put that as a serious proposition to any public sector employee or any employee in private enterprise. He is way out of touch. He simply does not know the subject matter on which he speaks.

He has no understanding of the history of employee representation on public sector funds. He would have served himself well and saved himself an enormous amount of embarrassment if he had taken the time to sit down with Senator Nick Minchin. If he had spent 15 minutes talking to him he would have understood that those parts of the legislation he objects to so strongly—that is, the provisions that allow the ACTU, in consultation with employee representatives within the public sector, to nominate to the minister representatives for these funds—are doing nothing more than reflecting the practice that was agreed with Senator Minchin when the public sector superannuation funds were radically
overhauled by the former Howard government in 2004. In fact, this legislation codifies the agreement reached with Senator Minchin. So instead of coming in here, flapping his arms around and visiting upon us a litany of irrelevance and ignorance, he would have been better off spending a few minutes with the South Australian senator and asking, 'Nick, what is the history to all of this, mate? How have we got to this position?' The senator for South Australia, unlike the member for Fadden, does have a good understanding of the history of this fund and public superannuation and could have enlightened him. The member for Fadden would have been relieved of the historical embarrassment of having his words recorded for all time in Hansard about how little he knows about public sector superannuation and about how little he knows about the benefits that are going to flow to the military personnel who have their money invested in military superannuation funds and in whose hands the future governance of that fund will be improved by this legislation.

Let us have a look at these funds and at what the legislation attempts to do. What the legislation attempts to do is bring under one roof the trustee arrangements for the superannuation schemes which are currently in place for both the civilian and the military superannuation arrangements. The first of these bills, the Governance of Australian Government Superannuation Schemes Bill 2011, will consolidate the trusteeship of the civilian and the military superannuation arrangements. The effect of the bill will be to merge the Australian Reward Investment Alliance, otherwise known as ARIA, the Military Superannuation and Benefits Board and the Defence Force Retirement and Death Benefits Authority to form a consolidated trustee body. It does not consolidate the funds themselves but merely the trustee and governance arrangements.

CSC, as the Commonwealth Superannuation Corporation will be known, will also assume responsibility for two closed civilian superannuation schemes from the Commissioner for Superannuation and the Defence Force Superannuation Productivity Benefits Scheme. CSC will be a Commonwealth authority for the purposes of the Commonwealth Authorities and Companies Act and will be governed by a board. The CSC will be established by renaming the existing legal body known as ARIA and the bill will provide that CSC will have an 11-member governing board, which will comprise a chair, five member directors and five employer directors. The size of the board is a reflection of the diversity of the membership of the schemes. This is a point which has clearly been lost upon the member for Fadden, who seems not to understand that, when you bring two schemes together—one which involves funds under management of around $3 billion, the military scheme, and another which involves funds under management of around $18 billion—there are going to be concerns amongst the membership of both funds and the existing trustees of both funds. Those quite legitimate concerns have to be accommodated and dealt with, and they have been by this legislation.

Both military and civilian interests will have employee representation, with the Chief of the Defence Force responsible for nominating two member directors and the President of the ACTU nominating three member directors and the ministers for finance and defence nominating the five employer directors. It is important to note—and herein lies the complete lunacy and hypocrisy of the contribution by the member for Fadden in this debate—that he took great umbrage at the fact that the President of the ACTU, in consultation with employee
representative bodies for public sector superannuation, will advise the minister on the appointment of the employee representation. Not one word of objection was raised about the fact that the head of the Defence Force will nominate equivalent employee representatives on the military side of the funds. You would have thought a man who is so concerned about equity, fair play and balance in representation might have said, 'Maybe there is a representative body in the case of the serving military men and women who have funds invested in the current military funds who might be an appropriate equivalent to the President of the ACTU to consult with.' But not a word was uttered on that particular issue, which just goes to show that he does not understand the subject matter that he gets up to talk about this place.

What goes as debate is nothing more than bigotry and blindness about the fact that in this country, unlike many others around the world, we have a system which enables employees to have some control over their retirement savings. They have some control over the fact that, when they are investing hundreds of thousands of dollars in many instances in their retirement savings, they are entitled to have some representative people with expertise who have a say in how those funds are managed and the governance of those funds.

I would like to take this opportunity to pay tribute to one of those employee representatives. Margaret Gillespie has recently retired as an employee trustee of the ARIA fund—the body governing a number of the public sector funds. I worked closely with Margaret Gillespie when she was an Assistant National Secretary of the CPSU and I was the National Secretary. It is not well known that public servants who are members of the PSSap and other accumulation schemes now regularly receive an employer contribution of 15.4 per cent into their superannuation funds. They owe enormous gratitude to Margaret Gillespie for the intensive work that she undertook in negotiating with the former minister for finance, Senator Nick Minchin. As I have mentioned before, in 2004 the former Howard government closed the PSS and CSS schemes and moved all new employees off a defined benefit scheme. It is largely due to the enormous advocacy work of Margaret Gillespie and, I have to say, the fact that Senator Minchin did actually understand his brief and did get the importance of public sector superannuation—unlike many of those who have spoken in this debate on the other side of the chamber, he actually understood what he was talking about and was able to reach agreement with the employee representations—that public servants currently enjoy an employer contribution of 15.4 per cent to their superannuation funds. It is equivalent to what we receive in this place. So I take this opportunity to pay enormous tribute to the work of Margaret Gillespie. She resigned from her position a few weeks ago as the trustee of the fund. She is one of literally hundreds of working men and women who give up their time and effort to represent employee interests in funds, and we ought to pay tribute to them. (Time expired)

Mr BALDWIN (Paterson) (11:29): I rise today to speak on the Governance of Australian Government Superannuation Schemes Bill 2011, the ComSuper Bill 2011 and the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011. Just over a year ago we stood in this chamber debating this very bill. This bill lapsed because the then Minister for Finance and Deregulation, Lindsay Tanner, failed to consult adequately with stakeholders and the crossbenchers in the Senate and refused to take onboard the
advice that was provided by the veteran community. It is true that this bill will take various organisations—one of those being the Australian Reward Investment Alliance, ARIA, who have the investment management rights over the CSS, PSS and PSSap—and bring them together with the board which oversees the MSBS as well as parts of the DFRDB and DFRB.

The Public Service superannuation fund this time last year amounted to some $16 billion. The money held on MSBS amounted to some $3 billion. As I stated when this bill was being debated last year, in principle the coalition has no problem with that money being joined together for investment to provide greater returns to each member, whether they be public servants or retired military personnel. The coalition sticking point all along has been this Labor government's desire, in essence, to hand over control of these funds de facto to the ACTU.

A board will be formed that will have five employer directors chosen in consultation between finance and defence ministers. It will have three members nominated by the President of the ACTU. It will have only two members nominated by the Chief of the Defence Force and it will have one independent chair. Already Defence is behind the eight ball, because there are three sectors of service in the Defence Force. There is the Air Force, there is the Navy and there is the Army. But the issue with this bill that concerns the coalition most of all is not just the imbalance in the structure of the board; it is the fact that the minister cannot dismiss an ACTU-nominated director. The President of the ACTU has more power in control of these funds than the minister, who ultimately is accountable to this parliament for the administration of the funds. This is outlined in the explanatory memorandum, which says:

The CEO is not subject to ministerial direction in the performance of this statutory function.

Given the make-up of the board, the CEO is de facto responsible to the President of the ACTU. That is an area that we have concerns with.

I cannot recollect any board of 11 where you need a quorum of nine. As my colleague the member for Fadden so rightly pointed out, this would mean that the ACTU could spoil the quorum and delay the progress of any investment decisions if it does not go their way.

The thing that concerns me most of all is the unintended consequences of this. In the last parliament I was the shadow minister responsible for this—and I congratulate the member for Fadden for the work that he has been doing on behalf of our defence members. One of the briefings said that this $16 billion and $3 billion will be combined to create a $19 billion fund which will then be put out to tender. I suspect that sitting in the back of the mind of the President of the ACTU and all the ACTU members is the idea that this fund would be well placed with an ACTU-driven superannuation investment arm. That is why the sticking point is with this government. They want to make sure that they have absolute control over all these funds so that they can put all these funds to a union-driven superannuation management fund and therefore prop up the union movement even further.

Mr Perrett interjecting—

Mr BALDWIN: This will be payback. The member opposite says to name the ones that will exist. The member is nothing but a fool if he does not understand that within a moment's notice the ACTU could pop up an arm and establish such a body.
The DEPUTY SPEAKER (Ms AE Burke): The member for Paterson tested my patience yesterday and I do not think he should try to test it again today.

Mr BALDWIN: Madam Deputy Speaker, I suggest you ask the member not to intervene.

The DEPUTY SPEAKER: The member for Paterson knows he should not respond to interjections. I have not thrown anyone out in a while. It could be my day.

Mr BALDWIN: Madam Deputy Speaker, that is entirely your prerogative.

The DEPUTY SPEAKER: It is.

Mr BALDWIN: There are flaws in this bill and the current minister is repeating the errors of the previous finance minister. He is failing to consult. He is failing to negotiate and find a pathway forward. It is true that after 1 July the balance of power in the Senate will shift. The Greens will have power. I would think the Greens, who on a number of occasions have stood up for the financial rights of members of our military, will stand up to this minister and say, 'No, the ACTU president should not have more power than the minister for finance.' As I said, and as is outlined in the explanatory memorandum, the CEO is not subject to ministerial direction in the performance of his statutory functions but in essence will be there to serve the needs of the President of the ACTU, given the balance of the power and the make-up of the board and given the fact that only the President of the ACTU can dismiss members. The member for Fadden has moved amendments that move the balance of power of the ACTU in this board—

Government members interjecting—

Mr BALDWIN: Members opposite interject and say, 'They're only trustees,' but trustees set direction; otherwise, there would not be much point in having trustees. Indeed, there would not be much point in having a board if it was not establishing the policy matrix by which the administration of the funds occurs.

I also refer to the contribution of the previous speaker, the member for Throsby, who for the better part of seven minutes did nothing but waffle on about tones of speech as though he were some great oracle in relation to this industry. I am sad to inform the member for Throsby that he is a long way from being such an oracle. In the tone of his discussion he displayed a relative lack of understanding of the needs of the security of the financial investments of members of our Australian Defence Force. I, like the member for Fadden and other members in the coalition, have taken time to speak to organisations like DFWA and, more importantly, individual members of the Defence Force, retired and serving. Their greatest concern is that this government will again, like it has in the past, destroy the superannuation benefits of those, both serving and retired, in our military system. So there are great concerns.

The government has failed to explain, through a failure to sit down and discuss, why when the union movement represents only 41 per cent of the Public Service it should have the majority control. Defence has 100 per cent of its members represented by only the two nominated directors; the ACTU will have three nominated directors for 41 per cent of its contributors. I would have thought that would have said something: if 59 per cent of the people choose not to be in the union movement then perhaps it might be wiser to have more independently nominated directors put forward by the minister and the Chief of the Defence Force. After all, whilst the Chief of the Defence Force and others are in the military, they are also public servants.
I cannot support this bill, and I cannot support it for the exact reasons I outlined on 2 July in this House, not only in my main speech but also during consideration in detail. Again, this minister, like the previous minister, has failed to adequately consult. Through maintaining their position on the bill, they have not secured the confidence of the Defence personnel whose funds they seek to represent, because those people are concerned that the government will be putting the ACTU in with an absolute, uncontrollable balance of power to administer their funds. Given the government's previous track record going back to the Whitlam era, I can understand their fears. So I will not be supporting this bill.

Even though the government may use its numbers to push the bill through, I would have thought some of the Independents in here would have sat down and thought wisely of the ramifications of the bill in its current form and made the minister stand to account. Then again, perhaps they are more interested in their carbon tax or their poker machines levy. Perhaps they give greater precedence to those things than to the welfare of former and current serving members of the military of this country.

Mr CRAIG THOMSON (Dobell) (11:41): The government is doing the right thing by its current serving Defence Force men and women by improving superannuation benefits for the majority of those in uniform. The contributions from those opposite on the superannuation bills have been absolutely amazing. They do not dispute that they are going to be better off financially because of the changes. The big thing they are opposed to is employees' representatives—unions—being given a voice on these superannuation funds. Guys, you picked the wrong area in which to be disputing unions' contributions to a policy issue if you are picking on the unions' contribution on superannuation.

The union movement has an impeccable record on superannuation, and it is worth going back and recapping where we would be in Australia without the unions and their push to make sure we have superannuation for all Australians. In Australia we have had superannuation in some form for a little over a century, but for most of that period it has not been universal. Labor has a proud record of reforming and developing superannuation to make it universally available. In 1974 the Australian Bureau of Statistics conducted the first survey of superannuation, and it came up with a pretty sorry sight. Only 32 per cent of the workforce was covered by superannuation, and only 15 per cent of females who worked were covered by superannuation. In the private sector it was even lower: only 24 per cent of people in the private sector had super cover under the conservative government that was in at the time.

The first major breakthrough was not until 1985. That breakthrough came because the union movement made an important contribution to superannuation in this country by working hand in hand with the Hawke Labor government. In 1985 the ACTU sought a three per cent employer superannuation contribution, to be paid into an industry fund as part of the national wage case with the Australian Conciliation and Arbitration Commission. And guess what? Those opposite opposed it then, and they have opposed it ever since. They resent the fact that working people should be provided for in their retirement through universal superannuation. So today's opposition to these bills comes as no surprise.

Before the union movement mounted its campaign and reached an agreement with a Labor government, access to superannuation...
was deeply inequitable. Before the unions' national wage claim in 1985, only a minority of workers had superannuation, and these were mainly higher earning white-collar workers, public servants and those in the Defence Forces. In recognition of the need to develop strategies to manage an ageing population, the Labor government supported the ACTU's claim, and in February 1986 the commission confirmed that awards would include contributions of up to three per cent to approve superannuation funds. Between 1986 and 1990—a period of Labor government—the number of employees covered by superannuation funds rapidly increased from around 40 per cent of employees to 79 per cent of employees as a result of the commission's ruling. On this side of the parliament we have taken the view that superannuation is needed. Those on the other side have continually attacked and tried to draw it back. On coming to government their contribution was to try and break the industry schemes through choice in superannuation. Of course, what actually happened was that the industry super funds increased the percentage of people participating because they are well-run funds with union representation on their boards and they deliver better returns than most of the retail funds. That is why they have been so successful and that is why the opposition from those opposite is purely ideological. It is in the DNA of those opposite to hate unions. It does not matter what the issue is, if there is an opportunity for them to come along and say that the big bad unions are going to be the downfall of something, they will try and do it. Of course, it does not stack up in reality and it certainly does not stack up with superannuation. In terms of superannuation, as I have already outlined, without the wage claim in 1985 we would not have universal superannuation in this country. It was because of the union movement and then because of the Hawke Labor government that we saw a universal superannuation being extended to most workers in this country. We should remind ourselves what the figures were when the coalition was in government. There was only 32 per cent of the workforce with superannuation and only 15 per cent of females.

Those on this side have a proud history in relation to superannuation, a proud history in making sure that superannuation is accessible for ordinary people, and a proud history of making sure that superannuation is...
run in a professional manner—a manner that gets the best returns for those people who are part of superannuation funds. That is why people on this side of the House have no problem in saying that industry super funds have been an overwhelming success. If those opposite actually went out and spoke to the financial markets or went overseas they would understand that our industry super funds are the envy of the world. The OECD recommends that governments, when they have the resources available, should look at Australia's universal superannuation system. It is something that is admired around the world.

What do we have from those opposite? We have pot shots about who sits on the boards. It is demeaning of those opposite, but it is also insulting to those many union officials who have sat and worked for the best interests of their union members on the superannuation boards to make sure that our superannuation funds in Australia, our industry superannuation funds that have union representations, give the best returns of any superannuation funds in this country. I think that the members opposite owe a big apology to those people who have contributed so much over many years now to make sure that our funds are the envy of the world.

There are three bills specifically in relation to the debate here today. One of those three bills is the Governance of Australian Government Superannuation Schemes Bill 2011. This bill gives effect to the government's announcement in October 2008 to merge the Australian Reward Investment Alliance, the Military Superannuation and Benefits Board and the Defence Force Retirement and Death Benefits Authority to a consolidated trustee body. The new consolidated trustee body, to be known as the Commonwealth Superannuation Corporation, will be responsible for managing the main Commonwealth civilian and military superannuation schemes. It will also assume responsibility for two closed civilian superannuation schemes from the Commissioner for Superannuation and for the Defence Force (Superannuation) (Productivity Benefit) Determination. The merger will bring more than 680,000 members and pensioners and over $21 billion in funds under management of the CSC. Again, what we find from those opposite is that the only objection to this bill is who is going to sit on the board.

The second bill is the ComSuper Bill 2011. This bill gives effect to the government's decision in November 2009 to modernise the governance structure for the administration of the Australian government superannuation and to clarify the functions of ComSuper. The statutory office of the Commissioner for Superannuation will be replaced with a CEO of ComSuper to be appointed by the Minister for Finance and Deregulation. The CEO will be responsible for providing administration services to the CSC. Replacing the role of the Commissioner for Superannuation with a CEO and transferring the commissioner's current trustee responsibilities for some old, closed civilian schemes to CSC will allow the CEO and ComSuper to focus on the delivery of administration services. Under the bill ComSuper will be established as a statutory agency for the purposes of the Public Service Act 1999 comprising the CEO and staff of ComSuper.

The last bill in the package, the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011, supports the reforms including the governance and the ComSuper bills. The bill does this by making consequential amendments to a range of Commonwealth legislation to take into account the changes to the governance of Australian government
superannuation. It also puts into place transitional arrangements for the reforms. The bill transfers responsibility for the management of the scheme under the Superannuation Act 1922 and the Papua New Guinea Scheme from the Commissioner for Superannuation to the CSC. The bill also facilitates public sector employees being able to consolidate their superannuation savings under the management of the CSC, should the government decide to implement such a reform in the future.

Overall, the package of the three bills implements reforms required to maintain strong, contemporary governance arrangements for Commonwealth superannuation schemes that will allow substantial benefits to flow to members while retaining the individual scheme benefits and entitlements. The package protects those features of military superannuation that recognise that military service is unique and different to civilian employment. So these bills are targeted bills that go to making sure we have better administrative arrangements that have a real effect on the payouts and entitlements of civilian, public service and military personnel.

The package of bills will increase superannuation returns for the majority of our serving members. Specifically, it will increase the take-home superannuation of over 90 per cent of our current serving personnel. It will also benefit all future members of the Defence Force. By way of example, a 0.5 per cent increase in the net investment return for a member of the RAAF, who joins as an officer cadet and rises through the ranks to group captain at retirement, would lead to an increase in superannuation benefit of $95,000 over the full career.

So we have here legislation that is modern and provides up-to-date administrative arrangements and tangible benefits in terms of superannuation outcomes, but all we have from those opposite is their fear and the bogey associated with the scare campaign that they want to run on union interests—legitimate ones—not being excluded from these superannuation boards as trustees. Again we see the complete bias of those opposite who cannot help themselves and attack the unions and also the government in this case for legislation that is about improving outcomes for military people, civilians and public servants and about improving their arrangements. The whole basis of their opposition is about trying to silence the voices of the elected trade union representatives of the workers who work in those industries. If this were the first time that this had ever happened you might say, 'Well, let's have a look and see how it works,' but we have industry superannuation funds and we have union representatives who are nominated by the ACTU on these funds. We have had industry superannuation funds operating since 1986. They have been universally acknowledged as being great vehicles for people's retirements and have been tremendously successful. To try and run a campaign opposing these bills shows how shallow those opposite are and shows how they really do not have at heart the interests of any workers, whether they be public servants, the military or the general public. These important bills should be passed, and I commend them to the House.

Mr TEHAN (Wannon) (11:55): The Governance of Australian Government Superannuation Schemes Bill 2011 is not a modern bill. Sadly, it is a bill of the past, a bill which seeks to entrench the ACTU in a position of influence which is not necessary. Our opposition is not anti union. As a matter of fact, I have met with unions recently to
discuss the carbon tax and the impact that it is going to have on the industries in my electorate of Wannon. What we have seen from Paul Howes and others is that there is great concern on this issue. We on this side are happy to work with unions to raise issues where jobs are at stake but this bill is entrenching the power of the ACTU and it is going back to the days of the old accord. As we know, the old accord did not deliver ultimately for the Australian economy and we do not want to see the ACTU in a position of power here especially when it does not represent more than half the public servants who would be caught up by this bill.

I would like to talk on this bill and then talk about the Public Service. I was employed as a public servant in the Department of Foreign Affairs and Trade for a number of years. I was not a member of a union and I must say I would have found it an affront to find that, having paid money into superannuation, the government would be demanding that the ACTU have this dominant role over the money which I had worked for and which I was putting into superannuation. I would then like to specifically detail some of the problems with this bill.

There is a simple way forward which the government should acknowledge and should agree to, and that is to allow a greater role for the minister in appointing people rather than having a greater role for the Secretary of the ACTU, Jeff Lawrence. As a matter of fact, it seems ridiculous that we would even be having this discussion on the role that the leader of the ACTU should have in appointing people to these positions and on the fact that we are taking power away from the elected minister to even be able to replace ACTU appointees.

This bill and the cognate ones establish ComSuper as a statutory agency consisting of a CEO and staff. The bills merge the existing trustees for the Commonwealth civilian and military superannuation schemes into a single trustee body, the Commonwealth Superannuation Corporation. The function of ComSuper is to provide administrative services to the Commonwealth Superannuation Corporation. The CEO of ComSuper is appointed by the Minister for Finance and Deregulation in consultation with the Minister for Defence. The Commonwealth Superannuation Corporation will be trustee for existing Commonwealth superannuation funds including the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme, the Public Sector Superannuation Accumulation Plan, the Military Superannuation and Benefits Scheme, the Defence Forces Retirement and Death Benefit Scheme and the Defence Forces Retirement Benefits Scheme. The CSC board would consist of 11 members appointed by the Minister for Finance and Deregulation: five employer directors chosen in consultation between the finance and defence ministers, three members nominated by the President of the ACTU, two members nominated by the Chief of the Defence Force—so the ACTU has more representation regarding these military schemes than the Chief of the Defence Force—and one independent chair.

The bills also establish the Defence Force Case Assessment Panel. The panel will review any decision referred to it by the CSC relating to military matters, such as death and disability pensions. The panel has been included in this version of the legislation in response to concerns raised by stakeholders in the veteran and ADF communities. The coalition agree with the establishment of such a panel; however, we are concerned that the CSC is not bound by the recommendations made by the panel. The
overall legislation remains, as I have previously said, unacceptable.

These bills have a history. They were first introduced on 4 February 2010, when the coalition also raised its concerns about them. We have been very consistent on this matter. There were some slight improvements made to the bills but they have not gone far enough. The coalition continues to oppose these bills, as the ACTU has a disproportionate representation on the board and is the exclusive representative on the board of public sector employees.

At this stage I state that I have an interest in this bill because I was a member of the Public Service and I paid superannuation into a fund. That money is still in that superannuation fund, so it is with direct relevance that I speak on this. As a member of the Public Service I also know full well that the majority of the Public Service are a non-unionised workforce. Around 40 per cent of most departments are members of a union and roughly 60 per cent are not. Therefore, it does seem incredibly strange that the ACTU would be given such a privileged position. I would like to hear from members on the other side exactly why they have given the ACTU such a privileged position.

It seems especially strange that the Chief of the Defence Force and those from, for instance, staff representative bodies—who do an equally good job representing those members employed within the Public Service—are not given such a privileged position. I would like to hear from members on the other side exactly why they have given the ACTU such a privileged position.

It brings with it other issues. For instance, the three ACTU members can prevent a quorum. If they do not want a meeting to take place, they can use their numbers to make sure that there is not a quorum. It is a fact. This is the dominant position which has been given to them. I will spell it out for those opposite: given that a quorum of nine members is needed for a board meeting, the three ACTU directors can prevent a meeting being held. This newfangled accord that we are putting in place to look after
superannuation for the military and the Public Service means that the three positions which have been given to the ACTU can be used to stop a meeting being held.

Mr Gibbons: Why would they do that?

Mr TEHAN: Who knows? Who would know why? But why would a government allow that to happen? We know that the Greens are running the agenda at the moment, but not only will this lead to the Greens running the agenda; it also looks like the ACTU will be fully back in influence as well. What will that mean for the grassroots union members—those who are worried about their jobs, worried about the impact of the carbon tax? Once again, they will be shut out. Their voices will not be heard and that is a real worry.

As I have said before, having these three ACTU members on the board means that defence and veteran representation on the board is less than it should be. Currently the ACTU is able to nominate more directors than the Chief of the Defence Force. The defence and veteran community believes that military representation on the CSC board should be at least equal to that of the ACTU or, alternatively, that the military should continue to have its own independent board. I think that is fair. Given what our defence personnel do so magnificently in defending Australia, the fact that we will not allow them to have as much control or more over their hard-earned superannuation as the ACTU is an indictment of this government.

In summary, I have three serious concerns with this governance bill. The special provisions for ACTU representation on the board should be changed. The provisions for defence and veteran representation on the board should be changed so that that community has greater representation. The minister should be allowed to dismiss an ACTU nominated director. He should not have to go begging, cap in hand, to the head of the ACTU saying, 'Please, we think there is a problem with this nominated director so could you remove him?' The minister elected to this parliament having to go cap in hand to Jeff Lawrence to get someone removed is an absolute indictment of this bill. The last thing which needs to be changed is that the ACTU should not be in a position, because their numbers allow them to decide whether or not there will be a quorum, to decide whether a meeting goes ahead or not. Whoever drafted this bill should have taken that into consideration as well.

As someone who worked in the Public Service, as someone who provided money into a superannuation scheme, and it is still there, I find particularly worrying the direction in which the government is headed in putting together the board which will ultimately have the say over where all the money of our defence personnel and our public servants will be invested and how it will be managed. The fact that the ACTU is given such a prominent position on this board, especially ahead of the minister and people elected to this parliament, is of major concern.

Mr RIPOLL (Oxley) (12:10): I begin by saying to the member for Wannon that he can rest assured that superannuation in this country is in very good hands, not only through the legislative changes we are bringing about through these three superannuation bills but also through the long-term commitment that the Labor Party, the labour movement and the ACTU have made to guaranteeing that ordinary working people in this country have access to superannuation for their retirement. I hear him talking about all his concerns and asking why the ACTU and everyone else should have a say, but in reality this is about ensuring the longevity and the absolute availability of superannuation in this country.
over a long period and maintaining full credibility for the superannuation system and the superannuation guarantee.

We have before us three excellent bills—the Governance of Australian Government Superannuation Schemes Bill 2011, the ComSuper Bill 2011 and the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011. In summary, this package of bills is about good reform and about good governance arrangements in particular in relation to how these bills and schemes work in line with trends in the broader superannuation industry. No-one could criticise this government for not having done enough. We have done what is necessary to ensure the proper operation of superannuation, the superannuation guarantee and the superannuation industry in its broad application to the community. We have gone to great lengths to ensure not only that over the past 20 years with proper governance superannuation has survived, grown, become the basis of Australia's national savings and played an enormous role in getting this country through the global financial crisis but also that for the next 40 or 50 years, with changes and trends in the community, the proper governance mechanisms will be in place in line with what people expect.

The Governance of Australian Government Superannuation Schemes Bill implements directly the government's decision to establish a consolidated trustee—a very important part of getting the legislation right and making sure superannuation is right for the Australian government civilian and military superannuation schemes. The consolidated trustee body will be known as the Commonwealth Superannuation Corporation, the CSC, and it will be a Commonwealth authority for the purposes of the Commonwealth Authorities and Companies Act 1997. It is not at all like the member for Wannon and other members across the chamber were saying. If you listened to them, you would think that somehow we had just handed it over to people on the street and said, 'You manage according to your whim; do whatever you like with it'. In fact, the industry is highly regulated and has a great track record of good governance. These bills improve on that superb history. This governance bill will protect the unique nature of military service by, among other things, requiring the governing board of the CSC to have regard to what is unique about military service, as provided for in the relevant military superannuation acts. So, we are linking the two legislative areas together to make sure that we get it right. The bill also provides that the CSC is to be governed by a board. I do not think many people would argue with that. It is to be governed by a board based on a common model in the broader superannuation industry. It is a successful model which has delivered for ordinary people over many years. The ACTU and the Chief of the Defence Force will nominate three and two directors respectively. They will do that for a very simple reason: proportionally, the funds they represent are of quite substantially different sizes. The civilian fund is some $19 billion and the military fund is $4 billion, which is significantly less and the representation on the board reflects that. We have ensured that the representation not only is proportionate but also carries certain responsibilities about forming quorums and making sure that everybody has a say at the table.

In listening to the opposition in this debate, I heard the question, 'Why would you even have the ACTU at the table?' It is as though we somehow ought to carve away the body that represents workers in this country who were the people who created the
superannuation guarantee, along with a really good Labor government which saw the need to get this right in the future. Why in the world would the other side continue to argue that these representatives either should not have any representation at all or they should have a diminished representation? I will leave it for people to decide for themselves why the opposition would go down that path.

It is quite simple. In my book, I say, 'Let's ask the working people who they would trust with their superannuation.' I think the numbers speak for themselves. If you have a look at where workers have their money linked to the market and growing properly, the safest places are in a whole range of very good industry funds. I think workers speak with their feet when it comes to where their superannuation goes.

If you listen to the other side you would think that somehow through the introduction of these good governance bills, these reforms and these improvements that it was the end of super—this is the message I am getting from the opposition. Somehow, this is the end. From this day forward, after we pass the bills, super will finish. Again, it is quite the opposite and I think it is very disingenuous of the opposition to speak in such a way about superannuation, the superannuation guarantee and particularly the civilian and military funds that we are talking about.

The Minister for Finance and Deregulation will choose the five employer directors as well. So you will get the employer directors, the military representatives and, through the ACTU, the workers' representatives. You will get a balance of what should be there, what has worked very well historically and what will continue to work even better in the future.

The ComSuper Bill 2011 implements a number of other government decisions to modernise and clarify the administrative arrangements of the schemes. It does this by establishing ComSuper as a statutory agency under the Public Service Act 1999. It will replace the Commissioner for Superannuation with a chief executive officer, which will give proper carriage to the way it is administered. The Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011 amends a range of Commonwealth legislation to take into account the new trustee arrangements. It also makes particular changes to the governance of administrative arrangements and will include transitional arrangements to make sure these changes go ahead seamlessly.

These reforms will do a number of things, but through consolidating funds under management and reducing administrative costs they will provide a net monetary benefit for the people these funds are held for. It will mean an improvement in the superannuation returns to members, particularly for Defence Force personnel. This is an improvement because it gives them more money in their retirement. This is something that should be supported by the opposition. This is a good set of bills and measures. No-one can argue that increased economies of scale do not deliver better outcomes, and when it comes to superannuation schemes nothing can be truer than that fact.

The fact that we have consolidated both the civilian and the military funds under a single board means that the economies of scale will provide a greater advantage. I can even tell you how much of a greater advantage that will be. By way of example, if it was just a 0.5 per cent increase in the net investment return for a member of the RAAF who had joined as an officer cadet and rose through the ranks to become a group captain at retirement it would lead to an increase in
superannuation benefits of $95,000 over that person's career. That is a substantial amount that I know would be welcomed by that particular serving Defence Force member. Even if it were just over 10 years of service it would mean an increase of $41,000. I do not think anyone can argue against the net benefits of the economies of scale. These bills not only go directly to good governance measures, to modernising and improving the methods by which funds operate but also will have a net tangible, visible impact on the membership by giving them more money in retirement. That should always be a focus—to increase efficiencies and get it right.

This government has not been slow not only in the area of reform but also in ensuring that members of superannuation funds get good, long-term returns. We can see that through the extensive work that has been done in this area by Jeremy Cooper in his review and through the reforms that have been carried out by the Assistant Treasurer, Mr Shorten, who is here at the table now. I know he is a great supporter and believer in the superannuation guarantee and in superannuation as a way to improve people's lives in retirement. Given that we have an ageing population, there is a greater need for people to fund their own retirement so that they can enjoy a better standard of living in retirement.

As I said, the significant benefits of this trustee consolidation will be delivered through the economies of scale. It will lower the investment costs and will potentially deliver much higher investment returns. Members of the Military Superannuation and Benefits Scheme—the MSBS—will benefit the most. Out of everyone who benefits here, they will benefit the most because of the smaller size of their fund. As I said earlier, the civilian fund is $19 billion and the military fund is $4 billion. Without the consolidation, members of the MSBS, which is comprised of about 93 per cent of all serving Defence Force personnel in this country as well as future personnel, would be disadvantaged compared to other public servants, other funds and the broader community. I do not think that is acceptable. Given that all of us in this place recognise the unique contribution that Defence Force personnel make, the sacrifices they make and the way they represent this country, we ought to continually be looking at ways to improve their lot, whether it is their Defence Force conditions or their superannuation and what they get in retirement. This legislation goes a long way towards doing just that. It will improve their investment value, it will reduce their fees and costs, and in the end it will be a really good outcome.

Without this change, the MSB board is unlikely to attract and retain quality board members and experienced and skilled staff due to its relatively small size. In the future, we will see funds consolidate and become larger. Economies of scale are extremely important in achieving stability and longevity, and safety for the superannuation funds. Small funds are not necessarily better; larger funds necessarily can be. There is a whole range of really good quality boards that have good quality people. If this does not get the support of this parliament then we would severely limit the capacity of smaller funds, particularly the military fund, to deliver the maximum it can for its members. I think that would be a tragic outcome. This legislation will have a measurably good impact in terms of the investment value at the end a person's career or even if the benefit is over a serving period of just 10 years.

A number of concerns have been raised about how you get to these positions and how you bring this about. The answer is quite easy. It is consultation. You talk to the military, Defence Force personnel,
superannuants in this area, the public sector and the directors who are employees, and you come up with these benefits. That is exactly what this government have done and we have done it in a range of ways. We have also acknowledged the unique nature of military service. We have made sure that it is credible, legitimate and in consultation with all stakeholders.

Board composition has been an issue for the other side of the House. I am a little puzzled as to why they would focus on one narrow piece. When there is a range of good legislation and reform and you pick out just one little bit, and you twist that little bit to make it sound like it does something completely different from the intent of the legislation and the reform, then the focus of that argument ends up being far from the truth and far from reality. In this legislation, board composition provides that at least one chief of the Defence Force nominated as a director be present whenever the board considers any issues relating to the military schemes. That is a good thing because there ought to be a capacity for someone representing military personnel to be in the room if a decision is to be made.

The establishment of the Defence Force Case Assessment Panel will be mandatory and the legislation prescribes its membership. It is not membership that is out of hand and created on a whim; it is actually legislated. It goes beyond this parliament and beyond this government. It has been done the right way. Previously the legislation gave the CSC discretion to establish this panel to review decisions which currently are the responsibility of the DFRDB Authority. This is good reform and we have done the right thing, and it goes the right way. I commend these bills to the House because I think they are positive. They are about saving money and about increasing the standard of living for people in their retirement. (Time expired)

Mr WYATT (Hasluck) (12:25): I rise to oppose the package of three bills put forward by the government—the ComSuper Bill 2011, the Governance of Australian Government Superannuation Schemes Bill 2011 and the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011. The package gives effect to government decisions in 2008 and 2009 in their attempt to modernise Australian government superannuation and their desire to establish equitable governance arrangements in line with the broader superannuation industry. If we use the logic of the member for Oxley's argument in saying that the board comprises employer interests, the interests of the military and employee representation, the question in my mind is what happens to those employees who are not part of the ACTU movement and therefore are outside of that agreement? Their voice is not heard. In a sense, this House has an obligation to all of those people we represent in our electorates to ensure the best possible deal prevails equally for all and that the governance arrangements reflect that.

At the core of the change to the legislation is the move by the government to amalgamate all civilian public sector and military superannuation funds into one package. I listened with interest about the efficiency gains and the net benefits, but I have questions about the way that will truly provide benefits in the long term to those interests that have prevailed within the different superannuation funds.

I want to emphasise the number of superannuation funds that will be centralised. The Gillard government seem to be keen on centralisation. This bill would see the merger of the Australian Reward Investment Alliance, the Public Sector Superannuation Scheme, the Public Sector Superannuation Accumulation Plan, the Commonwealth
Superannuation Scheme, the Military Superannuation and Benefits Board, the Defence Force Retirement and Death Benefits Authority and the Defence Force (Superannuation) (Productivity Benefit) Scheme to form a single trustee body called the Commonwealth Superannuation Corporation.

The legislation will realise the establishment of ComSuper as a statutory agency to provide administration services to the Commonwealth Superannuation Corporation. The coalition is inherently opposed to this move, although I need to acknowledge some of the amendments made by the government are beneficial. To me, it is obvious that the amendments are an attempt to make the legislation more acceptable to the defence community.

The bills above were introduced in a slightly different format in June of last year, but lapsed in September 2010. Since then, the Gillard Labor government have worked with haste to insert additional arrangements to ensure the proposed legislation is more likely to pass through both houses. In terms of the reference to consultation, sometimes the degree of consultation with stakeholders on some of the complex pieces of legislation that pass through this House is not as thorough or as comprehensive as it should be. Sometimes it is easier to consult with very limited fields of stakeholder interests. The major concerns of the coalition are the amalgamation of defence superannuation into the civilian superannuation sector and the level of influence the Australian Council of Trade Unions will have on the Commonwealth Superannuation Corporation board. The bill merges the trustees into a single entity under the Commonwealth Superannuation Corporation. The corporation's board will consist of 11 members, as my colleague on this side of the House outlined previously, appointed by the Minister for Finance and Deregulation. This is where the major problem arises, and the Labor government is using this bill as a Trojan Horse to raise the levels of undue influence of the ACTU over the pensions of hundreds of thousands of Australian workers. I would also bet London to a brick that a substantial number of members of the various funds that are being amalgamated are not members of unions, and therefore their interests would not be canvassed under the ACTU membership coverage.

If this bill is passed the board members will be appointed by the Minister for Finance and Deregulation, Senator the Hon. Penny Wong. The proposed board would comprise an independent chair plus five employer directors chosen in consultation between the finance and defence ministers. Bizarrely, three members would be nominated by the President of the ACTU, leaving just two members of the board to be nominated by the Chief of the Defence Force. This is unacceptable to the members of our armed forces and the thousands and thousands of veterans and retired defence personnel across Australia.

The military is a unique employer of Australian citizens. Military personnel risk their lives daily in operations around the world to protect our freedoms and the national interest, and I honestly believe they deserve better. As such, I oppose the concept of a forced merger of civilian and military superannuation schemes. This effort once again highlights the low regard in which the Gillard Labor government holds our armed forces. To make this more palatable to the defence and veteran community, once the bill lapsed, the government went back to the drawing board and came up with the creation of a defence force assessment panel.

The Defence Force Assessment Panel would review any decision referred to it by
the overarching Commonwealth Superannuation Corporation relating to 11 military matters, such as death and disability pensions. This placated some in the defence sector and reassured them that their matters—unique matters at that—would be handled with some deference and special attention. However, this legislation would not hold the Commonwealth Superannuation Corporation liable to the recommendations of the Defence Force Assessment Panel. So this move is just a way for the government to pay lip-service to the concerns of our Australian Defence Force while pressing ahead with its agenda. Having worked in a number of areas within the education, Aboriginal affairs and health arenas, often when you have subsidiary structures established the corporate body or the overarching group takes that advice which it deems necessary in its decision-making processes and will then only include in its deliberations those elements that it wants. I would certainly want to see a far better and stronger guarantee that the advice that came from the Australian Defence Force would be taken up much more strongly in deliberation and certainly incorporated into the thinking of the board's decision-making processes.

I am sure that thousands of the Australian people, including many of those in my electorate of Hasluck, would like to know how, on a board of 11 people, with several defence pension schemes being integrated, the ACTU could be represented by three people and the ADF by just two. This is a travesty and highlights the coalition's position not to merge the two sectors together. How can this government really be trusted to look after the interests of our military personnel when it allows the ACTU to have significant influence over the board? There should be no special provisions for the ACTU on this board. All board members should be appointed by the minister for finance, while the defence sector should retain its representation of two as a result of the unique nature of military service and the defence community's special circumstances. As it stands, the Australian Council of Trade Unions can nominate more directors than the Chief of the Australian Defence Force. This is the world that Labor is trying to create for Australians and it is a concept that should concern any decent public sector worker or military person in this country. It raises the question once again of who is really in charge of this government. Is it the unions, the Greens, the Labor Right or the Labor Left?

The legislation currently provides that the minister for finance cannot remove an ACTU nominated director unless the President of the Australian Council of Trade Unions agrees. This will include circumstances of mental incapacitation, physical illness, nonattendance or misbehaviour, which would leave the finance minister powerless to dismiss this person. This is completely unacceptable and gives the President of the ACTU more power than the finance minister of Australia — one of the nation's most important portfolios. Somehow, this is quite acceptable to the Labor government, who rely heavily on the unions for their support. Unchecked, this legislation would allow the ACTU to have a say on how defence force superannuation would be managed, while the peer-staffed Defence Force Case Assessment Panel can be relegated to a noise that can be ignored.

Alongside these problems, the power given to the ACTU by way of numerical representation would allow it to block meetings from even taking place. A quorum of nine members is needed for a board meeting, so if there were a topic that the ACTU did not want to discuss or wanted to delay until a more suitable time, they could decide not to attend and the meeting would
be have to be postponed. But the government's decision makes sense given its track record of blame shifting on important issues. If the Australian Defence Force superannuation interests are ignored or neglected, the Prime Minister can throw her hands up and blame the legislation for not allowing the dismissal of board members or for the control the ACTU has been afforded. These are important issues that impact on hundreds of thousands of Australians and it is thanks to the coalition that the taxpayer, the armed forces and the superannuation sector know about these issues.

I stand today to oppose this legislation, particularly the marginalisation of Defence Force representation on the Commonwealth Superannuation Corporation board. I equally oppose the level of influence afforded to the Labor power broker, the ACTU and the lack of dismissal powers accorded to the minister for finance with respect to the ACTU nominees.

Dr LEIGH (Fraser) (12:36): The bills before us concern the retirement savings of people who serve our nation. The good men and women of our military, as well as those in our public service, many of whom reside in the ACT in my electorate of Fraser or in the neighbouring electorate of my good friend and colleague the member for Canberra, will benefit from the changes in this legislation. The bills seek to consolidate the main civilian and military superannuation schemes under a single trustee. The merger will see the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme, the Military Superannuation and Benefits Scheme, the Defence Force Retirement and Death Benefits Scheme and the Defence Force Retirement and Benefit Scheme all administered by a single trustee, the Commonwealth Superannuation Corporation, or CSC. The CSC will be a statutory agency, as will ComSuper.

The consolidation of these schemes will help modernise the governance arrangements. The outdated position of Commissioner for Superannuation will be replaced by a chief executive officer. A board of 11 directors will govern the CSC. The governance model is in keeping with a common model used right across the broader superannuation industry. The CSC board composition will reflect member interests as well as employer interests. There will be three nominees from the ACTU, two nominees from the Chief of the Defence Force, and five nominees from the Minister for Finance and Deregulation with input from the Minister for Defence. The government will also appoint the chair.

I note in passing that those opposite have raised the bogeyman of the ACTU having representation on the CSC board. It is sort of odd, is it not? They are quite happy to have their positions on health dictated by British American Tobacco and they are quite happy to have their positions on the mining tax dictated by a few mining magnates, but they are not happy to have workers representatives—representatives of millions of Australian workers—on a superannuation board.

I note that some in the community, particularly the ex-service person community, have raised concerns that amalgamated trustee arrangements might not recognise the uniqueness of military service. This concern was raised about the original 2010 bill. Submissions to the Senate Finance and Public Administration Legislation Committee raised this issue of ensuring that ADF personnel were adequately recompensed for the unique role they play in the defence of our nation. It is important to note that the bills before the House do not disturb, and the previous incarnations of these bills did not ever disturb, members' entitlements or benefits. No existing features
or benefits of military schemes are disturbed. There is no change to scheme entitlements for ADF personnel and there is no change to scheme entitlements for Commonwealth public servants. The 2010 bill recognised the uniqueness of military service, something noted by the Senate committee report’s citation of the joint submission by the departments of finance and defence. That submission concluded:

Overall, the Bills seek to recognise the special nature of military service (noting that this principle is relevant to all aspects of military conditions of service) without taking away from a superannuation trustee’s essential function of managing the superannuation schemes for which it is responsible on behalf of all scheme members and safeguarding members' benefit until they retire.

The submission of the Defence Force Retirement and Death Benefits Scheme Authority, or the DFRDB Authority, to the Senate committee acknowledged that the uniqueness of military service was recognised by the relevant scheme rules and not by the composition of the board. The DFRDB Authority concluded:

In the context of the above, the DFRDB Authority accepts the assurances of the Australian Government that the interests of the DFRB and DFRDB members will appropriately represented by the CSC. Therefore it is the view of the DFRDB Authority that it is not necessary to retain a separate board to administer the military superannuation schemes.

The government recognises the unique nature of military service. I recognise that too. One of the great privileges of this job is having the opportunity to honour those who have sacrificed their lives for our freedoms and to acknowledge the work that many of our service people make on our behalf. It was never the intent to dispel this recognition with these administrative changes.

Recognising the concern, the government engaged with our military community on the proposed administrative changes. These consultations have led to changes to make clear the uniqueness of military service. The bills before the House require the CSC board to have regard to that uniqueness, as provided for in the schemes established by the relevant military superannuation acts, when acting under such legislation. Further, when the board is making decisions concerning matters solely related to the military schemes, at least one director appointed by the Chief of the Defence Force must be present. As I outlined previously, the CDF will appoint two representatives to the board and the appointment of the employer representatives by the finance minister will be in consultation with the defence minister. The bills also provide for the establishment of the Defence Force Case Assessment Panel within the single trustee model. The panel will undertake functions currently performed by the DFRDB. We will also review the arrangements after the first five years to ensure that the changes have been effective.

The consolidation of these government super schemes into a single trustee arrangement is not occurring in isolation. There has been a trend in our local superannuation industry towards consolidation. In 2006, the merger of the Australian Retirement Fund, the Superannuation Trust of Australia and Finsuper created AustralianSuper, one of our largest industry super funds. This was followed in 2008 by the creation of Media Super from the merger of Print Super and JustSuper. In 2009, the Stevedoring Employees Retirement Fund and the Seafarers Retirement Fund consolidated into Maritime Super. Consolidation, particularly for smaller funds, allows the benefits of economies of scale, economies which some fund managers believe necessitate funds having at least $5 billion under management to survive effectively.

---

CHAMBER
The advantage of scale is backed by studies and the experience of funds not only here but also overseas. A study by the Australian Prudential Regulatory Authority, APRA, found that large funds outperform medium and smaller funds by at least half a per cent and in some cases by a full percentage point. The APRA study, based on data over a 10-year period, was consistent with studies overseas. For example, a US study of pension fund data showed larger funds outperformed smaller funds by over four percentage points.

Scale has the potential not only to deliver higher investment returns but also to reduce administration costs. A 2009 study by Deloitte Actuaries and Consultants examined the public disclosure statements of 60 industry superannuation funds. That study found that:

- operational costs, which largely relate to the number of fund members, in a fund with more than 500,000 members can be reduced by about 32% when compared with a fund of between 100,000 and 500,000 members. These costs are reduced even further (about 44%) when compared with a fund of between 50,000 to 100,000 members; and
- investment fees as a percentage of total fund assets, using the default investment option, were 0.57% in a fund with over $10 billion in assets, compared with the higher 0.76% in a fund with between $1 billion and $2.5 billion in assets.

In investigating the net benefit of consolidation, the Department of Finance and Deregulation's actuary, Mercer, calculated that based on the 2008 figures net investment returns had the potential to be $10 million better in 2008, $15 million better in 2018 and $19 million better in 2028.

The bulk of the potential return of $10 million in 2008 would have benefited the military schemes as $7 million of the net return is related to those schemes.

While all funds in a consolidation benefit, it is the smaller funds that achieve the greatest benefits. There is a future risk that, without this consolidation, the military schemes could become smaller relative to other funds and then have problems obtaining good investment returns.

The larger the fund the greater the ability of a trustee to pool funds and thereby lower investment costs and drive higher returns. This is because a merger sees a better spread of age profile of members amongst all the schemes. That allows a better spread of assets across age bands and risk categories. The practical implications for fund members will be an increase in the super savings of over 90 per cent of our current serving personnel. Just a 0.5 percentage point increase in the net return of a cadet who joins the RAAF and retires as a group captain will be $95,000 if that person serves a full career or $41,000 if they serve for a decade. The benefits, though smaller, will also flow through to the government's main civilian superannuation schemes.

It is easy to forget that if those opposite had their way we would not be talking about administrative changes to strengthen investment returns for those who serve our nation. Those opposite have always stood against superannuation reforms. I would like to draw the House's attention to a terrific after dinner speech delivered last night in Parliament House by the Assistant Treasurer—who I am pleased to see in this place—in which he took the audience through the history of superannuation and pointed out that when Bob Hawke took office in 1983 just 40 per cent of the workplace had super cover and that by 1991, after the Hawke Labor government's major superannuation reforms, 72 per cent of the workforce had superannuation cover.
But the Assistant Treasurer also pointed out some of the statements of those opposite when Labor under the Keating government moved to introduce a superannuation guarantee levy. The Assistant Treasurer said: … Wilson Tuckey drew on his 'long history in the racing industry' to compare the legislation to the 'worst type of jockey … both stupid and dishonest.'

Wilson Tuckey continued:

'When the poor old employer levy gets to 12 per cent, what will it deliver? Luckily, it might deliver an overseas holiday and a few presents for the kids, but it will not deliver a retirement income at the inflated incomes of those days.'

As the Assistant Treasurer pointed out, a 12 per cent super guarantee will provide a worker now aged 30 on average full-time wages with a real retirement benefit of over $553,000 at age pension age. That is certainly more than 'an overseas holiday and a few presents for the kids.'

These sorts of statements of doom and gloom at the introduction of compulsory superannuation were not restricted to members who have left this place. Then Senator Bronwyn Bishop told the Senate at the time of a conversation that she had had with a small business person. That small business person had told Senator Bishop:

But now that this compulsory superannuation payment has gone through, yesterday I had to sack a part-time employee and turn a full-time employee into a part-time employee.

The late Senator Peter Cook, for whom I had the privilege to once work, interjected very speedily and said that, given that the law had not yet come into effect, it was difficult to see how small business people would have been affected by it. But Senator Bishop was as unmoved then, as she is now, by the facts. She finished the 1992 debate as follows:

I heard Senator McMullan said, 'The difference between our systems on superannuation is that ours is compulsory and theirs is voluntary.' That is very true. That is an essential difference. Our policy is designed to make it attractive for people to provide for themselves in later life whereas this Government's is designed to penalise business, to regulate it out of existence.

Of course, that is what those opposite have often thought about compulsory superannuation—that it is an imposition.

The Leader of the Opposition once called Labor's superannuation guarantee 'a con job'. Those opposite have been fundamentally uninterested in superannuation. Perhaps the reason for that is that it is so far in the future. When you are just focused on getting your face on the evening news, why should you be thinking about things that are going to happen a couple of decades hence? No, you want to focus on the here and now, the latest poll and the latest snappy grab.

But superannuation is about much more than that. Superannuation is about ensuring that Australians enjoy dignity in retirement. Because of the lag in investment accumulation, the decisions we are making now are going to affect people like my one- and four-year-old sons, who will enter the labour market possibly around 2030 and continue in it possibly as late as 2080. My little boys are among those who will benefit from having a good superannuation scheme.

It is those long-run reforms—that many of us will not be around to see—which lie at the heart of superannuation reform. It can sometimes look like a technical detail but, let me tell you, it is anything but. It is about securing dignity in retirement and ensuring that Australians are able to enjoy their retirement, comfortable in not having to worry about being able to pay the bills. I commend the bills to the House.

Mr FLETCHER (Bradfield) (12:52): I rise to speak on the ComSuper Bill and related bills dealing with the package of measures to rationalise and bring together arrangements for military and civil
superannuation of Commonwealth employees. Despite the substantial exercise of the rhetorical technique known as 'attacking a straw man', which we have just heard from the previous speaker, the question before the House this afternoon is a straightforward one. The question which is before the House is whether the particular administrative arrangements which are proposed under this package of bills make sense compared with the status quo, under which there are separate and distinct funds for civilian and military employees of the Commonwealth.

The purpose of this package of bills is to bring together all of the Commonwealth military and civilian superannuation funds, including the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme, the Military Superannuation and Benefits Scheme, the Defence Force Retirement and Death Benefits Scheme and the Defence Forces Retirement Benefits Scheme. There will be a single trustee body formed called the Commonwealth Superannuation Corporation, and that will replace the existing distinct bodies: the Australian Reward Investment Alliance, the Military Superannuation and Benefits Board and the Defence Force Retirement and Death Benefits Authority. This package of legislation also establishes ComSuper as a statutory agency, which will provide various services to the Commonwealth Superannuation Corporation.

As I have indicated, the question before the House is whether this set of administrative arrangements to deal with superannuation for both military and civilian employees and former employees of the Commonwealth is a sensible set of arrangements, whether it is to be preferred to the arrangements which presently exist or whether this House ought to reject this set of arrangements. The view on this side of the House is that the arrangements which have been put forward ought to be rejected. That is so for three fundamental reasons. Firstly, we disagree with the central premise underlying this legislation that military and civilian superannuation arrangements ought to be brought together. Secondly, we believe that even if we could get over that particular hurdle these arrangements make inadequate provision for specifically representing the distinctive and unusual requirements of current and former military personnel as regards their superannuation needs. The third reason we consider this legislation ought not to be passed is that a privileged role is created for the Australian Council of Trade Unions in the governance arrangements, and that is a role about which we are deeply suspicious.

I will start with the issue of principle. Does it make sense to merge the superannuation arrangements of current and former military employees with current and former civilian employees? We argue that that does not make sense. To proceed on that basis is to fail to take account of the unique nature of military service, including at its core the risk—which is assumed by all who serve as uniformed personnel in our military forces should they be assigned to a theatre of war—of early death or incapacitating injury. Reflected in that is the requirement, in administering the superannuation arrangements of current and former military personnel, to bring to bear specific expertise about the needs of current and former military personnel and about the issues which are of concern to them. Under the present arrangements there is specialist military knowledge and capacity which applies in the governance of the superannuation schemes which have been established to assure the retirement incomes of military personnel. The loss of that
specific military knowledge and capacity is a clear cost of the arrangements which are proposed for the consideration of this House. We say that there is no adequate offsetting benefit to justify the incurring of this cost. Further, we are particularly concerned that this set of administrative arrangements will contribute to a blurring, in the eyes of the parliament and in the eyes of the Australian people, of the critical distinction between military service and civilian employment. We are worried that the unique conditions of military service will be, in the administrative application of these arrangements, subordinated to and subsumed by civilian conditions of service.

Secondly, even if it were not for that fundamental point of principle—which we on this side of the House consider to be absolutely central—the specific arrangements which have been proposed, which are before the House today, give wholly inadequate representation to the unique and special interests of members of the funds who are current or former serving military personnel. As has been pointed out by other speakers, under these arrangements there will be two board members of the Commonwealth Superannuation Corporation who will be appointed by the Chief of the Defence Force. This quota is outnumbered by the three board members who are appointed by the Australian Council of Trade Unions—appointees, it need hardly be added, who are most unlikely to have any familiarity with or affinity for the unique nature of military service. This is a set of arrangements which wholly fails to take account of the specific and distinctive needs of the members of these funds who are current or former serving military personnel. The point is made very clear, I think, when you compare it to the present arrangements, which do secure adequate representation on the part of those with a military background.

For example, the Military Superannuation and Benefits Scheme has a board of five trustees who are appointed by the Minister for Defence Science and Personnel or by the Chief of the Defence Force. The Defence Force Retirement and Death Benefits Scheme is run by the DFRDB Authority, which has five members. One is the Commissioner for Superannuation and the other four are appointed by the minister assisting the Minister for Defence and by the chiefs of the three armed services. That is to say, under the present arrangements there are specific mechanisms for ensuring adequate representation in the governance of these superannuation funds by people who have knowledge of and familiarity with military matters.

At the very least, in the arrangements that are before the House today we would have expected to see a separate board giving representation to the members of the funds who are current or former serving military personnel and ensuring that there are people on that board with appropriate knowledge and expertise. I make the point particularly that these arrangements are likely to result in both current and former service men and women becoming more remote than they are at present from decision making in relation to their superannuation funds—decision making which is critical to their own personal financial futures. That will be particularly the case for former service men and women who are no longer employees of the Commonwealth and for those who are not members of a union or other employee organisation. It is of particular concern that these arrangements would leave people in that circumstance feeling that their interests are less likely to be adequately represented than they are under the present arrangements.

Let me turn to a third and equally fundamental area of concern which the coalition has with the arrangements
embodied in this legislative scheme. These bills propose to create a unique and privileged role for the Australian Council of Trade Unions in the governance of superannuation for current and former military personnel and current and former civilian employees of the Commonwealth. This raises many questions. Why should there automatically be representatives of the ACTU on this board? What particular competence, expertise, specialised knowledge or capability do representatives of the Australian Council of Trade Unions have in managing financial assets with a view to maximising future financial performance in the interests of members of the funds? On what possible policy basis would you quarantine specific places on this board for representatives of the ACTU? Why would you possibly do that, unless of course you are a government determined to do the bidding of one set of narrow, sectional interests in the community—namely the union movement?

I am sorry to say that the only explanation which can be found for this curious proposal is that we have a government once again determined to look after its mates in the union movement. There has been very little attempt to justify these remarkable governance arrangements. There has been very little attempt to come up with any theoretical or philosophical base for giving the union movement privileged access to decision making in relation to these funds. These funds, of course, will contain some members who have a civilian background and some who have a military background. Very many of them will have no affiliation with unions at all. Very many of them may have no appetite at all for having the union movement looking after their retirement savings, but they are given no choice under this government. They are compelled to have their own vital financial interests, the management of their superannuation funds, under the supervision of a board which has a quota drawn from the ACTU.

This is a particularly retrograde piece of policy. This is a piece of 1970s corporatist thinking that I would have hoped had disappeared into the past, along with the days when Frank Sinatra could come to Australia and be turned around by the union movement because he had insulted a journalist and the result was that all relevant unions immediately went on strike. On the specific question of the capacity of these ACTU representatives to bring to bear specialised knowledge and experience in relation to military matters—something of high importance to a significant proportion of members of these funds—it is clear that there will be no such experience, no such capacity.

When one looks at the details of these governance arrangements, it is frankly bizarre that the ACTU representatives will in many circumstances be unable to be dismissed by the minister without the specific consent of the President of the Australian Council of Trade Unions. This is a wholly inappropriate approach to an important question of governance. An equally inappropriate aspect of these arrangements is that in practical terms they would allow the nominees of the Australian Council of Trade Unions, if they were to caucus beforehand, which I suspect is very likely, the capacity to even deny a quorum to this board so it could do no business. The arrangements set out in this legislative package are not supported on this side of the House. They are not in the best interests of the military members of the fund, nor the civilian members. (Time expired)

**The DEPUTY SPEAKER (Mr S Sidebottom):** Thank you for your contribution to the question. The question is
that the bill be now read a second time. I call
the Minister for Veterans' Affairs and
Minister for Defence Science and Personnel.

Mr Robert: And minister for Aboriginal
health.

Mr Snowdon: And a range of things.

Ms Ley interjecting—

Mr Snowdon: Looking after them too,
we are.

The DEPUTY SPEAKER: Here we are,
up here, thanks.

Mr SNOWDON (Lingiari—Minister for
Veterans’ Affairs, Minister for Defence
Science and Personnel and Minister for
Indigenous Health) (13:07): Is that you, Mr
Deputy Speaker? I beg your pardon. How are
you? It is good to see you here. This is ve
ry important piece of legislation, but
unfortunately I have been very disappointed
by the contributions from our opposition
friends.

Mr Robert: You'll get over it.

Mr SNOWDON: I know I will. The
member for Fadden has given us gratuitous
advice about how we should run the world,
as have the member for Paterson, the
member for Wannon, the member for
Hasluck and the member for Bradfield,
whom we just heard.

Mr Robert: You should take all of it.

The DEPUTY SPEAKER: Thank you,
Member for Fadden. That will be enough.

Mr SNOWDON: I have to say that,
whilst I was not surprised, it reminded me
that once they put on the cloak of the
coalition they must have a frontal lobotomy.
You think, when they come here, they are
free thinkers and actually understand the
community and the people they work with.
Then they come in here and say, 'We can't
have unions.' The member for Bradfield
asked what capacity unions have to
understand the importance of
superannuation. He asked how they know
how to make decisions about the benefits
that might accrue to their members from
superannuation funds. I suggest to the
member for Bradfield, and indeed to my
comrade the member for Fadden opposite,
that they actually look at the performance of
super funds which are run by trade unions.
They will find that some of them are among
the best and highest-performing funds in the
country. They are very good funds. They are
run effectively, with boards which have
independent directors and all the rest of it, by
the trade union movement in the various
industry sectors. They run very well, so let
us not have the cant which has come from
the member for Bradfield—the sophisticated,
nobby cant from the North Shore of
Sydney—talking about what unions can and
cannot do. It is okay for the employers: ‘We
know what we're doing because we're
educated.’ Trade unionists are too, and they
are a lot bloody smarter than you give them
credit for.

The DEPUTY SPEAKER: Just be
careful with the colourful language, please.
Hansard is very sensitive.

Mr SNOWDON: Your sensitive ears, I
understand, I do not want to upset you. But I
have to say that the member for Throsby, the
member for Dobell, the member for Oxley
and the member for Fraser get it. They have
not had this sudden transformational
experience, once they have joined the
parliament, that leads them to disregard the
employees of this country, the workers of
this country, and their rights to organise and
to be part of an organisation. Mr Deputy
Speaker: I just wonder.

I think it is important that we go to a
couple of the points. There are a number of
issues. None of these bills—the Governance
of Australian Government Superannuation
Schemes Bill 2011, the ComSuper Bill 2011 and the Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011—change the design of the civilian and military schemes or members' entitlements. It is important to appreciate that, when we are talking about members, the total membership will be around 682,000, of whom around 200,000 will be military members and around 482,000 will be civilian members through the old ComSuper. Let us think about this and the construction of the board and the appropriateness of proportionality and all the rest of it, and then think about the relevance of the comments which have been made by the members opposite. I recall having a very good discussion with the shadow minister, Mr Robert, who I must say was very frank about his concerns. One of the issues that Mr Robert raised with us—it was also raised last year at the inquiry held into the bills by the Senate Standing Committee on Finance and Public Administration, and in a minority report which reflected what the shadow minister said to me—was that the proposals:

… undermined the longstanding commitment to and understanding of the unique nature of military service.

We listened to the opposition, and I particularly listened to the shadow minister when he raised that question. The government has subsequently made a number of amendments to the bills to ensure the uniqueness of military service is maintained and properly recognised.

Mr Robert: Appreciate it!

Mr SNOWDON: I am pleased it is appreciated. Then there was the issue of lack of consultation. Let me make it very clear that I, personally, have met with the DFWA and the RSL regarding the amended bills. Both were consulted on the revised legislation and are satisfied that the amendments address of their concerns. So let us not have the argument that has been put that somehow or other there is no support for these proposals in the veterans community, because there is. We did the negotiation. We discussed it with people to make sure they were onboard with us—not necessarily onside with us—in terms of these recommendations and this legislation.

There was a question of a lack of demonstrated benefit, which of course we addressed. I say to the members opposite that, really, this is very important legislation for Australian Defence Force personnel, whose benefits will be substantially improved as a result. It is estimated that a 0.5 per cent increase in the net investment return for a member of the RAAF, who joins as an officer cadet and rises to the rank of group captain at retirement, will lead to an increase in superannuation benefit of $95,000 over full career, or $41,000 over 10-years service.

This bill seeks to improve the level of member benefits, and it will, improve service levels and the governance of the main civilian and military superannuation schemes by establishing the Commonwealth Superannuation Corporation. The opposition does not disagree with the merits of this legislation; it disagrees with one component of it—the right of employees to be represented by a trade union and the right of employees to have their trade union's peak body represent them on the board. Let me just put to bed once and for all the clear contradiction between that position and the position which operated whilst they were in government. The Superannuation Act 1990 establishes the current civilian superannuation board, ARIA, with the appointment of members to the board set out in the trust deed at clause 4.1, which provides:

Three of the Trustees shall be persons nominated by the Australian Council of Trade Unions …
It is an accepted principle. The appointment process for the consolidated board is consistent with the existing process. So let us not have this confusion that somehow or another we are doing something new and different. We are doing something which is consistent with past practice.

Mr Robert: Past Labor practice.

Mr SNOWDON: This existed while you were in government for—how long, 13 years?

Mr Robert: Glorious years.

Mr SNOWDON: For all that time, we had a superannuation board which had three representatives nominated by the ACTU. So let us not be confused any longer about the contradictions which are so evident in the position being adopted by the opposition. I appreciate that the member opposite, the shadow minister, who is a genuinely nice sort of bloke, has to do jobs that he sometimes does not enjoy. I appreciate that he probably does not enjoy this at all. I hope that this is not a genuine reflection of his attitudes towards the trade union movement.

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 ROBERT (Fadden) (13:17): by leave—I move opposition amendments (1) to (12):

(1) Clause 11, page 8 (lines 18 to 23), omit subclause (2), substitute:
(2) Subject to subsection (5), the Chief of the Defence Force may nominate, in writing, 2 of the 10 other directors.

Note: The Minister chooses the remaining 8 other directors.

(2) Clause 11, page 9 (lines 1 to 3), omit subclause (4).

(3) Clause 12, page 9 (lines 19 and 20), omit "the President of the Australian Council of Trade Unions or".

(4) Clause 16, page 10 (lines 27 and 28), omit "the President of the Australian Council of Trade Unions or".

(5) Clause 16, page 11 (line 1), omit "President or Chief, as appropriate", substitute "Chief".

(6) Clause 17, page 11 (line 21), omit "(7),".

(7) Clause 17, page 11 (line 28), omit "(7),".

(8) Clause 17, page 12 (line 4), omit "(7) to", substitute "(8) and".

(9) Clause 17, page 12 (lines 7 to 10), omit subclause (7).

(10) Clause 17, page 12 (lines 15 and 16), omit "the President of the Australian Council of Trade Unions or".

(11) Clause 18, page 13 (lines 6 to 14), omit subclause (5).

(12) Clause 38, page 29 (lines 26 and 27), omit "the President of the Australian Council of Trade Unions and".

Let me be very clear: the coalition do not have a problem with trade unions. We do not have a problem with trade unions being employee representatives. We simply hold to one enduring principle—that is, when it comes to appointments made for Commonwealth bodies, those appointments should be made by elected officials who are accountable at the ballot box, and decisions should not be made by non-elected, unaccountable officials.

The amendments circulated in my name simply provide the ability for the minister to appoint all of the members of the board. If the minister wished to appoint trade unionists as nine out of the 11, so be it; the minister is accountable to the Australian people. He is accountable at the ballot box. The minister has that range of choices. This is not about whether trade unionists should seek to be the employee representatives, although one has to ask, with the Public Service only 41 per cent unionised, why all
the employee representatives would be from the ACTU. But let us park that. This is not about whether the ACTU should or could, can or would, must or must not; it is about an elected official, accountable at the ballot box, making decisions on who provides the governance over Commonwealth bodies, boards and statutory funds. That is what it is about.

The coalition patently objects to a body such as the ACTU having the power to appoint—with or without consultation; that is neither here nor there—three members to the board that only it can remove, not the accountable, elected minister but someone in an unelected, unaccountable position, the President of the ACTU. The coalition also objects to a quorum of this Commonwealth body being nine rather than 11. I challenge the minister to name any other commensurate board where a quorum is something like 80 to 90 per cent of its members. Unelected people, put on the board by the President of the ACTU, should not be in a position to disallow a quorum on the board. The minister says it will not happen, and I take him at his word. However, is there the potential for it to happen? That is the question. Legislation in this place must meet many purposes. One of them is that it must do no harm; it must not put in place a procedure or a policy that establishes a position where harm can be done. Allowing an unelected body to put in place members that a minister cannot remove and that can withdraw a quorum is not good public policy.

The amendments are quite simple. They have nothing to do with being for or against trade unions. They are nothing to do with the question ‘Should trade unions be employee representatives?’ They are nothing to do with that, though the government will try and use that as a smokescreen. The amendments are simply about the precedent. A minister of the Crown, an elected official, accountable to the nation at this dispatch box and at the ballot box, should be appointing people through his remit as a minister, and the power should not be delegated to the privileged few.

**Mr SNOWDON** (Lingiari—Minister for Veterans’ Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (13:21): I will not detain us for long. I just want to record the fact that, obviously, we will not be supporting these amendments and, more importantly, go over the conditions which are precedent to this. I have already outlined the Superannuation Act 1990 and noted that the existing arrangements provided for a similar appointment process to occur, without the issue being addressed when the coalition was in government. This process existed. The deed which sets out the requirements was also revised for various reasons and reregistered on ComLaw eight times under the coalition without any interference or questions raised about the board representation. Furthermore, the APRA superannuation trustee arrangements for superannuation funds other than public offer funds includes, for the purpose of the basic equal representation rule, ‘member representative means a person nominated by members of the fund or by an organisation representing their interests, such as a trade union’. That is, it is appropriate for a union to nominate member representatives for a trustee board, particularly when representing a workforce as large and diverse as the APS. There is no other mechanism to nominate or elect employee board members that will not have significant cost implications other than going through the ACTU and allowing them to appoint employee members. The APS spans over 160,000 employees and a stand-alone appointment process for the appointment of board representation of the type being described by the opposition
would in fact be very unrealistic and indeed too costly. I say to opposition members that running a scare campaign on the role of the ACTU on these boards is largely irrelevant. It is really irrelevant to the due process. We know that these people will operate responsibly, you know they will operate responsibly; let us just get on with it.

Question put:
That the amendments (Mr Robert's) be agreed to.

The House divided. [13:27]
(The Speaker—Mr Harry Jenkins)

AYES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambbaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marano, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

AYES
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES
Adams, DGH
Bandh, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakou, M
Windsor, AHC

NOES
Adams, DGH
Bandh, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakou, M
Windsor, AHC

PAIRS
Neville, PC
Gillard, JE

Question negatived.
Bill agreed to.
Third Reading
Mr SNOWDON: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

ComSuper Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Third Reading
Mr MARLES: I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Superannuation Legislation (Consequential Amendments and Transitional Provisions) Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Third Reading
Mr MARLES: I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Carbon Credits (Carbon Farming Initiative) Bill 2011
Second Reading
The SPEAKER: Before the debate is resumed I remind the House that it has been agreed to earlier that a general debate be allowed covering this bill, the Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011.
Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved:
That all words after 'That' be omitted with a view to substituting the following words:
'the House decline to give the bill a second reading until the terms of the regulations giving effect to the provisions of the bill are laid before the House'.

Ms SMYTH (La Trobe) (13:37): I am pleased to be able to make a contribution to this debate in relation to a very important reform which the Labor government is embarking upon, the Carbon Farming Initiative. I note that my time will be somewhat truncated, but I hope to make a few introductory remarks at this stage and some further remarks later in the afternoon on the Carbon Credits (Carbon Farming Initiative) Bill 2011. We know that the Carbon Farming Initiative recognises climate change as a very real risk and a very real occurrence. It is a scheme which provides clear economic value to actions which will store or reduce our carbon pollution. At the last election, Labor made a commitment to give farmers, landholders and forest growers an opportunity to access carbon markets. The bill delivers on that commitment, although we know that the coalition is doing its best to thwart the Carbon Farming Initiative and the farmers and landowners who have a very real interest in this initiative.
It is another example of the opposition throwing a wrecking ball at very important and very timely legislation. It is curious that they are doing it on the basis, they say, that there is an absence of detail, that there is not sufficient detail for them to be able to make a complete assessment of the initiative. Detail—this is from people who brought us a budget reply which accidentally missed the economy, jobs, spending, savings and, in short, the budget. Detail—this is from people who brought us election commitments which had apparently been summed on the back of an envelope; commitments which missed the new detail of an $11 billion discount. These are people who have failed to put forward a single constructive and thought-through policy during this term. So it is a bit rich for them to be coming here today and talking about detail, particularly when we are aware that the Carbon Farming Initiative has been the subject of such extensive and comprehensive discussion and consultation with the land sector and with various other groups who stand to benefit from the initiative. After all, it is not about detail. I suspect, in fact, that it is really a typo, because it is possibly another D-word that they are concerned about, and that is denial. They are actually talking about denial of the science relating to climate change, denial of the fact that carbon pollution is a risk to our environment and to our economy. It is denial of the looming reality of dangerous climate change to our environment and to our economy—denial and delay. This is a delay to accommodate the division within their own ranks about this very important initiative. Their plan is to try to sideline this major reform on the basis that they have not seen the detail. They are trying to delay a reform which has been the subject of extensive consultation with the agricultural sector and which has been positively received.

All of this sounds eerily familiar—this concern and artifice about a lack of detail—because it is exactly the same line that they tried to run in relation to our legislation about plain packaging for cigarettes: 'We haven't seen the detail. We can't possibly commit to this, not without seeing every last detail of the regulations.' We all saw how very thin that argument was. The public saw it. The media saw it. We realised very quickly that their claims about needing detail were just a sham. It was all artifice; it was all designed to cover up a bitter division within their own ranks, just as it is now. We saw through that and we see through this. The agricultural sector will see through it. Those who participated in the consultations—and they rank many in number—will see through it. And the Australian public will see through it.

We know that farmers and landholders want access to carbon markets worth hundreds of millions of dollars each year for regional and rural Australia. Farmers and landholders are looking for a system which will credit them for their carbon storage and their abatement activities. We know this because there has been substantial consultation over a long period of time with the sector. We know that agricultural emissions levels in Australia are amongst the highest across all developed countries. We know and farmers and landholders know that there are vast and underutilised opportunities to increase carbon storage in Australian soils and to reduce our emissions as a result. At the Climate Commission forum here in Parliament House a few weeks ago, we certainly heard from some of those agriculturalists who reflected that they certainly understood implicitly the value of reducing carbon pollution through the types of abatement mechanisms which this bill contemplates. The initiative contemplated in the bill gives those agriculturalists an
opportunity to voluntarily take part in abatement projects for approval. It will allow them to sell offset credits from approved activities. We know from farmers, from other landholders and we also know from experts that the initiative contemplated by this bill is a good one. In the time remaining to me, I want to quote from the Garnaut Review 2011, which remarked:

The government’s proposed Carbon Farming Initiative is an important first step in encouraging abatement in the rural sector. It will provide valuable lessons in Australia and internationally on the administration of land sector incentives. It will also lead to ‘learning by doing’ improvements in technologies applied to emissions reduction and sequestration in the land sector.

So the government, farmers, landholders and experts all know that the Carbon Farming Initiative will be incredibly valuable to the land sector. We all know that the Carbon Farming Initiative will be effective in reducing the impact of climate change. But apparently no-one told the opposition. Through his amendments to this bill, the member for Flinders has essentially told farmers that the coalition is prepared to delay them receiving benefits under the bill. So the coalition would, once again, much rather play politics than support the farmers that they profess to represent in this place. This is an extremely important part of the government’s overall effort to combat carbon pollution. We all know that the government is working very hard to finalise the carbon pricing arrangements which will have a transformational effect on our economy and support a move to clean energy industries. In the meantime, this bill will help us to start harnessing the abatement opportunities which are already presented by farming practices.

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! I apologise to the member for La Trobe. It being 1.45 pm the debate is interrupted in accordance with standing order 43. The honourable member will have the opportunity of contributing her remarks at a later hour, with the resumption of the debate.

STATEMENTS BY MEMBERS

Macarthur Electorate: Medicare

Mr MATHESON (Macarthur) (13:45): I have been contacted by residents in my electorate regarding the lack of Medicare facilities in the vicinity of the Mount Annan, Curran Hill, Harrington Park, Narellan areas. Residents who live in these areas must travel to Campbelltown or Camden to access Medicare services, which is a huge inconvenience to them. In this part of my electorate there is little to no public transport and the population is ageing. Many elderly or disabled residents must rely on family members to take time off work to drive them to a Medicare centre. The surrounding area is expected to grow by 320 per cent over the next 30 years, with more than 200,000 people moving into new developments at Oran Park, Gregary Hills, Elderslie, Spring Farm and Harrington Grove.

I accept that we live in the age of technology and that the service is now online, but some residents in Macarthur need face-to-face interaction to manage their healthcare needs, not electronic transactions. I believe that every Australian should be able to access the government services they need, especially when it comes to their health and wellbeing. Medicare Australia is an excellent service, but we need better accessibility to these services in the Macarthur region. At present only some claims for simple GP consultations can be made online. There are many customers who still need to attend the centre to make their claims in person or to use a Medicare drop box.

Residents in my electorate who are elderly, living with a disability or suffering
ill health have asked for help and they should not be ignored. Medicare Australia has vowed to improve convenience and access for all Australians by improving a range of service options, including online, to meet public needs. I call on the government to consider opening a Medicare centre in the Narellan town centre so the most vulnerable residents in my electorate can access the services they deserve. A Medicare centre at Narellan would be a great outcome for the people of Macarthur. (Time expired)

Melbourne Ports Electorate: Child Care

Mr DANBY (Melbourne Ports) (13:47): Last week I was at Elwood neighbourhood house to hear from local mothers that in both Port Melbourne and Elwood the Victorian government had cut the part-time childcare program Take a Break, which was helping women get back into the workforce. Some 50 families in Port Melbourne are affected by this sudden cut to the program—40 are on the waiting list—and in Elwood some 10 to 15 families are similarly affected. I asked the Victorian Minister for Children and Early Childhood Development, Ms Lovell, to immediately reinstate the $1.7 million funding cut in the Victorian budget. She should sit down with community and other levels of government to reinstate the critical Take a Break childcare program, which so many women and families rely on to serve their childcare needs, to engage with the community and for education and jobs. The Baillieu government has shown itself again to be heartless, cruel and unthinking in slashing community programs such as this vitally needed service for mothers and families in Port Melbourne and Elwood.

Bonner Electorate: Gateway Counselling and Wholeness Centre

Mr VASTA (Bonner) (13:48): I rise to speak about the recent opening of the Gateway Counselling and Wholeness Centre in my electorate of Bonner. The Gateway Counselling and Wholeness Centre at the Gateway Baptist Church in Mackenzie recently opened to provide accessible, professional counselling and a range of support that assists people as they seek growth, transformation and healing. Those at the centre are passionate about assisting the community to do the journey of life well. Gateway staff understand that sometimes that journey will include challenges and they seek to provide a safe place where anyone in the community is welcome.

The Gateway Counselling and Wholeness Centre works on the principle that counselling and support can empower people in their life journey and allow for personal growth through those challenges. I congratulate Gateway senior pastor Jason Elsmore and his team, including Paul Cavanagh, Marcia Watts, Sue Sharp, Ashley Withers and Sarah Henderson. Together these people form the team that provides professional and supportive counselling to their community. I am confident that this valuable initiative will serve Bonner and the broader community well, now and into the future.

National Palliative Care Week

Ms BRODTMANN (Canberra) (13:49): A few weeks ago I attended the National Palliative Care Week launch. The theme for the week was 'Let's chat about dying', which is a pretty confronting subject but essential to ensuring our expectations and those of our loved ones are met in the final stages of our lives. As the Minister for Mental Health and Ageing, Mark Butler, said in his speech at the launch, a conversation is also vitally important to ensuring the wishes of our loved ones are fulfilled when it comes to organ donation.
We need to plan for our care so that our last days are as comfortable and happy as they can be. One of the greatest barriers to receiving quality care at the end of life is a lack of knowledge and preparation. We need to think about advanced care plans well before our time is up so that our loved ones, our carers and our clinicians know what we want. One of the greatest barriers to getting the care we want at the end of life is not talking about it, and we should. Palliative care is not about hiding the dying away. It is about affirming life and including death as a normal process.

I thank David Lawrance and his team at the ACT Palliative Care Society, who allow many Canberrans to die in peace and with great dignity. I also thank Cancer Council ACT, Clare Holland House and the Capital Region Cancer Service for their ongoing work on palliative care.

**Live Animal Exports**

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (13:51): I want to press the urgency of having the live cattle trade to Indonesia resumed within days, not months. I commend the work that is already being undertaken by the government and the industry itself. After my briefing this morning I am encouraged to think that their work is being done, but it needs to be done quickly.

We support the ban on live cattle trade to facilities that fail to comply with acceptable animal welfare practices. But this blanket ban was announced without any prior consideration or consultation, and the damage that it has already inflicted on the Australian industry across the Top End of Australia is now starting to impact in parts of southern Australia. This industry is worth $320 million annually. There are seven abattoir facilities which meet Australian standards and another 18 facilities in Indonesia which meet international standards for animal welfare practices. Getting these facilities accredited and back online must be an urgent priority in resuming trade. Prime Minister, this must not take longer than a few weeks.

With our world-class National Livestock Identification Scheme, one of the first in the world, we are able to track cattle from the paddock to the port and from the port to the feedlot in Indonesia and then on to the processor. This should be a required safeguard which ensures that our cattle are going only to accredited abattoirs.

Prime Minister, many families are relying on this trade for their income. The cattle are waiting on the docks, they are waiting in paddocks and they are waiting in holding yards, and this needs to be done quickly. (Time expired)

**Home and Community Care Program**

Ms PARKE (Fremantle) (13:52): The simple pleasure of sharing a coffee and cake with friends at a riverside cafe is not something everyone can take for granted and, indeed, for some of our most vulnerable residents it is only possible thanks to the excellent Home and Community Care program. Last week I joined a group of Freo electorate seniors on an outing to Zephyrs Cafe in East Fremantle. It was facilitated by the town of East Fremantle's Neighbourhood Link program. The special occasion was to celebrate funding for their new bus, which will be provided through the budget's expanded Home and Community Care funding. The HACC program is an essential part of the care framework that allows Fremantle seniors, some with a permanent disability, to remain living independently in their homes and to stay involved in their community.

I welcome the extra $630,000 in recurrent and one-off Home and Community Care
funding for a range of providers in my electorate. This will allow Neighbourhood Link, Fremantle HACC Services, Melville CARES and five other Fremantle organisations to both continue and expand the services they provide, which include domestic help, nursing, allied health care such as physiotherapy and podiatry, home delivered meals, social support and personal care. I know these services makes a huge difference in the quality of people's lives, and of course it gives some much-needed and well-deserved assistance to the families that support their mums and dads, nanas, grandmas and granddads who continue to live independently. I congratulate Sue Limbert and the town of East Fremantle for their commitment to the Neighbourhood Link services.

Queen's Birthday Honours

Ms O'DWYER (Higgins) (13:54): Sir Winston Churchill once stated, 'We make a living by what we do, but we make a life by what we give.' In the seat of Higgins there are many people who give their time to support others in our community. Today, I would particularly like to congratulate those people in my electorate of Higgins who were honoured on the Queen's birthday: Mr Nelson Cooke AO, Professor Suzanne Crowe AO, Mr Maxwell Walker AM, Mr Reginald Church OAM, Mr Gordon Newton OAM and Mr Barry Novy OAM. These recipients have made an exemplary contribution in a diverse range of fields, from medical research to philanthropy to music and to sport. I offer my congratulations and my thanks for all that they have done and continue to do. These awardees continue a wonderful tradition in Higgins of community service. As a community we rely on the hard work and public spirit of our fellow Australians. These awards recognise the selflessness and altruism that are defining features of the Australian people.

In Higgins community is what defines us. Whether it is those who have been honoured or those who have worked tirelessly behind the scenes, we are exceptionally grateful to all of them for the work they do to better the lives of others. They are an example to all of us and we pay tribute to their service.

New South Wales: Workers' Rights

Mr STEPHEN JONES (Throsby) (13:55): Today I support the nurses, teachers, firefighters, bus drivers and other public sector workers who are coming together in Sydney and other regional towns around New South Wales to speak out against the New South Wales Liberal government's drastic industrial relations laws. The laws being introduced in New South Wales are straight out of the Liberal Party play book. They take away an employee's right to bargain and negotiate for a fair wage rise. The legislation in New South Wales will remove the power of an independent umpire, the Industrial Relations Commission, and give the Premier the power to strip public sector workers of their wages and conditions.

If any of this sounds familiar to those in this place it is because these laws are basically the Liberal Party's Work Choices mark 2. This should sound a warning to any worker who may be tempted to be taken in by Tony Abbott's new-found affection for workers and job security. There is no justification for these laws, and I send my support to those who held a rally today in Wollongong and who will be outside the New South Wales parliament registering their protest. My message to Tony Abbott—
his title and not by his name, and he will not talk me down in doing so.

Mr STEPHEN JONES: My message to the member for Warringah is that he pick up the phone to the leader of the Liberal Party in New South Wales and withdraw those laws. (Time expired)

Logan Country Chamber of Commerce

Mr BUCHHOLZ (Wright) (13:57): I rise to congratulate and thank the Logan Country Chamber of Commerce, which recently held an awards night for 120 businesses within the district of Jimboomba in the electorate of Wright. I am so proud of the business and the mindset that these guys are conducting in an environment where the cost-of-living pressures are having an absolute impact on the way they go about conducting their businesses. When I asked them what their anticipated reception of a carbon tax was and what impact it would have on their business, every one of them, sadly, said that they would have to reluctantly pass on those additional costs to clients and customers—mums and dads, pensioners and other people who live within the electorate of Wright, the silent majority who are doing it ever-increasingly tough.

Notwithstanding that, I congratulate the President of the Logan Country Chamber of Commerce, Filipa Callahan, on the way she conducted herself on that night, along with the rest of the executive—Paula McSporran and Bob Wiley. I also make special mention of Patrick Bletchen, who has just invested into the development of a little shopping complex. Here is private enterprise going out and trying to make it in the world of commerce. He has about 50 per cent of his business premises leased. I have grave concerns for Patrick and I will work with him to try to make sure that we get those shops leased in adversity. (Time expired)

Wellington, Mrs Patricia

Mr LYONS (Bass) (13:58): I rise to congratulate Mrs Patricia Wellington, who was recognised in the recent Queen's Birthday Honours. Patricia has worked since 1980 with the Launceston Horticultural Society. This society is 173 years old and has a thriving 150 members. Mrs Wellington has been president on three occasions. She has been a committee member since 1980 and a show director since 1997. Patricia said:

It's an honour to be part of such an old organisation and it's so easy when you belong to something and like working for it.

Mrs Wellington has made a great contribution to our community. I am pleased to say that there are many more like her in the electorate of Bass, all doing their bit for our great community. I thank Patricia for all her hard work and dedication and congratulate her on being one of the 16 Tasmanian recipients of the Queen's Birthday Honours.

The SPEAKER: Order! The time for members' statements has expired.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I refer the Prime Minister to her words on ABC TV last month, 'I've always believed we had to price carbon.' I ask: if the Prime Minister has always believed in a price on carbon, why did she say in the last week of the election campaign, 'There will be no carbon tax under the government I lead'?

Ms GILLARD (Lalor—Prime Minister) (14:01): I thank the Leader of the Opposition for his question. Of course, I have always believed that we need to put a price on carbon and we will. I am reinforced in my belief about the need to put a price on
carbon by the fact that so many people agree with me. Here on the Labor side we agree with pricing carbon. Many, many Australians, including eminent Australians who have come out today, are having their voices heard on pricing carbon. We have had Australians attend rallies about pricing carbon. I have had support from many different quarters on this. I would thank, for example, the member for Flinders—

The SPEAKER: Order! The Prime Minister will resume her place. The Leader of the Opposition on a point of order.

Mr Abbott: Mr Speaker, the question was very specific. Why did she say one thing before an election and a different thing after an election? Why was she untruthful with the Australian public? She should be called back to the question.

The SPEAKER: Order! The Leader of the Opposition will resume his place. The Prime Minister will respond to the question; she knows her obligations under the standing orders.

Ms GILLARD: Thank you very much, Mr Speaker. I was asked about my views on pricing carbon, and I am reaffirming to the Leader of the Opposition and to the House that I have always believed we needed to price carbon in order to cut carbon pollution and tackle climate change. Of course, I am reinforced in this belief by the widespread community support for it. I am reinforced in this belief by support from unusual sources including the member for Flinders who has supported pricing carbon by saying:

Perhaps the most important domestic policy was the decision of the Howard Government that Australia will implement a national carbon trading system.

Or the support I have received from the member for North Sydney, and I thank him for it. He said:

… inevitably we'll have a price on carbon … we'll have to.

Or the support I have received from the member for Aston who said: 'The government's role should be to create the market environment that will lead to the outcomes sought either through putting a price on CO$_2$ or other mechanisms.' Or the member for Moore; I thank him for his support. He said: 'If we don't price carbon both sides of politics will be guilty of putting up stupid feel good programs that are not cost effective.' Or the member for Wentworth; I thank him for his support for pricing carbon. He said:

My views on climate change, the need for a carbon price, the fact that market-based mechanisms are the most efficient ways of cutting emissions, my views are the same today as they were when I was part of John Howard's Cabinet.

And those views were held by the Howard government. I have to say, I even thank the Leader of the Opposition for his periodic support for pricing carbon because, of course, the Leader of the Opposition has been known to go out and advocate a carbon tax from time to time. He most particularly did so on 29 July 2009 when he said:

If you want to put a price on carbon why not just do it with a simple tax?

He went on to extol the merits of a carbon tax. Indeed, the Leader of the Opposition has had so many positions on pricing carbon that it led the member for Wentworth, in desperation, to describe him as a political weathervane. He needed to go out that day and check the political winds in order to work out whether or not he believed climate change was real or whether we should price carbon. As opposed to the weathervane politics that we see through the Leader of the Opposition—

Mr Simpkins interjecting—
Ms GILLARD: I am determined and the government is determined to get on with the job of pricing carbon. It is in the national interest and we will pursue that national interest. We will allow the Leader of the Opposition to get on with his stupid oppositional political games, working out what he believes in by checking the political winds. We will do the right thing for the nation.

Mr Abbott (Warringah—Leader of the Opposition) (14:05): Mr Speaker, I have a supplementary question to the Prime Minister. If the Prime Minister was not truthful when she said, 'There will be no carbon tax under the government I lead,' and if the Prime Minister was not truthful when she said that she would never challenge the former Prime Minister for his job, how can people believe anything she says now?

Mr Albanese: I rise on a point of order, Mr Speaker. It goes to the standing orders for questions without notice. Perhaps the Leader of the Opposition might have got away with that question if it had been in writing but, given that he gave it verbally to the House, it clearly is out of order under the standing orders with regard to argument.

The SPEAKER: The first part of the point of order of the Leader of the House I would correct. If it had been a question on notice it definitely would have been out of order because there are much more stringent rules applied. Secondly, there were two aspects of the question that cause me a dilemma. One was the argument, and also it is stretching the friendship on the supplementary question. But, as I have said, the consequence of me allowing a question like that is that it widens the scope of the response. The Prime Minister has the call.

Ms GILLARD (Lalor—Prime Minister) (14:08): Thank you very much, Mr Speaker. Can I say to the Leader of the Opposition's question I have always believed that we needed to price carbon, I have always believed that climate change was real and I have always believed that it was in the nation's interest to tackle climate change—

Opposition members interjecting——

The SPEAKER: Order! The Deputy Leader of the Opposition is warned.

Ms GILLARD: Of course, I am answering the Leader of the Opposition's questions on the respective positions on pricing carbon. So on this side of the parliament I, as Prime Minister, am saying to the Australian people climate change is real—I have always believed that—and that to tackle climate change and cut carbon pollution the best way of doing that is pricing carbon—I have always believed that. And let us do the contrast on consistency with the Leader of the Opposition. He said on 9 June this year: '... in the end no-one is really convinced the best way to go is a carbon tax or an emissions trading scheme.' Now through those words what we have actually seen is a Leader of the Opposition who has become so negative, so addicted to negativity, that he is now, in fact, being negative about himself, because it is the Leader of the Opposition who has, at earlier points in time, advocated a price on carbon. Tony Abbott, Daily Telegraph blog, 19 December 2008: 'An emissions trading scheme probably is the best way to put a price on carbon.' Tony Abbott in 'A realist's approach to climate change', 27 July 2009: 'Still, a new tax would be the intelligent sceptic's way to deal with minimising emissions because it would be much easier than a property right to reduce or to abolish should the—

Mr Abbott: Mr Speaker, on a point of order: the question was about what the Prime
Minister said before the election, so her untruthful words before the election, and she should be called back to the question.

The SPEAKER: The Leader of the Opposition knows that he has recharacterised his supplementary question and he has sailed very close to the wind both in the question and in the point of order. I indicate that after this question and response there will not be as much leniency as to both the questions and the responses. The Prime Minister has the call and she will be heard in silence.

Ms GILLARD: On 27 November 2009 these words were spoken before the election by the Leader of the Opposition: 'You can't have a climate change policy without supporting this ETS at this time.' The Leader of the Opposition's track record, time after time on any given day, is to say what he thinks is in his political interest. Well, climate change is too profound a challenge to our planet and to our nation for him to wake up in the morning and work out, as the Leader of the Opposition does, what he thinks is in his narrow political interest that day. What we have to do, in cutting carbon pollution, is deal with the nation's interest, day after day after day, and the nation's interest requires us, with a high-carbon pollution emissions economy, to start the journey now towards a clean energy future. It requires us to do that in the most cost-effective way and, of course, the most cost-effective way is by putting a price on carbon. Now the Leader of the Opposition, day after day in this place, makes the mistake that if you bellow loud enough people will think you are right. Of course, what shows you are right is that you are prepared to step up and deal with the challenges of the future. Many members of his own political party are challenging him to do that and he should heed their calls. As he heeds their calls he should remember his own words and perhaps be guided by them: 'An emissions trading scheme probably is the best way to put a price on carbon'—never a truer word was spoken and the author: Tony Abbott.

Carbon Pricing

Mr SIDEBOTTOM (Braddon) (14:14): My question is to the Minister for Climate Change and Energy Efficiency. Will the minister outline the importance to Australian families and jobs of moving to a clean energy future? How has this been received and what is the government's response?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (14:15): I thank the member for Braddon for his question. Taking action on climate change now is very important for future generations. To mitigate the risk to our environment, our economy, and our society of the long-term effects of climate change, we have got to start the hard work of cutting pollution and driving investment in clean energy. As Australia is one of the most emissions intensive economies in the world, the task for us is more challenging than most other countries. That is why the government is pursuing a carbon price, because it is the lowest cost way for us to cut our pollution and, therefore, it is the lowest cost way of tackling climate change for Australian families and Australian industries.

The revenue from a carbon price can also be used to provide assistance to households and to support jobs in the most affected industries. Those measures to assist families and support jobs are a key feature of the government's approach—an approach that is well known to the opposition. But that does not deter the Leader of the Opposition from his fear campaign, a campaign full of exaggeration, misinformation and misrepresentation.

It is instructive to look at how extreme and shrill some of the Leader of the Opposition's statements have become. He
stated, in the full knowledge of the government's commitment to assist pensioners and low- and middle-income households and that the price impacts will be modest, that 'the hit on Australians' cost of living is almost unimaginable'. He knows the government is committed to providing assistance to pensioners and low- and middle-income households, he knows the impact will be modest, but he misrepresents the position consistently.

He has claimed, in the full knowledge that the government will be providing assistance to support jobs in the most affected industries, that whole manufacturing industries will be wiped off the map, that towns will be wiped off the map.

_Mr Chester interjecting—_

_The SPEAKER:_ The member for Gippsland will leave the chamber for one hour under standing order 94(a).

_The member for Gippsland then left the chamber._

_Mr COMBET:_ The Leader of the Opposition knows that across the coal industry the price per tonne of coal is modest indeed. At an example of $20 per tonne carbon price, the impact on the price per tonne of coal mined for methane emissions is around $1.60 per tonne. This does not prevent the Leader of the Opposition going to the Minerals Council of Australia meeting a week or two ago and claiming it would be the death and destruction of the coal industry—ridiculous hyperbole, increasingly shrill.

It does not matter that the Productivity Commission does a report identifying 1,000 policies in the economies of seven of our trading partners; he still goes out and claims that Australia will be going it alone against the rest of the world—increasingly ridiculous claims. As we heard yesterday, the Leader of the Opposition in the past has strongly advocated that a carbon tax or an emissions trading scheme is the best way to go. He said, 'If you want to put a price on carbon why not do it with a simple tax?' As a self-described weathervane, misrepresenting yourself as well as everyone else is now just a tool of the trade.

**Carbon Pricing**

_Mrs GASH_ (Gilmore) (14:20): My question is to the Prime Minister. I refer the Prime Minister to the comments by the former member for Throsby and ACTU president Jennie George who has joined the head of the Australian Workers Union, Paul Howes, in calling for steel to be exempted from a carbon tax. Prime Minister, is not Jennie George right when she states that 'there is no compensation for a job that is lost'?

_Ms GILLARD_ (Lalor—Prime Minister) (14:21): I thank the member for Gilmore for her question. I did see those statements by Jennie George. I believe that they were published yesterday. Of course, Jennie George was a great member of this place and someone who had devoted her life to representing working people, starting her life in the teachers union and then moving to the ACTU. When you look at Jennie George's letter, she was pointing to the circumstances of the steel industry. I certainly understand that the steel industry is under a great deal of pressure. It is under a great deal of pressure because of the transformation that we are seeing in the Australian economy. It is a transformation—with mineral prices and the resources industry where they are now and the growth that that industry is experiencing, the terms of trade that we see now, our dollar at a very high level and that level being sustained—that is putting pressure on industries like the steel industry. The pressure is on their shoulders right now; that pressure was on their shoulders last year.
This is pressure on the steel industry as a result of the economic transformation in our economy. Of course we are concerned about these circumstances and have been having discussions and working with the steel industry on its future.

Mr Hartsuyker interjecting—

The SPEAKER: The member for Cowper is warned!

Ms GILLARD: I also understand, as we move to pricing carbon, that we will need to keep working with the steel industry. We want to see people having jobs in steel, and we will keep working productively with the steel industry as we design the carbon pricing scheme. The member for Gilmore has tried through the phrasing of her question to get some sense of division into it. If the member for Gilmore is concerned about questions of division she may want to direct her attention to another report yesterday, a report of a senior Liberal in the Sydney Morning Herald who said:

You can't take money away from pensioners, it would kill us.

The member for Gilmore might like to express her view on clawing money back from Australian pensioners—

Mr Pyne: Mr Speaker, I rise on a point of order.

 Honourable members interjecting—

The SPEAKER: Order! The House should reflect on the combative nature of question time today. It has been characterised by people not even sitting quietly when their own side is trying to get the call. I find that amazing. If the House were to reflect on this, it would understand that those outside expect better from all of us—and I am conscious that that includes me. I call the Manager of Opposition Business on a point of order.

Mr Pyne: Mr Speaker, the Prime Minister is ranging a very long way from the question she was asked. If she has run out of material, you should direct her to take a seat.

The SPEAKER: Again I indicate to the Manager of Opposition Business that he should contain himself to his point of order and not add argument that really does not assist him. The Prime Minister is straying from the question and she must indicate in her response how the material that she is using is directly relevant to the question.

Ms GILLARD: Thank you, Mr Speaker. The member for Gilmore has asked me a question about the steel industry and job security and carbon pricing. At the end of the day, when we deal with carbon pricing and we deal with jobs for Australian workers, we have to come back to first principles about what will create the most prosperous clean energy economy we can have in the future. We on this side of the parliament believe as we create a clean energy economy that polluters should pay, not Australian families. We believe that money should go to support Australian families; you believe in taking it away from Australian families. We believe in protecting Australian jobs and seeing a future of prosperity with a clean energy economy; the Liberal Party has never believed in protecting Australian jobs. You cannot have concern about job security and be a supporter of Work Choices.

The choices here are simple—we want to cut carbon pollution; you would see it rise. We want polluters to pay; you would see families pay. We want to give money to Australian families; you want to take it from them. We want to protect Australian jobs; you have never shown the slightest concern for job security. The member for Gilmore might want to reflect on that when she considers the future for Australian workers.
Carbon Pricing

Mr NEUMANN (Blair) (14:27): My question is to the Minister for Trade. Will the minister advise the House of the risk of retaliation by Australia's trading partners if Australia fails to put a price on carbon? Will the minister inform the House of recent support for a price on carbon? What is the government's response?

Honourable members interjecting—

The SPEAKER: Order! The question has been asked.

Mr Robb interjecting—

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

The member for Goldstein then left the chamber.

Dr EMERSON (Rankin—Minister for Trade) (14:27): I thank my friend and colleague the member for Blair for his question. I can advise him that there would be every prospect of countries that do proceed with carbon pricing retaliating against Australian exporters if we sought to have a free ride into their markets at the expense of their industries. Any delay would create a new excuse for protectionism to take hold in our export markets, which would be very damaging to our exporters. A recently released Productivity Commission report finds that Australia's top five trading partners—China, Japan, the United States, Korea and India—have implemented carbon pricing in one form or another at the national, state or city level. Far from going it alone, it is clear that Australia is around the middle of the pack in our efforts to put a price on carbon.

I am asked by the member for Blair about support for a carbon price. We have seen in the newspapers today support for pricing carbon from leading Australians including Dame Elisabeth Murdoch, Fiona Stanley and Patrick McGorry—I understand that the coalition accepts that Patrick McGorry is a great Australian, as are Dr Fiona Stanley and Ian Kiernan, amongst others. There is another contributor to this debate about putting a price on carbon, and that other contributor has had this to say, sensibly:

... a new tax would be the intelligent sceptic's way to deal with minimising emissions ...

Ms Macklin: Who said that?

Dr EMERSON: Who said that? That is a good question. Who said a new tax would be an intelligent sceptic's way to deal with minimising emissions? I do not think it could be the member for Wentworth because he is not a sceptic and he is intelligent. I do not think it could be the member for Flinders because he is not a sceptic and he is intelligent. I do not think it could be the member for Dickson because he is a sceptic—well, I will move on.

Mr Pyne: Mr Speaker, I rise on a point of order. The Minister for Trade was asked a question about trade retaliation, which he has not addressed at all yet in his answer; instead, he has just attacked members of the opposition. I invite you to sit him down.

The SPEAKER: There are a number of parts to the question. The minister appears to be addressing one of those parts. Unlike the member for Sturt in his point of order, I am not going to critique the answer. Potentially, this could be directly relevant and I will listen to where this answer is going. The minister knows his responsibility to be directly relevant.

Dr EMERSON: I am responding to that part of the question which asked, 'Will the minister inform the House of recent support for a carbon tax and what is the government's response?' There has been recent support for a carbon tax by an intelligent sceptic. We know he is a sceptic because he said, 'I'm not
sure about carbon dioxide being the villain that it is made out to be; the science is not settled.' So who is this self-professed intelligent sceptic? None other than the Leader of the Opposition. Come on, join us! The opposition leader should join us because he is an intelligent sceptic and he is on the record. It is written down so it is the gospel truth, not in the heat of the moment, and it must be true. What words is he speaking? He is speaking the words of a cheapjack opportunist. From this intelligent sceptic we have another commitment—that is, he will claw back any pension increases. His frontbench is right: You can't take money away from pensioners, it would kill us.

On 1 July 2012 it will be the opportunist day of reckoning when the Leader of the Opposition seeks to take money back from pensioners. We will implement a carbon tax. We will put a price on carbon because it is the right thing to do for Australia and it is the right thing to do for the environment. The intelligent sceptic over there ought to get on board.

**Carbon Pricing**

**Mr TRUSS** (Wide Bay—Leader of The Nationals) (14:33): My question is to the Prime Minister, who is someone who might be able to answer the question, unlike the minister opposite. I refer her to the comments by the Minister for Resources and Energy that the carbon tax could 'fall over' if the Greens do not agree to compensation for the coal industry. With this minister admitting that the coal industry will be threatened by a carbon tax and Jennie George joining Paul Howes in warning against a carbon tax on the steel industry, is it not time that the Prime Minister settled the divisions and the uncertainty by asking the Australian people what they think at an election?

**Ms GILLARD** (Lalor—Prime Minister) (14:34): I thank the Leader of the National Party for his question. He has once again disappointed the Leader of the House, but one of these days I am sure he will make the Leader of the House's day by asking him a question on infrastructure. In answer to the Leader of the National Party's question, we are determined to work with coal as we are determined to work with business generally in order to get the design of carbon pricing right. We will be working to ensure that we are protecting Australian jobs. We are cutting carbon pollution. We are assisting Australian families. We are funding programs that get us ready for the clean energy economy of the future and that tackle climate change.

The Leader of the National Party asks me on these debates about pricing carbon, 'Who takes what position in these debates?' I say to the Leader of the National Party that perhaps he might want to explain to me who the senior Liberal was who said: You can't take money away from pensioners, it would kill us.

The Leader of the National Party says that he is interested in Australian jobs and the future of the coal industry—

**Mr Pyne:** Mr Speaker, I rise on a point of order. The Prime Minister keeps raising this point about the pension but she was the cabinet minister who did not even want pensioners to get a rise in their pensions, so how can it be directly relevant to the question? I ask you to draw her back to the question.

**The SPEAKER:** The Prime Minister is aware of the obligations under the standing orders.

**Mr Albanese:** Mr Speaker, I rise on a point of order that goes to disorderly conduct. On a number of occasions but none more blatantly than the last one, the Manager
of Opposition Business, in the guise of raising a point of order, has chosen to make a debating point. It is clearly disorderly. You have already indicated to the Manager of Opposition Business that such action was disorderly and I ask you to take action.

The SPEAKER: The action I will take is that I will call the Prime Minister.

Opposition members interjecting—

The SPEAKER: Order! It is not a matter for derision. For those who think it is, it may be a faint victory as they observe proceedings from outside.

Ms GILLARD: I understand that members of the opposition frontbench will do anything to distract Australians from the very simple truth behind this carbon pricing debate. And the very simple truth behind this carbon pricing debate is that I believe climate change is real; the Leader of the Opposition does not. I believe we have to cut carbon pollution; the Leader of the Opposition has plans to see carbon pollution rise. I believe big polluters should pay; the Leader of the Opposition wants to take funds from Australian families and give them to big polluters. I believe Australian families and pensioners should be assisted; the Leader of the Opposition wants to claw that assistance away from pensioners and Australian families—take money away from people who are already challenged by cost-of-living pressures. I want to protect Australian jobs, which is why the government have a proud record of supporting Australian employment, including during the global financial crisis and continuing with that support to the present day with 750,000 jobs created so far and half a million more to be created in the two years to come. The Leader of the Opposition literally could not be bothered getting out of bed to protect the Australian jobs. Through their interjections and bellowing, through their belief that if you shout loud enough someone will believe you, I understand that the Leader of the Opposition just wants to distract from all of this. But the truth could not be clearer. We will put a price on carbon pollution. We will put it on the big polluters. We will provide assistance to Australian families. We will protect Australian jobs. And we will tackle climate change.

Murray-Darling Basin

Mr WINDSOR (New England) (14:39): My question is to the Prime Minister. The Prime Minister would be aware of the highly acclaimed Inquiry into the impact of the Guide to the Murray-Darling Basin Plan. I thank the member for his question. I am regretting that I am not in possession of his well-known sign with the '10' on it to judge contributions to the parliament because I think I would be holding it up in view of that question. But, yes, I am very well aware of the parliamentary report that he speaks of. I am very well aware that he led the inquiry into the Murray-Darling Basin. I am very well aware of the hard work that went in from all members of the committee across all political parties in the parliament to look at what is a very important issue for the nation. I thank all of them for the work that they have done in compiling this report.
As the member for New England would be aware, the recommendations are being taken very seriously by the government and more broadly. As the member for New England would be aware, the Murray-Darling Basin Authority is seriously considering the work that has been put together by the committee. The government are seriously considering the work. The government's response to the interim findings was to act on a number of issues to which the committee drew attention—for example, moving to address the taxation issues that were inhibiting infrastructure investment, introducing smaller rolling tenders for water buyback to allow a more modest presence in the water market, beginning consultation with stakeholders around a new more flexible approach to support rationalisation of irrigation areas and committing $10 million for the states and the community to conduct feasibility assessments into environmental works and measures that can help to bridge the gap. These were important findings and in our interim response we have addressed those important findings.

The government will now seriously consider the rest of the committee's recommendations and work, and respond in due course. But I am pleased to see that, at this stage, the member has led a bipartisan approach to what is a pressing issue facing the nation. Permanent and sustainable reform has eluded past governments; I am determined that it will not elude this parliament and this government. This is the time to ensure that the Murray-Darling Basin has the policies for the future that will see a healthy river and sustainable communities, and growing and food security. We will be working with the member for New England and broadly with the committee members and parliamentary members on achieving just that.

Mr Hartsuyker: Mr Speaker, I rise on a point of order. Could the Prime Minister table the notes from which she was reading?

The SPEAKER: Was the Prime Minister reading from a document?

Ms Gillard: I was referring to a document about the committee's findings. Sections of the document are confidential.

Mr Pyne: Mr Speaker, I rise on a point of order. My understanding is that it is the custom of the speakers to ask if the Prime Minister was actually reading from notes that are marked confidential and if they are not marked confidential then the custom is to table them. As a South Australian, I am keen to have a look at those notes about the Murray-Darling.

Mr Melham: Can you be trusted?

The SPEAKER: The member for Banks is warned!

Mr Dutton: That is your Prime Minister you are talking about.

The SPEAKER: The member for Dickson is warned!

The established practices of the House are to inquire of a minister whether they were reading from a document. They are then asked whether the document was confidential or not. The fact that we truncated that process seems to have upset people. We will just have to wear that at this stage. The member for Chisholm has the call.

Workplace Relations

Ms Burke (Chisholm) (14:45): My question is to the Prime Minister. Why did the government overturn Work Choices? What risks are there of a return to Work Choices and why is it important to protect the rights of Australians at work?

Mr Briggs interjecting—

Mr Champion interjecting—
The SPEAKER: The members for Mayo and Wakefield will leave the chamber for one hour under standing order 94(a).

The members for Mayo and Wakefield then left the chamber.

Ms GILLARD (Lalor—Prime Minister) (14:47): As the parliament meets today there are workers who are rallying in New South Wales against a workplace relations assault by the Liberal Party. They are teachers, they are nurses, they are firefighters—they are workers who keep the public services alive in New South Wales. And from the reaction to this question it is clear that the Liberal and National parties in this parliament hold such working people in complete contempt—teachers, nurses, firefighters. They hold them and their workplace relations rights in complete contempt. Of course, that contemptuous attitude towards the rights of working people is something that is very familiar to the Australian community, because it was shown to the Australian people by the Liberal Party in office when it brought Work Choices to this country. I, as the relevant minister, and the Labor government were determined to get rid of Work Choices because it was a cost-of-living dagger to the heart of working Australian families: hardworking people whose job security was attacked, hardworking people whose basic pay and conditions were attacked and hardworking people who had their job security lessened by the removal of unfair dismissal rights.

We have heard a bit today from the Liberal Party about the question of job security for working people. Their track record in government was they could not care less; they wanted working people to be sacked more easily. Let us remind ourselves what Work Choices did to Australian working people through Australian workplace agreements.

Mr Hartsuyker interjecting—

The SPEAKER: The Prime Minister will resume her place. As reluctant as I am to do this, I invite the member for Cowper to come to the dispatch box and inform me whether he recognised that he was warned earlier in question time.

Mr Hartsuyker: I did hear you, Mr Speaker.

The SPEAKER: And you persisted in interjecting, and I name you.

Opposition members interjecting—

The SPEAKER: There can be all the sorts of interjections in the world, but I think that if members reflect upon the last three-quarters of an hour they will understand that, whilst reluctant, I am forced into this position. The Leader of the House.

Mr ALBANESE: I move:

That the member for Cowper be excused from the service of the House.

Mr Pyne: Mr Speaker, can I beg your indulgence to invite the member for Cowper to apologise to you as the Speaker since he is, unlike me, not a serial offender in this regard, and to allow him to remain in the chamber or to leave for one hour.

The SPEAKER: I accept the point that is being made to me but I think that, if the chamber is to modify its behaviour and the culture of the place, it has to recognise that we have to slow down some of the behaviour that is being exhibited this afternoon. I do not mind the chamber being robust; but if I were to look at the markings the Clerk takes of people I have mentioned who have interjected and have continued to interject, I would find myself in the invidious position of having to go to the extent of those aspects of the standing orders that are available to me. Whilst I am reluctant in testing the House—not because I am worried about the numbers of the House—there has to be a
point in time when we decide whether we are going to slow down our behaviour. The question is that the member be suspended from the service of the House.

Question put.

The House divided. [14:57]

(The Speaker—Mr Harry Jenkins)

Ayes.......................73
Noes.......................68
Majority..................5

AYES
Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Mitchell, RG
Neumann, SK
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Cheeseman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidbottom, PS
Smith, L
Swan, WM
Thomson, CR
Valavanis, M
Windsor, AHC

NOES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Broadbent, RE
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Wash, MJ

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Buchholz, S
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O’Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Watt, KG

PAIRS
Melham, D
Neville, PC

Question agreed to.

The SPEAKER: Order! The member for Cowper is suspended from the service of the House for 24 hours.

The member for Cowper then left the chamber.

Ms GILLARD: I was responding to a question by the member for Chisholm. The member for Chisholm asked me about industrial relations arrangements and about Work Choices and I was reminding the
House that under Work Choices over two-thirds of Australian workplace agreements removed penalty rates, 31 per cent took away rest breaks, nearly half took away overtime loadings and 63 per cent removed incentive based payments and bonuses. That is, they took away the kinds of payments that working people rely on to do things like pay the mortgage and pay the bills.

Today in New South Wales we are seeing the return of Work Choices. It is back to take it or leave it. It is back to no negotiation, no bargaining, no independent umpire. In fact, it is back as if 100 years of Labor reform of workplace relations had not happened. These changes are targeted at Australians who are very hard working and who deserve to be treated with respect—like teachers, like nurses, like firefighters. As this action happens today and as we see this conduct by the New South Wales Liberal government, it reminds Australians that, whatever the Liberal party says to you before an election, after the election it is back to workplace relations reform and back to Work Choices. This is a living example for Australians—

Opposition members interjecting—

The SPEAKER: Order! The Prime Minister will resume her seat.

Honourable members interjecting—

The SPEAKER: The Prime Minister has the call.

Ms GILLARD: The clear example we have today is of the deep love and affection of the Liberal Party of Australia for Work Choices.

Opposition members interjecting—

Ms GILLARD: It is unacceptable to working Australians, it is unacceptable to the people of New South Wales and it is unacceptable to this Labor government. It is a pity that the Leader of the Opposition has always across his political life been such a strong supporter of workplace relations reform and taking away basic pay and entitlements from working Australians. Unless he dissociates himself from Barry O'Farrell it will be on display again. (Time expired)

Carbon Pricing

Mr HOCKEY (North Sydney) (15:01): My question is to the Treasurer. I refer to comments, reported just before question time, by Stephen Jones, the member for Throsby, who is reportedly the Labor-Left faction convenor. In relation to the carbon tax he said:

It was unrealistic to expect that not one job will be lost.

Given that Paul Howes from the Australian Workers Union has said, 'If one job is gone our support is gone,' Treasurer, who is right: the member for Throsby or your mate Paul Howes?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:02): I thank the shadow Treasurer for that question about jobs. As I said in this House yesterday, nothing is more fundamental to those of us on this side of the House than supporting jobs. We know that it is possible to have a substantial reduction in carbon pollution and still have strong employment growth. We know that because all the credible analysis shows that that is the case: the credible analysis that has come through Stern, through Garnaut and through the Treasury. It tells us that we as a nation can make substantial reductions in carbon pollution and support strong employment outcomes.

I would have to go away and check the quote that the shadow Treasurer used, but I know that the member for Throsby is a very strong supporter of jobs, just like everybody behind me here. When jobs were threatened in the global recession we were there for Australians. Those opposite were not. I will
never forget the then Leader of the Opposition saying that stimulus would not create a single job. But stimulus saved Australia and saved a whole lot of small businesses right around this country. We put in place investment.

What drives everybody on this side of the House is jobs. And what drives everybody on this side of the House is making sure we put in place the correct economic settings so that we are a competitive economy for the future. We on this side of the House understand the need to take the tough decisions to set us up for the future, to make sure we do generate the jobs for the future in a clean energy economy.

_Opposition members interjecting_—

_The SPEAKER:_ Order! The member for Higgins.

_Mr SWAN:_ No first-world, first-grade economy can maintain that position without investing in clean energy. We on this side of the House understand that. We on this side of the House also understand that there will be a need for transitional assistance in energy-intensive, trade-exposed industries, and we have made that commitment very clear. But those on the other side of the House simply have a 'subsidise polluters' policy that will put up taxes for all Australians. They have no plans to either assist industry or to assist households. The hypocrisy of their coming into this House and pretending they care about jobs, I well remember the scare campaign that was waged by the shadow Treasurer—

_Mr Hockey:_ Point of order: relevance, Mr Speaker.

_The SPEAKER:_ It is direct relevance, and the Treasurer will relate his material directly to the question.

_Mr SWAN:_ It is a question about jobs. During the global financial crisis the shadow Treasurer said there would be 300,000 jobs lost in Australia. They went right around the country talking down our economy—

_Opposition members interjecting_—

_The SPEAKER:_ Order! The Treasurer must directly relate.

_Mr SWAN:_ just as they are talking down our economy today. But because we on this side of the House understand the importance of jobs and because we understand the importance of future prosperity we will put in place the assistance for the types of industries that are affected.

_Opposition members interjecting_—

_The SPEAKER:_ Order! The member for Higgins is now warned.

_Mr SWAN:_ Because we understand the importance of jobs. Those opposite do not understand the importance of jobs. They stood for Work Choices—less security for Australian workers. They do not stand for jobs. We on this side of the House stand here proudly supporting jobs, future prosperity and a clean energy future for the jobs of the future.

**Workplace Relations**

_Mr ADAMS_ (Lyons) (15:06): My question is to the Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts, representing the Minister for Tertiary Education, Skills, Jobs and Workplace Relations. How has the government acted to protect Australians' rights at work, what threats are there to Australia's fair work system and what is the government's response?

_Mr CREAN_ (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (15:07): I thank the member for Lyons for his question because he, like so many on this side of the House, has been a fighter for
the rights of people at work, unlike those on the other side who would dismantle those rights. I am asked the question about what we have done by way of action to protect those rights. The most important thing we did on coming to office was to abolish Work Choices. In its place we established Fair Work Australia. Fair Work Australia was based around the fundamental principles of the right to collective bargaining, the requirement for the parties to bargain in good faith, and for there to be an ability to go to an independent umpire if there was an issue to be resolved.

Honourable members interjecting—

The SPEAKER: Order! The minister will resume his place. You will understand that it is quarter time in the response. The House will come to order. If there are complaints from people that they cannot hear the responses, it is because they are talking at the same time. The minister has the call. The minister will be heard in silence.

Mr CREAN: How has this benefited the Australian economy? I think it is important, given the last question in which the other side asked about job losses, because that is exactly what they said would happen when we introduced Fair Work Australia: jobs would be lost, industrial disputes would go up, inflation would go through the roof. What has been the evidence of that in the time since we abolished Work Choices and established Fair Work Australia? There have been 740,000 jobs created; industrial disputes are now lower than when you left office; inflation is still under control, despite an economy growing stronger than the rest of the world; and there has been significant wages growth. Why would you want to get rid of a system like that?

But I am asked about the threats to it, Mr Speaker. Well, I will tell you what the threats are. The threats are that the Liberal Party gets re-elected to office. What the Liberal Party did before the last election was say—and there we have the Leader of the Opposition; we remember him when he said it—'No return to Work Choices; it's dead, buried, cremated.' We saw Senator Abetz for three days in the campaign when he admitted that there would be tweaking to the industrial relations system. We all know what 'tweaking' is because it was defined. It is the backdoor method to regulating the wages system. We never saw Senator Abetz in the rest of the campaign. He was shut up.

If anyone wants to know what tweaking means, they need only look at what the New South Wales government is doing in relation to public servants. They are going to introduce legislation that declares by regulation the conditions of employment for nurses, teachers, firefighters and state public servants; they are doing this by regulation. In effect, what they are doing is stripping away the two fundamentals that we created. They are stripping away the entitlement to good-faith bargaining and they are stripping away access to the independent umpire. The reason they are doing it is that it is in the Liberal DNA. They cannot help themselves. They have never understood the importance of getting encouragement and participation in the workplace to lift productivity to underpin the prosperity of this nation. We on this side of the House do understand that, and that is why we will fight for the rights of workers to ensure that they benefit but the nation benefits as well. The only threat to it is the election of a Liberal government. Don't make that choice.

Carbon Pricing

Mr SCHULTZ (Hume) (15:12): My question is to the Treasurer. I refer to a report from the Australian Energy Market Commission which shows that, even without a carbon tax, average electricity bills will
increase by 30 per cent across Australia over three years. In Victoria that means a $330 increase; in Queensland, a $400 increase; and in New South Wales, a $500 increase. Given families are already struggling with these cost-of-living pressures, why is the government introducing a carbon tax that will push prices up further and make a bad situation worse?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:12): I do thank the member for Hume for that very important question, because it is the case that there have been in recent years very substantial increases in electricity prices. What has driven that increase in electricity prices has been a lack of investment in the distribution and the network. And, of course, the expert who told us all of that is the shadow minister over there. What he said just before the last election would happen has in fact happened, because there has been very substantial underinvestment in the electricity distribution system, and the consequence of that, unfortunately, is price rises across a number of states. The regulator has said in recent times that there will be further increases and that they have absolutely nothing to do with a carbon price. They come from that lack of investment and the need for continued investment in the system.

Those opposite can go out there and run their scare campaigns and pretend that it is somehow the fault of the government. It simply does not wash. There is a very substantial problem and we do need to get more investment into this sector. There is no doubt about that because we need the energy security that a strong economy requires, and that is going to happen. What we do know—and what those over there are running a scare campaign on and in denial about—is that if there is not a carbon price then prices will go up even higher because there will not be the investment that is required. This is what the Australian Energy Market Commission itself said. The member for Hume referred to what they were saying, and they have said this: 'Financing risk associated with uncertainty around the carbon price will contribute to future price rises.'

So the member has performed an own goal here. That is what they have said about the future of prices. That is why we do need to put a price on carbon to drive the investment in electricity. But what we will do, and what those opposite will not do, is assist families affected by those price increases. What they are going to do is tax families, pay polluters and not give anybody any assistance when it comes to their electricity bill. That is the hypocrisy of those opposite—they give no assistance to anyone who is affected by price increases and frustrate a price on carbon, the effect of which is to further increase electricity prices. The hypocrisy of those opposite is just incredible.

We know they are split into a couple of camps. We have the member for Wentworth, who actually believes in a market price on carbon and believes in climate change. That is camp No. 1. We have camp No. 2 from the Leader of the Opposition. He is a complete denier and, of course, a sceptic. But we now have another camp. We have the shadow Treasurer. He is in the turncoat camp. This is what he has had to say about a price on carbon—

The SPEAKER: Order! The Treasurer will relate his material to the question.

Mr Hockey: Mr Speaker, I raise a point of order on relevance. I say to the Treasurer: ask Kevin Rudd about turncoats. You were No. 1, mate.

The SPEAKER: Order! The member for North Sydney will resume his seat. Again, a better than average point of order is spoilt by the argument. But I say to the Treasurer that
he must relate his material directly to the question and not overly debate. If he debates, it must still be directly relevant, under the present standing orders.

Mr SWAN: I am arguing the case for a carbon price which is the least costly, most efficient way of pricing carbon and the best way to ensure that we have a prosperous economy. That is what I am arguing and that was once argued by the shadow Treasurer. Only last year he said:

I was acting industry minister in 2002 when Peter Costello, David Kemp and I argued ... in the Howard cabinet that we should have an ETS.

The SPEAKER: Order! The Treasurer will bring his response to a close.

Mr SWAN: That is what he said only a year ago.

Opposition members interjecting—

The SPEAKER: Order! I invited the Treasurer to bring his response to a close and he will be able to do that if there are fewer interjections.

Mr SWAN: Mr Speaker, we are seeing a scare campaign from those opposite. The fact is that we on this side of the House will put the national interest before political interest.

(Time expired)

Hearing Impairment

Ms GRIERSON (Newcastle) (15:18): My question is to the Minister for Human Services and Minister for Social Inclusion. What is the government doing to bring sound into the lives of Australian babies who are born with hearing impairment?

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (15:18): I thank the member for Newcastle for that question. This is an issue that I am sure both sides of parliament agree on. Too many Australians either are born with hearing loss or develop hearing loss during the course of their lives. About 160,000 Australians are unable to work because of their condition and the economic cost of this is estimated to be around $11 billion a year. With an ageing population and increasing exposure to damaging noise levels in our everyday lives that problem is expected to increase. It is with great pleasure that I report to the House today about a new invention, another terrific Australian invention in this area.

Australia has been at the forefront of research and development in this area for many years, and all Australians are proud of the Cochlear implant that is an Australian invention. We are recognised around the world for the Cochlear implant. It has brought the gift of sound into the lives of many tens of thousands of Australian children. It is done at an increasingly early age because we know that the development of language skills is stronger and much better if we are able to get children hearing from a much earlier age. The neural pathways are laid down in the brain and children learn to speak and to hear much better.

I am very pleased to inform the House today about another very important advance in this area made by Australian researchers to improve the use of Cochlear implants and to judge at a much earlier age whether babies need a hearing aid, whether it is properly fitted and working or whether they perhaps need a Cochlear implant. This new invention produced by Australian Hearing in their laboratories with the help of the HEARing Cooperative Research Centre is trademarked as HEARLab.

HEARLab is about the size of a briefcase and it works by putting little sensors on the skull of a baby. By applying those sensors to the baby's cranium, scientists are able to measure whether the sounds that are being played through the machine are registering in the baby's mind. It is very important because
when you are fitting a hearing aid you cannot ask a baby: ‘Can you hear that? Is it loud enough? Are you missing some sounds or are you picking them all up?’ It is a terrific Australian advance to have this device, which registers whether the baby is picking up those sounds and, if the baby is not picking up those sounds, means being able to amend the hearing aid so the baby can hear or to recognise that a Cochlear implant would be more appropriate for that child. Knowing that from an early age allows us to treat a hearing impaired baby properly. It means that the baby will learn to differentiate sounds much earlier, learn to hear better and learn to speak much better than if we wait even six months or even a year or two. It is an absolutely fundamental breakthrough that will not just be terrific for Australian babies but also be applied to other people who cannot tell an audiologist whether their hearing aid is working appropriately—for example, someone who has been the victim of a stroke, who will need help with their hearing aid but cannot express whether what they are hearing is registering properly. It builds on the terrific extra resources that will be available for early intervention for children with a hearing impairment that were previously announced by this government. I think all members are proud of this new Australian invention that will make a huge difference to the lives of Australian babies and babies around the world.

Carbon Pricing

Mr RANDALL (Canning) (15:22): My question is to the Treasurer. I refer the Treasurer to comments by garage door manufacturer Mr Geoff Didier, whom the Leader of the Opposition visited today, that a carbon tax would force him to pass on the higher costs of his steel roller doors to customers or cut jobs in his business. Why is the government determined to introduce a new tax that will put steel manufacturers out of business and simply export our emissions to less efficient producers of steel overseas?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:23): I thank the member for his question. We know from the Productivity Commission report that putting a price on carbon is the least cost, most effective way to put that price in place. Of course, those opposite have an entirely different approach. They want to give subsidies to polluters, jacking up taxes for everybody and providing no assistance to households whatsoever.

These types of questions will continue as the opposition runs its baseless scare campaign, as it will all the way through, but this government will not be deterred from putting in place a price on carbon. A price on carbon is absolutely essential for future growth in our economy. We know from the modelling that we can substantially reduce carbon pollution and still have strong economic growth, still have strong income growth and still have strong jobs growth. We know that the cost of not acting is far higher than the cost of acting. Those opposite are proposing that we delay for longer, and all that will mean is that harsher action will be required, with an impact on businesses later on.

We as an economy have to make the transition. If we wish to be a first-rate, First World economy that generates prosperity and that generates jobs, then we have to invest in and drive a clean energy economy. We need to send the signal for investment into clean energy. I know that is not understood by those opposite. It used to be understood by some, but it is not understood by the deniers that are now running the modern Liberal Party and the turncoats that have joined them—the turncoat over there, the shadow Treasurer. I did not get to give the rest of the quote from the shadow
Treasurer before, but this is what the shadow Treasurer had to say only last year—

Mr Pyne: Mr Speaker, on a point of order: we take great offence at the term that this minister in particular—the fellow student from Nambour High—has used to describe the opposition. I ask him to withdraw it and, while he is doing it, to withdraw the knife from Kevin Rudd's back.

The SPEAKER: For getting that on the record there has to be a price. The member for Sturt will leave the chamber for one hour under 94(a).

Mr Andrews interjecting—

Honourable members interjecting—

The SPEAKER: The member for Menzies should not be too nervous. It is not the green bottles falling off the wall, but I will assure him I will cooperate if he is taking over as the Manager of Opposition Business. Among everything that the Manager of Opposition Business said, there was nothing that I feel I have to take action on. Some people have very broad shoulders and are able to take comments. The Treasurer has the call.

Mr SWAN: I was arguing the case for a carbon price, something that was believed in by some of those opposite only a short time ago. The shadow Treasurer had this to say only last year:

I believe the market mechanism is the best way to price a commodity. I am a true believer in markets.

That was only last year, to Lenore Taylor and David Uren. That is what the shadow Treasurer said then, but he has done a lot more. He said this on ABC Radio National on 6 March:

We were the initiators of an emissions trading scheme. We went to the last election promising to introduce an emissions trading scheme in 2011-12. We put the fundamentals in place.

Mr SWAN: That is why I describe him as a turncoat. He used to have some principles and he no longer has them.

Murray-Darling Basin

Mr GEORGANAS (Hindmarsh) (15:28): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Will the minister update the House on the progress of water reform in the Murray-Darling Basin? Are there any risks to achieving water reform, and how has the recent Senate inquiry into the Water Act been received?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (15:29): I thank the member for Hindmarsh for the question. As a South Australian he is all too aware of the challenges that have been faced by the Murray-Darling for so long. We have a river system that was run as though it would respect state boundaries. You cannot have a situation where an environmental asset and an asset that has such a value to communities up and down the basin is managed in a way that pretends that state boundaries matter. You cannot have one set of rules in the north of the basin and presume a different set of rules in the south will work. That was understood by former Prime Minister John Howard. It was even understood by the member for Wentworth. The states are now working in a more cooperative way. In fact the only example that we can now find of where there is one set of messages in the north of the basin and another set of messages in the south is the way the coalition are choosing to manage this issue.
We heard earlier in question time today about an inquiry that was well received, an inquiry chaired by the member for New England, in which all sides of politics on the committee were able to agree in a unanimous report. Members might not be aware of the inquiry that was originally called for by Senator Barnaby Joyce in the Senate. So proud were the opposition of the outcomes of that, it was released with great fanfare at four o'clock on Friday afternoon last week. When it was first called for Senator Joyce said:

It's very important now, while I have an inquiry examining the Water Act, that changes to the Water Act take place so as to change the outcome.

Make no mistake, the reason Senator Joyce wanted to call for the Water Act to be opened up was to stop the reform. It was as simple as that. He knew full well that the moment you opened up the Water Act the Murray-Darling Basin Authority could not continue with its current work and it would have to pause the reform. That was why they wanted to open up the act. It is an act that was well drafted by the member for Wentworth when he held this portfolio. It is an act that plenty of members of the coalition have said that they were quite proud of and quite happy with. But Senator Joyce continues to go up and down irrigation communities calling for the Water Act to be opened up.

We now have South Australian members of parliament who have decided that they disagree, and disagree strongly, with what Senator Joyce is saying to the irrigation communities. They have decided to send their messages out in a way that Senator Joyce will never find. They have decided to use Twitter and by using Twitter, of course using internet technology rather than carrier pigeon, Barnaby will never know. We had Senator Birmingham tweeting: 'In response to the inquiry I suspect it will be of little consequence. What matters more is what is in the draft Basin Plan.'

But I think nothing beats the rejection of Senator Joyce and the coalition dominated inquiry in the Senate, and nothing beats the response that was put forward by the member for Mayo, who was briefly in the chamber earlier today. The member for Mayo said: 'It's a Senate committee report. If a tree falls in the forest ...' That was his tweet. The tweet from the member for Mayo was saying, 'Well, we can effectively ignore.' What the coalition have to realise on this is that the days of being able to run one set of messages in the north of the basin and a different set of messages at the South Australian end all come to an end when we vote in this chamber.

At the beginning of next year there will be a Murray-Darling Basin Plan. It will have been given to us by the Murray-Darling Basin Authority, it will have gone to the ministerial council and it will come to this chamber for a vote. We will finally find out whether or not the coalition is willing to see basin reform once and for all.

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

AUDITOR-GENERAL’S REPORTS

Report of the Independent Auditor


Ordered that the report be made a parliamentary paper.
COMMITTEES
Selection Committee
Report

The SPEAKER: I present the Selection Committee's report No. 24 relating to the consideration of committee and delegation business and private members' business on Monday, 20 June 2011. The report will be printed in today's Hansard and the committee's determinations will appear on tomorrow's Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of committee and delegation business
and of private Members' business
1. The committee met in private session on Tuesday, 14 June 2011.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 20 June 2011, as follows:

Items for House of Representatives Chamber (8 to 9.30 pm)

COMMITTEE AND DELEGATION BUSINESS
Presentation and statements
1 Parliamentary Joint Committee on Intelligence and Security

The Committee determined that statements on the report may be made—all statements to conclude by 8.10 pm.

Speech time limits—
Mr Byrne—5 minutes.
Next Member—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

2 Standing Committee on Aboriginal and Torres Strait Islander Affairs
Inquiry into the high levels of Indigenous juveniles and young adults in the criminal justice system.

The Committee determined that statements on the report may be made—all statements to conclude by 8.20 pm.

Speech time limits—
Mr Neumann—5 minutes.
Next Member—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

3 Joint Select Committee on Cyber-Safety
High-Wire Act, Cyber-Safety and the Young.

The Committee determined that statements on the report may be made—all statements to conclude by 8.30 pm.

Speech time limits—
Mr Hawke—5 minutes.
Next Member—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

4 Parliamentary Joint Committee on Law Enforcement
Inquiry into the adequacy of aviation and maritime security measures to combat serious and organised crime.

The Committee determined that statements on the report may be made—all statements to conclude by 8.40 pm.

Speech time limits—
Mr Hayes—5 minutes.
Next Member—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

PRIVATE MEMBERS' BUSINESS
Notices
1 MR WILKIE: To present a Bill for an Act to restrict the export of live animals for slaughter pending its prohibition, and for related purposes (Live Animal Export Restriction and Prohibition Bill 2011). (Notice given 31 May 2011.)

Presenter may speak for a period not exceeding 10 minutes—pursuant to standing order 41.
2 MR BANDT: To present a Bill for an Act to amend the Export Control Act 1982 to prohibit the export of live animals for slaughter, and for related purposes (Live Animal Export (Slaughter) Prohibition Bill 2011). (Notice given 31 May 2011.)

Presenter may speak for a period not exceeding 10 minutes—pursuant to standing order 41.

3 MR CHAMPION: To move: That this House:
(1) notes the:
   (a) Australian Building and Construction Commission (ABCC) created under the Howard Government's industrial relations legislation unfairly targets workers in the construction industry; and
   (b) Government believes the current ABCC should be abolished and replaced with a new inspectorate that is part of the Fair Work Australia system; and
(2) calls on all Members to support the abolition of the ABCC to restore fairness in the construction industry for workers and employers.
(Notice given 24 November 2010.)

Time allotted—remaining private Members' business time prior to 9.30 pm.

Speech time limits—
   Mr Champion—5 minutes.
   Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

Items for Main Committee (approx 6.30 to 9 pm)

PRIVATE MEMBERS' BUSINESS

1 MR COBB: To move: That this House:
(1) deplores the inhumane treatment of cattle at some abattoirs in Indonesia;
(2) notes that this is unacceptable to all Australians, especially our farmers, who take great pride in breeding and raising healthy and well cared for animals;
(3) supports the suspension of trade of Australian live cattle to facilities that fail to comply with acceptable practices;
(4) notes with concern the impact of a total live exports suspension to Indonesia on:
   (a) the economic, social and environmental fabric of northern Australia;
   (b) Indigenous employment in northern Australia;
   (c) Indonesian abattoirs already operating at acceptable standards; and
   (d) the entire cattle industry including producers in the south who are already seeing reduced saleyard prices; and
(5) calls on the Government to:
   (a) immediately establish a register of Indonesian abattoirs, to be known as the Approved Indonesian Abattoir Register, that have adopted and implemented acceptable animal welfare standards;
   (b) require that Australian sourced cattle be processed only at abattoirs that are listed on the register;
   (c) revoke the legislative instrument Export Control (Export of Live-stock to the Republic of Indonesia) Order 2011 upon one or more Indonesian abattoirs being included on the register;
   (d) provide support to Indonesia to bring more abattoirs up to acceptable standards; and
   (e) provide assistance to the cattle industry to deal with the consequences of this suspension.

[Minimum number of proposed Members speaking = 2 x 10 mins + 8 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

2 MS PARKE: To move: That this House:
(1) notes:
(a) that 20 June each year is World Refugee Day, celebrating the courageous spirit and resilience of more than 10 million refugees around the world;

(b) that the global theme for World Refugee Day 2011, occurring in the year of the sixtieth anniversary of the United Nations Refugee Convention, is ‘I refuge without hope is too many’;

(c) Australia’s history of support for the United Nations Refugee Convention and its objectives, being the sixth signatory to the 1951 United Nations Refugee Convention which brought the convention into force in 1954, and having since welcomed 750,000 refugees who have made an enormous contribution to the culture, economy and social fabric of Australian society;

(d) that much of the political, media and public commentary in Australia regarding asylum seekers and refugees misses or ignores the following facts:

(i) of the more than 10 million refugees identified by the United Nations High Commissioner for Refugees (UNHCR), just over 100,000 or 1 per cent are resettled under orderly programs each year, which means that if someone puts their name on a list today they could wait more than 100 years for processing;

(ii) in many countries wracked by conflict, like Iraq or Afghanistan, there is no list or queue to join;

(iii) Australia’s 8250 asylum seekers in 2010 is a minimal number compared with the 358,000 people who sought asylum in the 44 major industrialised counties in 2010, and compared with the millions of people from Iraq and Afghanistan who have sought refuge in neighbouring countries like Jordan, Iran and Pakistan.

(iv) only two per cent of the world’s asylum claims are made in Australia;

(v) persons fleeing from persecution are not ‘illegals’, they have a legal right under international law to seek asylum, and under the Menzies Government, Australia agreed to this by signing up to the United Nations Refugee Convention; and

(vi) while Essential Research has reported that 25 per cent of Australians believe that 75 per cent of our migrant intake is made up of asylum seekers, in fact only 1 per cent of Australia’s annual migrant intake comes from them and even less from asylum seekers who arrive by boat;

(2) notes the UNHCR report of April 2011 entitled Back to Basics: The Right to Liberty and Security of Person and ‘Alternatives to Detention’ of Refugees, Asylum-Seekers, Stateless Persons and Other Migrants and welcomes the forthcoming parliamentary inquiry into mandatory detention;

(3) recognises that it is possible to protect Australia’s borders while also treating asylum seekers fairly, humanely and in accordance with international law; and

(4) calls for:

(a) a return to bipartisanship in support of a reasoned, principled and facts-based approach to the issue of asylum seekers and refugees; and

(b) Australia to continue to work with other nations and the United Nations to address the complex global and regional challenges associated with increased numbers of asylum seekers and other people movements that cannot be addressed by countries acting on their own.

Time allotted—30 minutes.

Speech time limits—

Ms Parke—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

3 MR PYNE: To move:

That this House:

(1) acknowledges the Government’s failure to deliver on its promise to provide a computer for every secondary school student between years 9 to 12 within the original budget commitment of $1 billion;

(2) condemns the Government for promising to families that they would not have to pay for charges associated with using the laptop computers, and then for breaking that promise by
authorising schools to charge fees and levies to parents to use the laptops; and
(3) calls on the Government to explain to families why it has broken its promise and why parents should be the ones to pay up to hundreds of dollars to make up the funding shortfall associated with the program, at a time when cost of living pressures are increasing.

Time allotted—40 minutes.

Speech time limits—
Mr Pyne—10 minutes.
Next Member—10 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

4 MRS D’ATH: To move:
That this House:
(1) expresses:
   (a) its condolences to:
       (i) the family of Senior Constable Damian Leeding who was shot in the line of duty on Sunday evening, 29 May 2011; and
       (ii) the colleagues of Senior Constable Leeding at Coomera CIB, Queensland Police Service; and
   (b) our gratitude to men and women who serve in our police forces across Australia for the burden placed upon them and the sacrifices they make to protect others; and
(2) acknowledges:
   (a) the risks associated with the work performed by our men and women in the police forces across Australia and the bravery that they display in the performance of their duty; and
   (b) the husbands, wives and partners of serving police officers for their support of those who serve in our police forces. (Notice given 2 June 2011.)

Time allotted—remaining private Members’ business time prior to 9 pm.

Speech time limits—
Mrs D’Ath—5 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

3. The committee recommends that the following item of private Members' business listed on the notice paper be voted on:

Orders of the Day—
Political donations from tobacco companies

DOCUMENTS

Presentation

Mr ALBANESE: Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

Department of Immigration and Citizenship—

International Labour Organisation—

Migration Act 1958—
Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 November 2010 to 28 February 2011.

Section 440A—Conduct of Refugee Review Tribunal (RRT) reviews not completed within 90 days—Report for the period 1 November 2010 to 28 February 2011.

Section 486O—Assessment of detention arrangements—2011 Personal identifiers 622/11, 628/11 and 631/11 to 638/11—
Commonwealth and Immigration Ombudsman's reports.

Government response to Ombudsman's reports.

Ministerial statement—Rural research and development—Senator Ludwig, Minister for Agriculture, Fisheries and Forestry, 15 June 2011.

Productivity Commission—Report No. 52—
Rural Research and Development Corporations—
10 February 2011.
Debate adjourned.

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

The SPEAKER (15:34): I have received a letter from the honourable member for Indi proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The imminent threat to Australian manufacturing posed by the Government's carbon tax.

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—

Mrs MIRABELLA (Indi) (15:35): We heard the Prime Minister today talk about the challenges facing the manufacturing sector. You would think that, in acknowledging ever so briefly some of these challenges, she would not embark on a carbon tax that was going to send our manufacturing offshore and export our jobs. Alan Oster, the chief economist from the National Australia Bank, said that manufacturing is effectively in recession. Yet, with all this objective evidence the government is still indifferent to what a carbon tax will do to manufacturing.

In fact the Prime Minister was asked in this House earlier this month to nominate any representations she had received from a host of members on the other side relating the concerns and negative impacts that a carbon tax would have on local jobs and local manufacturing. What was really embarrassing was that she struggled and shuffled around, tellingly and frighteningly, and could not identify or point to a single discussion or a single piece of correspondence between any of them. In a desperation that continues the government's moral bankruptcy and disregard about Australian jobs and manufacturing, all they can resort to are cries of claiming that the coalition is running some sort of scare campaign. If you want to look at scare campaigns, all you have to look at are the apocalyptic warnings about global warming coming from the other side. We have the minister for climate change, after purchasing a million dollar coastal resort, recently feigning concern about rising sea levels, yet he has been buying a seaside mansion! You can just imagine him sucking in the seaside breeze, all of that fresh air, and telling all those poor little workers, those who put him there and gave him that profile, that they need to sacrifice their jobs so the Prime Minister can keep hers.

We had the scare campaign from the member for Corio during the last election saying that the coalition was going to take all this money away from Ford in Geelong and that jobs would be lost, knowing full well that was not the case. But where is the member for Corio when the workers in his electorate are demanding a voice in the Australian parliament? He is nowhere to be seen. All he does is go around the country slagging and bagging the opposition and refusing to stand up for the rights of and to note the anxiety of workers in his electorate. Where is the climate change minister, who has light and heavy industry and coal in his electorate? It was good enough for him to stand there shoulder to shoulder with the workers while trying to get a bit of publicity and increase his national profile when he wanted to get into parliament, but he has got to where he wanted to get—well, almost, as he wants to move further up those green benches. But all those workers are quite
dispensable now because they got him into this parliament and he does not care, like so many other members on the other side. If they truly cared about manufacturing jobs and workers, they would have the courage to get out of that queue, the one that gives them a lobotomy, stop being zombies and actually stand up for the jobs of people in their electorates.

We have the member for Hunter, with all those coalmining jobs at risk, being silent. We have the member for Blaxland, who has manufacturing in his electorate, remaining absolutely silent. Surely he understands how important manufacturing is and not just to his portfolio of Defence. And the member for Melbourne Ports walks out because he knows he was next on the list. There is manufacturing in his electorate but what does he do? He remains silent. Where is the member for Chifley, the member for Kingsford Smith, the member for Throsby or the member for Cunningham? Where are they standing up for their local jobs?

All I can say is thank goodness there is some integrity left in the Labor Party albeit among recently departed members from this House. We had Jennie George, a former ACTU president and the member for Throsby, say: 'Local considerations rightly focus on the importance of the steel industry in underpinning our regional economy and providing jobs both direct and indirect. Constant references to the need to "tax the polluters" are superficial and facile by failing to acknowledge these benefits.' So when the government tries to run a scare campaign and when the government tries to diminish the opposition and belittle the arguments that we make we say: 'Fine, don't listen to what we say. Why don't you listen to what your own people say, what your own voters are saying, what your own union members are saying, what former members of the Labor Party are saying and what other trade unionists are saying?' We have had Paul Howes say that he will not support this carbon tax if a single job is lost in the steel industry—and we know that jobs will be lost in the steel industry. But where is he trying to force the Prime Minister to back down? He wanted to play the big man and be one of the faceless men to put the Prime Minister in, but I think he has been taking too many lessons from current members sitting in this House who occupied senior trade union positions but abandoned their basic responsibility to look after those people who thought that being a member of a union would give them some basic rights and would give them a voice in the political landscape in political debate in Australia. We have an almost empty House on that side and sitting in it a very morose current member for Throsby.

Mr Stephen Jones interjecting—

Mrs MIRABELLA: I would hang my head in shame if I were you. You strut around this place thinking you have made it and thinking you are some big shot but you are neglecting your basic responsibilities, you pathetic little man.

The DEPUTY SPEAKER (Hon. Peter Slipper): Order!

Mrs MIRABELLA: You abandoned all those workers.

The DEPUTY SPEAKER: The honourable member for Indi will resume her seat. I warn the honourable member for Indi. She has been making accusations in the direction of the chair, referring to 'you', 'you' and 'you'. In this place when you say 'you' you refer to me as the occupant of the chair. I now call the member for Indi. The microphone will be turned on because I have now given her the call once again.

Mrs MIRABELLA: My attentions were directed to the member for Throsby because he should hang his head in shame as a pathetic individual. He has turned his back
on the workers in his electorate. He has turned his back on the unions that supported him. He should have the courage to walk down that corridor with the blue carpet up to the Prime Minister's office, knock on her door and say, 'Wake up to the concerns and anxieties of the people in my electorate.' But he will not do that because as we know, because Dougie Cameron told us, they have all gone down that path of having that special operation to become lobotomised zombies on the government benches. Why would the Prime Minister be going down this path? For one simple reason: she has sold her soul. She has fought all her political life to get to this point and she wants to hold on to it whatever the price. If the price is Australian manufacturing, so be it. If the price was getting rid of Kevin Rudd, the man she promised to support, last year, so be it. If she is prepared to sacrifice the base of Labor Party support, those trade union workers who are members of unions right across Australia and who form the backbone of our manufacturing sector, what moral bankruptcy reigns in the Labor Party of today. As Tony Sheldon from the Transport Workers Union said: '... it won't cost jobs. It will cost lives if there is not an appropriate approach by the government.' Somehow the government has tried to demonise those in the manufacturing sector, calling them polluters and the like. What they have not actually admitted is that we cannot have a modern economy without steel, without aluminium, without cement. Imposing a carbon tax will do only one thing: it will send those jobs offshore. It will send those businesses offshore to countries like China, which will create more emissions to make the things that we used to make. Those arguments seem to fall on deaf ears because political desperation has infected this government to such a point that nothing else matters. They are deaf to any reason, to any logic, to any compassion, to any vision for a country that makes things. Remember, there was a time when Kevin Rudd was Prime Minister and he said he did not want to be Prime Minister of a nation that did not make things. The only thing that is being made by this government is an absolute mess, an absolute disaster without vision.

I for one, standing on this side of the House, do not want my country to be one that has relegated manufacturing to the dust bin. We have other former trade unionists on the other side who loved to get on TV every morning when a couple of unfortunate miners were stuck down a mine. They were salivating to get on TV. The member for Maribyrnong was thinking: 'This is great. I can get my face on TV. I hope those miners stay down that hole for a bit longer so I can get my bit of publicity.' In his maiden speech, which he quoted on his own website, he talked about lessons:

… the lessons of my family, the lessons of my education, the lessons of business, the lessons of my union days. All these lessons can be distilled into one phrase: never give up.

Well, this fraud has given up on those union members who put him there, as have so many of his colleagues sitting on the front bench. Why do they not have the courage of Labor members past to understand their basic responsibility to speak on behalf of those who do not have the political or economic power to get up and defend their jobs and defend manufacturing? It was that great Labor Party hero Kim Beazley Sr who said that when he was a member of the Labor Party it was 'full of the cream of the working class; now it contains the dregs of the middle class'. I am afraid to say that is too kind a description to explain the quality of the current members on the other side.

Worst of all, the Minister for Climate Change and Energy Efficiency is ignoring his constituents. One particular business, just
a few doors down from his electorate office, was reported as saying: 'It's just the wrong way to go. It's unnecessary, it's unfair and it will hurt businesses like ours.' Did the minister care? Of course not, because he has his eye on the prize as well. The only question we need to ask is: how long will he keep the rest of the backbench suffering before he does the inevitable and taps the Prime Minister on the shoulder?

She is determined to proceed with a carbon tax in the mistaken belief that it will show her as a tough woman, a decisive woman, a woman who achieved something that Kevin Rudd did not achieve. She has certainly done that. She has had a record fall in the polls and, as long as she persists with this tax that destroys jobs and manufacturing, she will continue to break records in those polls. I am sure that will cause great concern to the members on the other side. Whether the fear of losing their seats will actually give them some encouragement to speak out remains to be seen, but I am afraid the quality on the other side does government in this country no justice.

When every single group involved in manufacturing, from one end of the country to the other, is telling the government, 'Do not kill our business; do not kill our industry; do not put food manufacturing at risk; do not risk our food security' what is the government saying? 'Oh, they are just scaremongering.' Ignoring the facts and ignoring rational debate, the government are bunkering down into a position where they have nowhere to go. What really sticks in my craw is the bleating we hear from the other side about manufacturing and jobs. Where were they during the global financial crisis? They were asleep. That is where the Leader of the Opposition was. While we were busy saving 200,000 jobs, they were trying to deny the country that opportunity. They were not interested in manufacturing during the 12 years when they let infrastructure and skills
slide in the country. They were nowhere to be seen. They were missing in action.

They claim they support manufacturing but their position on this issue shows they have abandoned the fundamental beliefs that they used to have in markets and rational economics. This embrace of irresponsible politics demonstrates what this is really all about. Why do they continually cry for an early election? Is that anything to do with this national interest that we are so vitally concerned about on this subject?

Are we getting a genuine debate on policy in this discussion? No, we are not. What we are getting is a short-term political objective on display for the nation to see. They want an early election because they know that in the long term, as these policy issues play out, the people of Australia will come to realise by 2013 that it is all nonsense, that the coalition's claims in relation to these issues are garbage and that the opposition leader is a fraud.

The government scheme intends not only to support manufacturers, because it will position them for the new economy that is coming down the pipe towards us, but also to provide generous household assistance and support for jobs as we shift to a low-pollution economy. It will also assist industry to tackle the climate change challenges that they face. As has been emphasised by other members of the government, if we do not have a price on carbon, if we do not position ourselves in this way, it is quite conceivable that we will face carbon price action against us by other countries that are doing their bit. They will not stand by and let Australia, which has such an emissions intensive economy, take no action and so we may start to see penalties imposed upon us that equate to border taxation adjustments on our exports. That would be catastrophic for manufacturing and industry in this country. That is what we are trying to avoid.

This policy will assist those companies that are emissions intensive and trade exposed. Through the CPRS network we did have a very substantial assistance package of up to 94.5 per cent for our most exposed industries. That assistance not only sends a price signal to those industries to reduce their carbon pollution but also, if it is in the form of free permits, provides actual assets. Businesses will have an opportunity to reduce their carbon emissions and to sell surplus permits. If they cannot reduce their emissions, there is a substantial level of shielding against carbon leakage.

We should remind ourselves of what substantial players in the investment market have to say about these critical issues. When we talk about the price of power going up, we are talking about the lack of investment in infrastructure in this country over a long period. There is no carbon price in place now—that is the only reason prices are going up. We know that, with the power challenges we will face in the future, we have to get busy on producing the new baseload generation that we need. There is no point going down the road of trying to build new coal-fired power stations—we know that is not the way forward. The only way to get the renewable energy investment that we need, and step-down technologies like gas, is to get a price in the market that enables those replacement technologies to happen.

I remind the chamber of what Mr Nathan Fabian, the chief executive of the Investor Group on Climate Change, had to say about the CPRS on Radio National in 2009. He spoke for some of Australia's major institutional investors, including super funds, insurance companies and private sector fund managers such as AMP Capital and Colonial First State, representing $500 billion in funds
under management—the sort of money we need to drive investment in much-needed power infrastructure. In a Radio National interview on 28 May 2009 he said:
Our members are concerned about delays in the emissions trading scheme, they are concerned about the trajectory of the change in the economy between now and 2020 and beyond. And their view is that we should be smoothing the transition as much as possible, smoothing what is a significant adjustment in the economy, to spread the impact on their investments.
Our members would rather get going with the scheme.
Single digit earning impacts are expected for most of the emissions intensive trade exposed companies. And those figures reduce when the current compensation scheme—
the scheme that was associated with the CPRS—
is taken into account. So they are not overly concerned about short to medium term.
Our investors expect companies to plan, to spread risks and to manage a transition over the long term. Our investors can see that climate change is a long-term investment risk that they must manage. They feel that they’ve got no choice. Some of our investors are super funds that have a 20 to 40 year horizon for their members. Superannuants like you and I and they know that they must think about long term risks. Facing that reality, they want to start to manage the risks as soon as possible.
Fran Kelly asked:
So just finally then what’s your response to this delay we are seeing likely to occur now that the Coalition will delay the Bill?
He replied:
Yeah, well, that’s the concern, it’s curious to target for a high target in 2020—a renewable energy target—
but a later start. Clearly that will lead to greater volatility in financial markets and we’ve just had a pretty serious experience of what that can be like to the economy.
That is a man and an industry that represents the sort of investment that this country needs, and a reference to the sort of support that manufacturing will need to generate the power that they will require in the new economy.

We also need innovation. New industries will be created by innovation when this new economy begins to arrive. Just recently in Israel I saw how innovation and skills in new technology serves an economy massively well. They were able to navigate the economic crisis very well and also were growing at five per cent a year prior to that crisis. Because of their investment in innovation and skills they have a diverse economy. We understand we have a patchwork economy that we are trying to deal with at the moment, and in support of our companies not only do we want to see this new economy driving new directions for industry but also we want to make sure that in dealing with their challenges they have the support they require—support through the funds raised through this scheme—to make the transitions they need to make. Also, with this investment, we will see the development of new industries that we can export and they can get involved in exporting and partnering with other companies in addressing those challenges. Probably the worst aspect of this whole debate has been the scare campaign that the coalition has been mounting. Mr Abbott is challenging Harold Egbert Camping—

The DEPUTY SPEAKER (Hon. Peter Slipper): The Leader of the Opposition.

Dr MIKE KELLY: The Leader of the Opposition—you are quite correct, Mr Deputy Speaker. I apologise. He has taken up the mantle of Harold Egbert Camping. He is not leading the coalition or the Liberal Party any more; he is leading the rapture party. Instead of 21 May, the end of the
world is now going to land on 1 July 2012. There will be a great gnashing of teeth and rending of garments. Blood will run in the streets. Cities will be not only damaged or destroyed but also wiped off the map entirely. So this catastrophe will descend upon us all. The rapture party behind him, claiming all these sorts of things, will be exposed for the fraud that it is once the carbon price is installed. That is what the Leader of the Opposition is scared about and he wants an early election because he knows the ground under his feet will completely disappear when the carbon price is introduced.

This carbon price was part of Labor policy before the last election. We have always said that we would begin an emissions trading scheme via the introduction of a carbon price. That has always been part of the government's policy and that is where we are heading now. We are heading towards the introduction of an emissions trading scheme by introducing the carbon price as a first step. That is absolutely essential to drive the deep economic reform that we require.

We all know that the member for Wentworth supports this. We certainly know that the member for Flinders supports this because we have seen some of his comments in his previous research papers claiming this was the way to go. We have also seen comments that eventually the inaction plan of the coalition will cost $30 billion. We have also heard the coalition's claims about the Carbon Farming Initiative. They are concerned about the impact of this policy on arable land when we know that their inaction policy will require 20 million hectares to be planted to achieve their objectives—that is 63 per cent of the available landmass of Australia. Their scheme would wipe out arable land if it is brought into effect. I know our farmers will be deeply concerned about that and it is why the National Farmers' Federation supports the government's Carbon Farming Initiative and does not support the coalition's inaction plan.

The coalition's inaction plan is a total fraud. They say that they support and believe the science but they do not. This is go-away money. They say that they are committed to a five per cent reduction in emissions, but they know that their policy will not achieve that. The thing we should be pointing out as well is that five per cent is where they intend to stop. The government's policy is to move to a 60 per cent reduction in emissions by 2050. We have to achieve those reductions in the longer term. The coalition would stop at five per cent and that would be the end of the story. They have no ambitions to go any further than that. We have to keep that economic dynamic moving beyond 2020 to achieve the reductions that the world needs. The fraud should be exposed: they have no intention of taking their action any further.

I could say no better words than what the journalist Ross Gittins had to say in the Sydney Morning Herald on 25 May when he talked about the Leader of the Opposition's policy:

I don't like using the L-word, but Tony Abbott is setting new lows in the lightness with which he plays with the truth. He blatantly works both sides of the street, nodding happily in the company of climate-change deniers, but in more intellectually respectable company professing belief in human-caused global warming, his commitment to reducing carbon emissions by 5 per cent by 2020 and the efficacy of his no-offence policies.

He grossly exaggerates the costs involved in a carbon tax, telling business audiences they'll have to pay the lot and be destroyed by it, while telling the punters business will pass all the costs on to them. He forgets to mention that most of the proceeds from the tax will be returned as compensation to businesses and households.

He repeats the half-truth that nothing Australians could do by themselves would reduce
global emissions, while failing to correct the punters’ belief that Australia is the only country contemplating action.

We know that is the truth, as we have seen the coalition's own colleagues in the UK and New Zealand moving forward with far more ambitious objectives. David Cameron said that the UK government's significant 50 per cent reduction target:

... will position the UK as a leading player in the global low-carbon economy, creating significant new industries and jobs.

Furthermore, the Confederation of British Industry has welcomed that government’s position by saying:

With the green economy potentially bringing in £200 billion—approximately AUS$305 billion—of investment into the UK’s energy sector alone, we need policies that will foster growth by decarbonising our energy supply, increase energy efficiency and support the competitiveness of our manufacturing base.

So business and the Conservative government in the UK obviously have more sense of the realities of the new economies arriving in this world than the Leader of the Opposition. Professor Garnaut also said:

There was for a while in the twentieth century a great contest of ideas, about whether market-based or regulatory approaches to managing the economy were more conducive to economic welfare. The regulatory approach went under the name of 'central planning'.

... … … …

Picking a few areas of action and seeking to reduce costs through encouraging competitive approaches in those narrow areas is a variation on a regulatory theme. For those of us who remember the Berlin wall and, heaven forbid, Tito's Yugoslavia, it is the Yugoslav variant of central planning.

Given that they are the rapture party I would like to remind them of the words of Jeremiah 5:21:

Hear this, you foolish and senseless people, who have eyes but do not see, who have ears but do not hear—
The debate is over. The time to act is now. Do not leave a legacy of failure for future generations for which you will be eternally condemned. *(Time expired)*

**Mr Chester** (Gippsland) *(16:05)*: What a sad day it is when the formerly formidable member for Eden-Monaro has had the surgery as well. They have hidden the scars, but he has become just another zombie as he walks out of this chamber now. He stood up for his clubs in the fight over poker machines, but they got to him in the last two weeks. It is a tragedy to see the formerly formidable member for Eden-Monaro come in here and just parrot the party lines. One of his last references was to the promise of new green jobs. I say to the member for Eden-Monaro as he leaves the chamber: try going to the bank manager tomorrow and getting a new home loan on the back of a job that the Labor Party and the Greens have promised you in the future. You will get laughed out of the bank.

It is with a great deal of sadness that I contribute to this matter of public importance debate to discuss the adverse impacts on the manufacturing sector of the Gillard Labor government's proposed carbon tax. It is sadness not only for the jobs of hardworking Australians, particularly in regional areas which are being put at risk by this government, but also for the slow and lingering death of the Australian Labor Party under the Julia Gillard prime ministership. We really need to ask how it all came to this. The Labor Party actually used to stand for something. It used to stand up for the workers, or so it claimed. Now they come in here like meek, little mice, who would not dare squeak their concerns on any issue. We need to ask: what happened to the light on the hill? The light is going out and it is
probably because of the carbon tax. The only way to get ahead in the modern Labor Party is to come into this place, sit down, shut up and vote the way the party tells you to vote.

The member for Indi talked about the zombie-like presentations from members opposite, as they are not to think for themselves but to just parrot the party lines. When we walk through the doors of Parliament House of a morning, we see members from the Labor Party sticking to the script, using the lines from the focus groups. When it comes to the carbon tax, we can see the clear lines they have been told to use. You always have to talk about dangerous climate change—

Ms O'Neill: It's true.

Mr CHESTER: Yes, it is true that you have to talk about dangerous climate change. It is in the key messages every day; I know that. 'Don't forget to mention the thousand biggest polluters. Get that in there if you can. You get the elephant stamp if you get this one right: if you can get the thousand biggest polluters, dangerous climate change and the dirty coal fired power stations in the one grab, you are ministerial material.' You are on the way to the top! People of regional Australia, people employed in the manufacturing sector, have had an absolute gutful of the way this government are vilifying hardworking Australians who just happen to work for those nasty thousand biggest polluters. Those thousand biggest polluters happen to be some of the biggest employers in this country. Every time they vilify those people, those opposite do themselves an enormous discredit amongst the Australian people.

It has not always been this way. The Labor Party used to stand up for workers. I give the example of the former member for Throsby, Jennie George. I did not always agree with everything Jennie had to say, but at least she had some personal integrity when she stood up to say something in this place. She tried to stand up for the workers who sent her here. Today in the Australian she called for the steel industry to be kept out of the carbon tax until similar regimes are operating in competitor countries. She said: ...

... I think Australians would agree we have to have a viable domestic steelmaking industry in Australia.

That is hardly a revolutionary thought from a former union boss but it has come as a bolt from the blue for many of those opposite. Ms George wants us to wait until competitor nations have an impost on steel before we introduce such a tax. Why will more members of the modern-day Labor Party not be honest with the Australian people? Why will they not acknowledge that any policy that puts Australian manufacturers at a competitive disadvantage will cost Australia jobs? It will add to the cost of living for households and it will undermine the national economy.

In the last 12 months, I had the bizarre experience on my local ABC radio station when they invited me on to have a chat and have a debate with a union boss. I will not name the union boss for the sake of his own credibility—what is left of it.

Mrs Mirabella: Go on.

Mr CHESTER: Okay. So John Parker from the union gets on the radio and talks about the need for a transitional package, a structural adjustment package, a household assistance program. He had all the Labor buzzwords—maybe they are sending them out to the Latrobe Valley power station unions as well—but he did not say anything about power station workers whose jobs he is meant to be fighting for in the first place.

Ms O'Dwyer: It won't guarantee jobs.

Mr CHESTER: It will not guarantee their jobs. The Latrobe Valley power station
workers who talk to me do not want a household assistance package. They want the decency of a job and that is the simple fact that this Labor Party fail to recognise. I have repeatedly challenged the Minister for Climate Change and Energy Efficiency to be honest with the people of my electorate and undertake a cost-benefit analysis and report back to the community on what the impact of this carbon tax is going to be. Everyone recognises that the people of the Latrobe Valley will be in the firing line and likely to be the most adversely affected by this policy. The government cannot expect the families and the workers in the Latrobe Valley to support this tax if the government do not have the honesty to explain to them what the costs and the alleged benefits are going to be. That is a reasonable position I have put to the minister for climate change on many occasions and he is yet to provide any guarantee to power station workers in the Latrobe Valley.

Mr Perrett: Send us a copy of your direct action flyer.

Mr Chester: The member for Moreton has woken up. If he cannot tell people how their jobs will be affected under this government's carbon tax, why would anyone vote for it. Labor's response is to say that members on this side are scaremongering, that we do not know what we are talking about. How do they respond to industry concerns? Industries like BlueScope Steel have concerns. In relation to a carbon tax, on 28 February this year, chief executive of BlueScope Steel, Paul O'Malley, said:

That is clearly economic vandalism. It clearly says we don't want manufacturing in Australia.

He further said:

... the policy framework at the moment is wrong. It seems to be captured by people who don't care whether there are manufacturing jobs in Australia, and you just wonder whether there is an anti-manufacturing focus in Australia and that people want jobs to go offshore.

Suddenly, the member for Moreton is silent. Manufacturing is important in Gippsland. We are renowned for the power stations in the Latrobe Valley, which will also be adversely affected by this government's plans. We also have a manufacturing sector which provides more than 5,000 jobs across 465 businesses. Businesses like Gippsland aviation, National Foods in Morwell and Patties Foods in Bairnsdale all have very high energy costs and will take a hit under the carbon tax. Another significant employer in my electorate is Murray Goulburn. The dairy industry does not get talked about much in this place, but it is one of the largest exporters in Australia and it produces 65 per cent of Australia's milk across 4½ thousand dairy farms. It might be useful for members opposite to start listening to what some of Australia's major manufacturers are saying. During an interview on ABC Radio about the carbon tax, Murray Goulburn's Manager of Industry and Government Affairs, Robert Poole, said:

A carbon tax in Australia doesn't influence the world market price. As everyone should know milk prices in Australia are predominantly driven by that. The price in the international dairy market, including Australia, isn't going to change because of a carbon tax. Therefore any costs that it ... imposes we have to wear and that means our farmers have to wear them.

He further said:

We don't want our international competitiveness reduced through a tax at this stage ... We don't see that's going to help the environment and don't see how that will help us as a major contributor to the Australian economy.

The United Dairy Farmers of Victoria have expressed similar concerns and they have tried to bring them to the attention of government. The member for Eden-Monaro was in the House earlier talking about
compensation for emissions-intensive trade-exposed industries. Individual dairy farmers will not benefit from any compensation package under this government. We know that, the government know that and dairy farmers know that as well. UDV president, Chris Griffin said:

Calculations by our organisation indicate that a $20 carbon price would cost the dairy industry over $45 million per annum. This would work out to a $5000 charge for each Australian dairy farm per year.

The biggest concern of all though remains with the fundamental breach of trust between this government and the Australian people. On this point, the Labor Party has simply nowhere to hide. On 20 August last year we had this news clipping from the Australian:

'PM's carbon price promise'—here it is in full colour—and the Prime Minister says, 'I rule out a carbon tax.'

Mr Christensen: Can you read that again?

Mr CHESTER: 'I rule out a carbon tax.' That is what the Prime Minister had to say to the Australian people on the eve of the last election. Australians could not trust this Prime Minister before the election and they cannot trust her today when it comes to their jobs. Anything less than taking this back to the Australian people will perpetuate the fraud that this Labor Party has become. It is a government based on a lie and it is addicted to spin, which is completely out of touch with the hopes and aspirations of regional communities.

Mr STEPHEN JONES (Throsby) (16:16): In his reply to the budget speech we saw the Leader of the Opposition make an unusual declaration of love. It is a recent declaration of love, a recent affection for the manufacturing workers of this country. Since he made that very public and not entirely credible declaration of love for the manufacturing workers of this country, he has been running around the country like a speed dater attempting to secure some affection from those he professes to stand for. It has been a pretty crowded space, because we see that the member for Indi has jettisoned her previous position in relation to this particular sector and has also joined the Leader of the Opposition in declaring her love and affection for this particular group of workers in the manufacturing industry.

The reason it lacks credibility is that it does not sit very well—in fact, it sits uneasily—with their record on manufacturing jobs and rights for manufacturing workers when they were in government. That is right. It sits very unwell with their track record of looking after manufacturing workers and manufacturing jobs when they were in office. Under their watch and in the government of which the shadow spokesperson, the member for Indi, was a member, we saw the loss of 10,000 manufacturing jobs and the closure of literally thousands of plants, and there was not a squeak in their defence from those on the other side of the chamber. Where were they? What were they doing in defence of those manufacturing workers? I can tell you what they were doing. They were introducing the Work Choices legislation. I can guarantee you that, as the Leader of the Opposition continues on his speed-dating trip around the country, there are a few coalmines that he will not be visiting. They are the coalmines in the Hunter—and I see the member for Capricornia in the chamber—and some of the coalmines in the member for Capricornia's electorate, where workers were being stood down under the previous government's Work Choices legislation for taking action to defend their jobs and to defend job security. They were amongst the hundreds of thousands of
workers in this country who lost rights to secure their jobs under the Work Choices legislation. So it is a pretty hard ask for the Leader of the Opposition and the member for Indi to walk out to some of those workplaces and say: 'Forget what we did. Forget the fact that when we were in government we did everything we possibly could to undermine your job security. We want you to forget all of that. Forget the sins of the past because we have a newfound affection for jobs in your industries.' It is not only the sins of the past, because if they are elected to the Treasury benches we can only assume that they will make good their promise to slash assistance to the manufacturing industry. They have a very confused position on this issue.

In debates earlier today in this chamber we saw the member for Fadden making the extraordinary claim that somehow those of us on this side of the chamber were kowtowing to the unions and were in the unions' pockets when we advanced legislation to secure the rights of workers and their retirement savings. Then, in debates later in the day, they say that we have ignored those of our constituency who we seek to represent. Theirs is a confused position indeed.

What is more confused than that is the confusion that we see from the Leader of the Opposition. He has made this new declaration of love for the manufacturing workers of this country, but in the wake of that declaration there are a few jilted lovers out there.

Mrs Mirabella: Mr Deputy Speaker, on a point of relevance—

The DEPUTY SPEAKER: There is no point of order, because this is a wide-ranging debate. The member for Indi will resume her seat. The member for Throsby has the call.

Mr STEPHEN JONES: There are some jilted lovers out there. They include all those who took heart when the member for Warringah spoke on the PM radio program on 16 November 2007. This is the member who has been running around the country trying to whip up fear amongst manufacturing workers and other workers in this country. This is the bloke who proposes to have a newfound affection for workers in this country. He said, 'The best protection for the worker who feels that he or she may be under pressure at his job is the chance of getting another job'—that is, hump your bluey and move to another place down the road. This is the bloke who professes to have a deep concern about the job security concerns of workers in this country. Amongst the other jilted lovers will be those of the HR Nicholls Society. They took great heart, at their 2001 conference, when the now Leader of the Opposition said:

One of the most important Howard Government policies has been the introduction of Australian Workplace Agreements …

This is the Howard government policy which saw the reduction in job protection rights contained within awards and agreements for literally thousands of manufacturing workers around the country and workers in the coalmining industry. These were the protections that their AWA policies wilfully did away with.

So there are a few jilted lovers, like those in the HR Nicholls Society, but there are also a few confused members on the opposition bench. They get confused when they listen to the Leader of the Opposition and think that his current professions of love and affection are inconsistent with—(Quorum formed). The calling of a quorum shows that they are trying to gag debate and that they have a glass jaw when it comes to criticism.

It is a ridiculous debate we are currently engaged in because, if you look at the
supposed policies of the competing parties on this issue, we have the same targets. We have the same targets for renewable energy and we have the same targets for reducing our carbon emissions. The only thing that is different between our side of politics and theirs is how you reach those targets. There is a smart way and a dumb way and their way is the dumb way. (Time expired)

Mr TUDGE (Aston) (16:26): There is a manufacturing business called Vicpole in Bayswater on the edge of my electorate. It is a very successful business which has been manufacturing for over 20 years now. It manufactures street poles, street bollards and other street furniture. It employs about 40 people, many of whom have been working in the firm for 12 years or more. Alan Vickery, the Managing Director of Vicpole, says that after 20 years of operation, due to the impact of the carbon tax, he may have to cease manufacturing and start importing instead, the same as all his competitors do. He says:

The proposed carbon tax could be very damaging for Vicpole. What concerns me is that we've got 40 employees working for Vicpole who depend on the fact that we are competitive when we make our poles in Australia.

He goes on to say:

... I can't build in a measure to counter a 20% price increase when my competitors don't have that same cost.

He concludes by saying:

It would not be the end of Vicpole, but it would be the end of the 40 jobs. There would be no requirement to have 40 employees to unload containers.

In this instance, we have a small- to medium-sized manufacturer who will be put in great jeopardy due to the Prime Minister's carbon tax. Jobs will be lost, potentially 40 jobs—40 good workers who have been loyal to this firm for over 10 years. And emissions will probably go up as a result.

I raise this particular business to show that in order to determine the impacts of a carbon tax on business you would need to look at the individual enterprise level and the impacts that the tax will have on that individual enterprise. It is all very well to have grandiose models which suggest that X, Y or Z might be happening, but you have to look at the enterprise level to determine what the impact on that enterprise will be from the imposition of a carbon tax. In this instance, the impact will be 40 jobs on the line.

Vicpole is not the only manufacturing business like this in Australia or even in my own electorate. There are many small- and medium-sized manufacturers operating at global best practice level, both in their operations and in their emissions intensity, who will be hit by this carbon tax and who will be reduced in size and have to lay off workers as a result. None of these small and medium-sized enterprises will receive compensation. All will face increased costs. All will face competitive disadvantage against imports on which there is no carbon tax. Therefore all will face pressure on jobs—and for what impact? Will Australian emissions go down as a result of that? Yes, in part—if an enterprise goes out of business and stops manufacturing, that business will produce fewer emissions. It will produce fewer emissions if businesses close down. The government has got that right. But when you actually look at it at a global level, which is what is important, emissions will frequently go up globally because our manufacturers in Australia often have better emissions intensity than our competitors do, certainly in China. And of course you have to add to that the extra emissions resulting from transportation.

This is the ridiculousness of the carbon tax, as even some on the Labor side now acknowledge: if you put a tax on our manufacturing in a context where there is no
tax on competitor imports, you will simply cost Australian jobs and have no impact on global emissions. Indeed, you may increase global emissions. This is the farce. I invite the member for La Trobe and the member for Deakin to come with me to the manufacturing belts in Bayswater—some of it overlaps into their electorates—and explain to the manufacturers the impact that the carbon tax will have on them and their employees.

Mrs Mirabella: I will come with you.

Mr Tudge: The member for Indi has kindly agreed to join us as well, so potentially we can have a team of four going. I invite them to come with me, even to visit Vicpol, as soon as possible. The implementation of the carbon tax would be bad enough if the situation for Australian manufacturers were not so dire in the first place. Close to 90,000 manufacturing jobs have been lost in the last three years alone. That is 550 jobs lost each and every week. One in 12 workers in the manufacturing sector in Australia has lost their job in the last three years. Despite manufacturing being under significant pressure—it is declining and jobs are being lost and it is suffering from the high Australian dollar and higher interest rates, compared to overseas countries—the government seeks to make things worse.

And of course they come into this place and have the temerity to say that the carbon tax is actually all about jobs. Almost day in and day out the Prime Minister and the Treasurer have had the temerity to come into this place and say that the carbon tax is actually all about creating jobs.

An opposition member: It is about imaginary jobs.

Mr Tudge: Exactly. They are imaginary jobs in their own imagination. In fact the only jobs they appear to be interested in are their own.

Are so many manufacturing businesses wrong when they say that the carbon tax is going to hurt them. Are they simply not listening to the Prime Minister and the Treasurer when they say that this tax is actually about job creation. I do not think so. I do not think that Kate Carnell from the Australian Food and Grocery Council is incorrect when she says:

For Julia Gillard to say that food companies who aren't in the top 1,000 emitters won't be affected by a carbon tax is simply wrong.

I do not think Kate Carnell is incorrect in saying that. And I do not think Manufacturing Australia is incorrect when it says:

... it tolls the death knell for manufacturing in Australia. It represents the introduction of a multi-billion dollar tax that will impact on every Australian financially, far in excess of the capacity of many businesses and everyday Australians to pay.

I do not think they are wrong in saying that. And I do not think that Paul Howes is wrong when he says:

Carbon pricing could be the straw that breaks the camel's back as far as (some) industries are concerned.

I do not think he is wrong in that regard. I could go on. The chairman of BlueScope Steel says:

Why is (the government) prepared to sacrifice a key sector of the Australian economy by introducing a carbon tax on Australian manufacturers, with little impact on world CO2 generation?

I invite the Prime Minister, the Treasurer, the climate change minister, the industry minister and, indeed, all members on the other side of this House to listen to the words of those industry leaders and to the words of the union leaders, who have been supporting them to date. These industry leaders, and
Paul Howes, are not wrong. They know of the impacts a carbon tax would have on their businesses. They know it will cost jobs. They know it will have very, very little impact, if any, on global emissions. They also know, like every Australian, that no matter what the carbon tax starts at—whether it is $15, $20 or $25 a tonne—that will just be the beginning. Over time it will continue to go up and go up and go up.

Let us not forget that this carbon tax has no mandate. None of us will ever forget that. It was introduced on the basis of a lie. The day before the election last year the Prime Minister went to the Australian public and said there would be no carbon tax under a government she leads. Each of us in this House knows that, had she been honest on that day and said that there would be a carbon tax under a government that she leads, she would not be Prime Minister today. We all know that. The tax is being introduced on the basis of a lie. It has no mandate. It is going to affect our manufacturers right across Australia, including in my own electorate of Aston. We call on the Prime Minister to call an election to get a mandate if she honestly believes this is the answer for the manufacturing sector.

(Time expired)

Mr KELVIN THOMSON (Wills) (16:36): The member for Aston was not in this place during the Howard years, so he therefore might not be aware of the fact that, during those years, manufacturing business after manufacturing business shut their doors—certainly in my electorate they shut their doors—and turned to importing. But he should recall the fact that, during the global financial crisis, the opposition was utterly missing in action and refused to support Labor's stimulus package measures which were responsible for the ongoing employment of thousands of workers around Australia in areas like building and construction. I have been to school after school in my electorate and seen the way in which the Building the Education Revolution projects protected jobs, protected employment, during the time of the global financial crisis. If those opposite had had their way, manufacturing in this country would have declined dramatically and we would have seen unemployment levels of the same order that the United States and European countries are wrestling with, instead of the under five per cent unemployment which we have been able to deliver in Australia.

The member for Aston expresses concern on behalf of one of his local businesses that employs, I think he said, 40 people. I do note that there are many solar PV businesses in New South Wales which are now going out of business as a consequence of the New South Wales O'Farrell government's retrospective action concerning feed-in tariffs—action which was in breach of the New South Wales government's election commitments. The member for Aston might have some credibility if he were also to express some concern about the fate of those New South Wales solar PV businesses.

Mr McCormack interjecting—

Mr KELVIN THOMSON: The member for Riverina interjects.

The DEPUTY SPEAKER: The member for Wills will not respond to the interjection from the member from Riverina.

Mr KELVIN THOMSON: He also interjected on the member for Throsby, saying, 'It's not if we're elected but when we're elected.' I thought that interjection highly revealing. Those opposite should not take the Australian people for granted.

It is quite remarkable that the Leader of the Opposition now keeps popping up around Australia crying crocodile tears over the future of manufacturing and what he
alleges will occur under a carbon price. So the Liberal Party has discovered manufacturing. The Leader of the Opposition stood by and watched thousands of manufacturing jobs go overseas when he was a minister in the Howard government. Furthermore, he supported laws to take away unfair dismissal protection from millions of workers. He attacks the mining tax. That will help manufacturing by lowering the company tax rate and taxes on small business. The Leader of the Opposition says he has a plan to tackle climate change. It turns out that that plan will cost taxpayers more than $30 billion, according to the department of climate change analysis. Furthermore, he has no plan to invest in the technology programs which are necessary to create new jobs and which are a feature of this government under the minister for industry, Senator Carr. In fact, the Leader of the Opposition has a policy to cut over $500 million from the car industry. It is a shame. It is a disgrace. It will be highly damaging to motor vehicle manufacturing in this country if he were given that opportunity or, according to the member for Riverina, when he is given that opportunity. By way of contrast, the Labor government has been supporting the car industry through important green initiatives.

In September last year, the government announced an investment of $63 million to bring production of Toyota's next generation four-cylinder engine for the Camry and Hybrid Camry to Australia. The grant will be used to install cutting-edge plant equipment. It will lead to a dramatic expansion and renewal of capacity at Toyota's engine plant in Altona, Victoria. This is a substantial investment in Australian manufacturing and a substantial step towards creating an economically and environmentally sustainable automotive industry. It will help anchor Toyota's operations in Australia for years to come. This decision shows tremendous confidence in Australia's innovative automotive sector and the capabilities of our suppliers and workers, including the 320 employees at Toyota's Altona engine plant.

The new petrol engines built on the line will consume 4½ per cent less fuel and produce five per cent fewer greenhouse emissions than today's equivalent engine. This will cut carbon pollution by up to 20,000 tonnes a year. This locally produced hybrid engine, an Australian first, will consume just six litres of petrol per 100 kilometres and emit 142 grams of carbon dioxide per kilometre—a really big breakthrough indeed. The Perth company, Orbital Australia, was awarded a grant last year to develop greener engine technology for the Chinese auto maker Changan Automobile. Changan is China's fourth largest auto maker, and a partnership with them is an important development in deepening ties with what is now the world's largest auto-making company. It is a project which supports jobs and reduces harmful emissions on the world's roadways.

The Australian automotive industry has a vital role to play in developing innovative systems and components for green cars worldwide. I point out to the House that the carbon price, which the opposition are of course highly excited about, will apply only to the biggest polluters in our economy—fewer than 1,000. They will be required to pay for every tonne of pollution they emit. This is, as many studies have shown and many experts have pointed out, the most effective and cheapest way for us to build a clean energy economy. All of the revenue from a carbon price will be used to provide households with fair and generous assistance to support jobs in the most affected industries and to invest in clean energy. Bringing down carbon pollution levels is
critically important to our children's future. It is about ensuring that they have a healthy environment to live in and new high-skilled jobs for their work. Taking action on climate change is the right thing to do. It is the right thing for our economy, the right thing for employment, the right thing for the environment. It is true that taking action is tough but we are not going to shirk this responsibility. In order to support jobs and compete in the next century—a century which will be increasingly characterised by a move towards clean energy and the technology of the future—we need to act now on climate change.

Frankly, all we get from those opposite is rank opportunism, denial of basic scientific facts and denial of basic economic facts. The government is very mindful of the position of the manufacturing industry, given the high Australian dollar and rising commodity prices. I want to point out to the House some of the initiatives of Senator Carr, who is extremely well regarded right around the manufacturing world. Senator Carr understands that innovation is the key for our manufacturers to remain sustainable and internationally competitive and to make the move to a low emissions economy. We have a 10-year innovation agenda called Powering Ideas and have established Commercialisation Australia to help commercialise new research and intellectual property. We formed eight industry innovation councils to champion innovation in industry and introduced the R&D tax credit to make it easier for manufacturers to invest in new competitive products. Initiatives like the New Car Plan for a Greener Future and the textile, clothing and footwear innovation package are encouraging investment and the introduction of new technologies. We are ensuring that Australian manufacturers have access to major investment projects, global supply chains and opportunities through the Australian Industry Participation National Framework and through the appointment of supplier advocates in key sectors. Australia suppliers will also have a better chance of benefiting from the nation's resources projects through a $34 million Buy Australian at Home and Abroad initiative.

Furthermore, the government is developing long-term strategies through the book industry strategy group, the printing industry working group and the food-processing industry strategy group that will increase the productivity, sustainability and competitiveness of these industries. This is the hard work, this is the heavy lifting which sets up Australian manufacturing well for the forthcoming century, a century in which we will be challenged by the need to reduce our carbon emissions. This is doing the hard yards rather than the cheap opportunism of those opposite who have no solutions and no ideas about manufacturing. They did not have any ideas for manufacturing when they were in government. They do not have any ideas for manufacturing now that they are in opposition. All they are interested in is seeking to score political points at the expense of real necessary action.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The discussion is now concluded.
BILLS
Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Election Commitments and Other Measures) Bill 2011
Tax Laws Amendment (2011 Measures No. 2) Bill 2011
Tax Laws Amendment (2011 Measures No. 3) Bill 2011
Tax Laws Amendment (2011 Measures No. 4) Bill 2011
Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2011
International Tax Agreements Amendment Bill (No. 1) 2011
Acts Interpretation Amendment Bill 2011
Returned from Senate
Message received from the Senate returning the bills without amendment or request.
Higher Education Support Amendment (No. 1) Bill 2011
First Reading
Bill received from the Senate and read a first time.
Ordered that the second reading be made an order of the day for the next sitting.
Carbon Credits (Carbon Farming Initiative) Bill 2011
Second Reading
The DEPUTY SPEAKER (Hon. BC Scott): I remind the House that it has been agreed that a general debate be allowed covering this bill, the Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011.

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

to which the following amendment was moved:
That all words after “That” be omitted with a view to substituting the following words:
“the House decline to give the bill a second reading until the terms of the regulations giving effect to the provisions of the bill are laid before the House”.

Ms SMYTH (La Trobe) (16:47): Earlier today I was very pleased to be able lend my remarks in support of the legislation which goes to establish the carbon farming initiative, a piece of legislation which is a significant endeavour undertaken by the government. It reflects the commitments which we made at the last election to give farmers, agriculturalists and landholders an opportunity to access carbon markets. It is something which has been very well received by people from the sector. It is something which has certainly been the subject of quite extensive consultation both in House and Senate committees. It is unfortunate that the opposition is now seeking to delay the legislation.

It is rather peculiar that we have a situation where we on this side of the House are giving an opportunity to farmers, to landholders and to those who participate in the forestry industry, while at the same time the opposition is taking steps to delay the carbon farming initiative. It is putting up amendments which are intended to sideline the carbon farming initiative. We have done our part to support the land sector through the initiatives in the bill and we really wonder why representatives from the other side come into this place professing to support agriculturalists and then proceed to oppose very sensible legislation. Even the
remarks by the member for Flinders in March of this year undermine his amendments now because he has said: This is something that should be embraced on all sides. And as we speak, the Government is preparing its carbon farming initiative.

He went on to say:

We support that approach because it's about using soil carbons, it's about capturing carbon in trees … and doing real things to reduce emissions.

Yes, it is or it would be if the opposition would get out of the way and enable us to proceed with the legislation as we intended to do.

The carbon farming initiative will give Australian farmers and forest growers an opportunity to address the extremely high emission levels within the sector and for the agricultural sector to take a very significant role in Australia's efforts against the effects of climate change. But, as I said, the opposition wants to sideline it. We know that biosequestering carbon could enable our landscape to be regenerated. It has the potential to improve soil hydrology. It has the potential ultimately to improve agricultural outputs but we know that the opposition wants to delay it through its amendment process.

The bill would recognise that there are significant opportunities for carbon abatement through reducing or avoiding emissions, for example, through capture and destruction of methane emissions, or alternatively removing carbon from the atmosphere and storing it in soil or trees, or by farming in a way that increases soil carbon levels. Through the bill the government is trying to provide a long-term framework for rewarding abatement undertaken by farmers and landholders. In turn this will help provide the kind of investment certainty which the agricultural sector needs in order for it to be a significant part of the solution to climate change. We know that farmers and landholders are looking for certainty around that framework, and that is what this bill offers. As I have mentioned, consultation on the initiative has been very extensive and has carried on over a number of years. Through the process of consultation on exposure drafts, for instance, the department received over 270 submissions. We also know that the department conducted workshops around Australia in order to consult even more widely on the initiative. The bills were then referred to the Senate Environment and Communications Legislation Committee and to the House Standing Committee on Climate Change, Environment and the Arts, which received 70 submissions to its inquiry, including from farmers, forestry groups and other interested landholders.

So there has been broad consultation and broad support for the introduction of legislation and consultation about the detail of the initiative. Far from the concerns raised by the member for Flinders about detail, there has been an extensive analysis of exposure drafts of the legislation. There have been extensive opportunities for consultation. Indeed, I might refer members of the House to the comments in the submission of the National Farmers Federation, which was one of the parties that made a submission to the House inquiry on the carbon farming initiative. The submission says:

The legislation has also addressed NFF concerns around potential perverse outcomes in relation to food production, water, local communities, employment and biodiversity, as well as reducing some of the uncertainty and administration costs surrounding crediting periods, reporting timeframes and offsets compliance. Importantly, it goes on to say:
The Government deserves credit for listening to the farm sector and modifying its proposal to ensure that genuine abatement opportunities under the CFI are not unnecessarily overlooked.

The content of key regulations has been released for public consultation. The government has consulted widely with stakeholders in relation to the design of the scheme. We have comments coming from the sector that would seem very much to support that view. The regulations will also be the subject of parliamentary scrutiny once they have been finalised.

So we have the detail, we have the opportunity for consultation and it really seems that the only people who are opposed to this measure being implemented are those opposite. We know, for instance, that each project approved under the carbon farming initiative must be undertaken in accordance with approved methodologies and comply with various other scheme eligibility requirements. There is a great deal of detail currently in the legislation. In addition, we know that the Domestic Offsets Integrity Committee is an independent expert committee that has been established to assess proposed methodologies and make recommendations to the minister on their approval. So we have an opportunity for oversight, we have assurances in the legislation in relation to carbon credit units and the trading of those carbon credit units, we have requirements for compliance with laws and we have enforcement measures in the legislation.

Ultimately, we have a fairly comprehensive reform package, which the government has put forward in response to its election commitments to the land sector. Those who are opposed to the measures are those who profess to represent members of the land sector. It is a very curious situation. Ultimately this legislation is about ensuring that farmers and other landholders have access to valuable carbon markets. There has been broad consultation. There will be ongoing consultation with the land sector about the initiative. We have a very significant and a very progressive reform which will greatly assist us to tackle climate change impacts. It is part of our broader reforms, which will include carbon pricing. Despite all of these things, we have an opposition that is paralysed by division and incapable of engaging with the types of complex reforms that are needed to move Australia towards a low-polluting future.

(Time expired)

Mr RAMSEY (Grey) (16:56): I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and the amendment moved by the member for Flinders. The climate change conference, three weeks ago now, reaffirmed the problems and challenges facing the world. Mercifully, at least for now, we have an open admission that only a worldwide effort can actually make a difference to our CO₂ emissions and the actions Australia takes in isolation in fact make very little difference. That does not mean what we do is not important or that we should not try. We must be seen to be part of the world community in taking action in this area.

The coalition's position is that we should take the least-harm option to meet the minimum cuts of five per cent by 2020, goals both the government and the opposition agree on in this debate. Some say that the coalition's plan will not deliver the necessary cuts—the five per cent by 2020—but of course an equal question remains: will the government's tax deliver the five per cent by 2020? There are industry reports circulating at the moment that the coal-fired power industry would need a price of around $60 a tonne for carbon to be able to switch off coal.
Australia is often identified as a villain, as the world's highest or second highest emitter of carbon on a per capita basis. Like many things in many debates, there are things that are definitely true, there are half truths and then there are things that are absolute misrepresentations. I put this one in the category of half truths. While it can be shown to be true on paper, in fact 18 per cent of Australian emissions are embedded in our exports—those emissions are consumed in third countries, making their balance sheet look good and our balance sheet look bad. If you remove that 18 per cent we in fact come in at around number 12 on the list of highest emitters in the world—about mid-range for a modern industrialised nation.

For good policy outcomes we must accept reality. In the latest year I have figures for, 2008-09, China installed 50 gigawatts of coal fired electricity capacity, which is roughly 35 times as much as the total South Australian output of electricity. We must also recognise that two of our greatest competitors, Canada and the US, have abandoned plans for trading schemes and it is important that we understand our place in the world. A scheme which makes a sacrificial lamb of Australia will achieve a worse result for the world's environment. That is why we support the policy of direct action, just as President Obama does. It enables Australia to grab the low-hanging fruit. My father was a great gardener and he had a wonderful orchard. We never started picking fruit from the top of the tree; we always went for the low-hanging fruit. I think it is very sound policy because, in fact, the fruit at the top could be eaten by the birds by the time we got through the fruit at the bottom.

As I said, if we embark on a policy of direct action, as we approach the point of 2020 we can re-assess where we are—is the rest of the world serious?—and we can adapt to suit. But, if we follow the path of tax and we have carbon leakage, then, of course, the nation is seriously disadvantaged. In particular the regional electorate which I represent will be seriously disadvantaged. The government promotes certainty and they plan to ramp up the tax. The question is: what will happen if the rest of the world fails to deliver? Any government will be forced to change the rules and that will not give investment certainty.

In turning to the bill, Australia covers 7.6 million square kilometres and is the sixth largest nation by land mass in the world. Australian farmers manage 60 per cent of the continent and the land is recognised as an enormous potential carbon sink. If we are to utilise its potential, it stands to reason that we must find a way to involve the land managers, that is, the farmers. This legislation is about establishing a framework aimed at encouraging positive and long-term land management practices and it is a step in the right direction. Repeated farming practice largely gives a stable outcome. That means the rain falls on the ground, the sunshine is applied and the plants grow. They soak up carbon, lock that carbon up for a certain period of time—normally not long—and livestock may eat it or we may reap the crops, and then we release the carbon when the food is consumed. So, it is a cycle. To increase carbon storage in that cycle we have to change practice.

The change in farming practice in the last 30 years across Australia has been enormous. Many of the things which store carbon in the soil are already commonplace practice on farms. Not only is it the direct storage of carbon in the soil, it is the way the land is managed which can have a big effect. For instance cultivation is a big culprit when it comes to soil erosion with wind and water. Soil erosion leads to salinity, salinity leads to loss of production and the ability to store carbon long term. If you kill off the trees and
the crops in an area then no carbon will be stored. It has an impact on the world environment in a similar manner, which I will come to in a moment.

The experience differs from farm to farm and having set rules for any particular farm can mean that you get varied effects. Australia is a huge place and conditions vary greatly across it. In some places there is high rainfall of metres per year. In the part of Australia that I represent it is down to less than 100 millimetres a year. It is tropical in the north to an almost frigid climate in southern Tasmania. There are deep black self-mulching soils, rocky mountain grazing and sandy flats in Western Australia. The reason for pointing out these different agricultural backgrounds is to show that picking technologies is dangerous. Whilst many people see trees as being the ultimate answer in locking up carbon, in the area I farm, trees can be quite an impediment to farming. There is the idea that you have shelter belts but, in fact, when you live in a low rainfall environment, trees will stretch their roots for maybe five times their height into the paddock because they have to be shallow rooted trees to live in those environments. That means that, rather than covering up a small area of ground, you actually lead to erosion pits around the trees and loss of production. It is important that any policy should not just stimulate a knee-jerk reaction in forestry which, in fact, could have a detrimental overall effect.

I have a serious concern that parts of this policy will lead to people buying up land in the most productive parts of Australia and locking it up under trees for a 100-year time frame. In the end that is counterproductive to world food production. While we are told that the CO₂ challenge is the greatest moral challenge of our lifetime, feeding a world of nine billion people will also be a great moral challenge for this planet. Taking prime land out of agricultural production will lead to much greater logging and clearing of rainforests in Third World countries. It is important that we keep our agriculture production at the large end, the most productive end, and that we get the most out of the available soil in the world without having to clear more areas.

Estimates of deforestation around the world contributing to CO₂ emissions range from between seven per cent and 25 per cent a year. That is a big range and it shows you how difficult carbon accounting can be. That brings me to a recurring theme in the treatment of agriculture and in how we support agriculture. I said to a friend almost 30 years ago that I thought agriculture was a sunrise industry. He recently spoke to me and said, ‘I didn't know what you meant then, but I think I'm starting to get it now.' He is starting to understand what a challenge it will be for the world to feed itself. I have often raised the issue of agricultural research in the House. It will be very important, if we are to utilise this legislation, that governments invest in the research which will deliver the tools to farmers so they can adequately measure and manage the carbon cycle within their soils. At the moment the technology is, at best, in its infancy. Farmers will know how to access the program if we put the framework in place. They will work out how to access the money and how to access the policy but you have got to give them the tools to do so. In fact, our agriculture departments have been run down around Australia by various state governments with a lack of investment such that the horsepower to do the job is being challenged at the moment.

I am concerned this bill has no allocation for funding to develop the science. It attempts a quick fix. It sounds good but, like most pieces of government legislation, we get the announcement before we get the meat
on the bones. We were just told by the member for La Trobe that there was plenty of detail in this legislation. In fact, there are 300 pages in the bill and 160 pages of explanatory notes, but there is no clear understanding of actually how this is going to work. There is plenty of detail but nothing which helps farmers to understand what the compliance will be in detail and what it will mean for them on their properties to go out and work with this legislation.

While it is moving in the right direction, and that is why the opposition supports it, there needs to be more work going into it at this stage so it can be adequately accessed by farmers. Recent suggestions that a carbon price may have to be as high as $40 or even $100 a tonne would certainly excite farmers when it came to producing carbon credits. However, the implications of such a tax might well mean there are no farmers left to get excited. Much of what the government wants to do appears to involve a blank cheque, which is why the member for Flinders has moved his amendment. This legislation follows the government's track record of an announce and defend mentality which has the government under siege to some extent. Through the last 3½ years we have had many examples of a big policy announcement and no detail 'as it will be worked out later'. Of course, the devil is always in the detail. So I look forward to seeing how the government is going to try to implement this policy and we look forward to working with the government to implement the policy. As I said in my opening remarks, 60 per cent of the land mass is controlled by Australian farmers and if we want to find a way to sequester carbon into soil obviously we must involve the land managers. So in that case we need carrots—and sometimes we need sticks but this is certainly about carrots. But it needs to be tightened up a fair bit before I can see many of my neighbours actually saying: 'Gee whiz, this is a good idea. I'm going to get on with it.'

Ms O'NEILL (Robertson) (17:10): I rise to speak in support of the Carbon Credits (Carbon Farming Initiative) Bill 2011 as it involves an issue that is of central importance to the advancement of our society, our economy and our nation. As a member of parliament representing a regional electorate, I understand that this issue has been thoroughly debated in the Australian community, including my electorate. I appreciate that this issue has been also thoroughly debated as a matter of urgency in our vibrant and healthy democracy, and I welcome the debate. However, I believe that it should not be a debate that is dominated by the fear mongering and falsehood propagated daily by those opposite and those who continue to deny the pressing reality of climate change.

Before the carbon debate things were different on that side of the House—but how things have changed. Indeed, it is supposed to be those opposite who would advocate market solutions to economic issues. However, we have seen that those opposite have abandoned their previous position and continue to try to strike new poses daily. Now they are trying to convince Australians that their carbon scheme, which would take $720 out of the pockets of Australian households, is, in some bizarre way, good for us. Meanwhile this government has long argued for and proposed a market solution to address the issue of pricing carbon emissions. We have been consistent in articulating the need to price carbon, and a market solution is absolutely needed because long-term incentives are central to ensuring that the low-carbon potential of our economy is realised.
This bill before the House for debate today relates to the issue of carbon emissions in the agricultural industry and the provision of a market based mechanism to provide incentives to reduce carbon emissions. Currently the agricultural sector of the Australian economy accounts for 23 per cent of Australia's emissions. Any legislative response to carbon emissions must therefore have specific programs in place for the agricultural sector. This is because our agricultural sector does operate under economic pressures different from those in other sectors of the economy, and our legislative response here must be appropriate to this sector. This bill is very well detailed—as the member who spoke before me, the member for Grey, has recognised—and recognises that the farming sector is vital in this debate. The bill recognises the great potential for agricultural landowners to undertake greenhouse gas abatement projects. The abatement activities include those that assist in reducing or avoiding emissions including though the capture and destruction of methane emissions from landfill or livestock manure. Additionally, abatement activities can include those that remove carbon from the atmosphere and store it in soil or trees; for example, by growing a forest or farming in a way that increases soil carbon.

These proposals do not represent a fringe proposal to provide appropriate incentives to farmers to engage them in undertaking projects that ensure their practices are far more greenhouse friendly. If we as a parliament are going to address the issue of Australia's carbon emissions then we need to provide this vital and appropriate market based scheme for our agricultural sector.

I have a deep appreciation for the role of the agricultural sector in the Australian economy and our society. The Central Coast, including my electorate of Robertson, has a rich agricultural history and still retains a significant agricultural sector. The most significant remaining agricultural area in my electorate is known as the Mangrove Mountain plateau. It is very well known for its orchards and also for the poultry industry. Indeed, the Mangrove Mountain poultry industry gained national attention, sadly in adverse circumstances, in 1999 during an outbreak of newcastle disease. The way that Central Coast farmers managed that crisis demonstrated the resilience of the people in the Central Coast. We have seen the Mangrove Mountain farming community absolutely revive after that devastating shock.

Throughout my period of campaigning before the election and now, as the member, I have often spoken to residents of the Mangrove Mountain plateau region on the Central Coast and they have conveyed to me the very real challenges that they face in their occupation. They also convey to me their deep love of the land, their deep love for their families and their hope for the future of our nation as we tackle this next challenge. I therefore speak on this bill with some knowledge from representing my area, which has this significant interest in agricultural practices.
Just last week I attended a meeting of the farmers at Mangrove Mountain. I was hosted there by two fine gentlemen, Tim Kemp, the President of the Central Coast Farmers branch of the New South Wales Farmers Association, and Michael Champion, who is the secretary of that same illustrious community and industry representative group. They have a wonderful fair each year, where the farmers gather to show off their wares. They share a few great activities, including the wild pig run, which is a great hit on the day. The cultural activities of the fair are also widely acknowledged—a great battle of the bands and also an eisteddfod, which I was very pleased to see a little part of last year.

On my visit last week I was welcomed warmly by Alicia Kostalas, who I hope might come down very shortly and visit us here in the parliament. Alicia participated in a competition amongst her young fellow Mangrove Mountain residents to become the Mangrove Mountain Districts Young Ambassador. She gave me a sample of the delicious produce that comes from the mountain. I received eggs, oranges, a custard apple, delicious mandarines, spinach, lettuce and even some persimmons—just a taste of the mountain. We also had a taste of the conversation about this vital issue, about how carbon needs to be priced and the important challenges that face us as a nation at this time. I certainly understood, as I left that meeting, that this is a community that is passionate about doing the right thing, about actively looking after the land that gives life to their dreams and to their businesses.

This bill provides just such a system, where projects that are granted Australian carbon credits are well managed and deserving of a financial incentive. The credits will be issued only to projects which represent an additional abatement, not to practices and activities that are widely used currently by farmers and landholders. This is to ensure that the bill's intention—to provide an incentive for individual farmers and landowners to demonstrate initiative in developing abatement programs and more efficient practices—comes into being.

Our agricultural sector can benefit greatly from the provision of these financial incentives for greenhouse gas abatement. This bill provides a defined process to ensure that abatement projects have a genuinely positive environmental impact. This defined process will ensure that the scheme does have a positive environmental impact and is not undermined by instances of rorting.

Under this process there needs to be a project manager who will become a recognised offsets entity. Secondly, there needs to be an approved methodology for the type of abatement project, and the project must be undertaken in accordance with the methodology advised and comply with other scheme eligibility requirements. Additionally, before an Australian carbon credit unit is awarded, the project proponent reports to an administrator. This system ensures that there is oversight and consistency in how carbon credit units are awarded.

This legislation demonstrates that the Australian Labor Party can rightfully claim to be the party that champions individual initiative in the interests of a shared, communal and, indeed, a planetary benefit. Let us be clear about this. It is the individual farmers who make a decision to undertake an abatement project. It is the individual farmers who receive the carbon credit. But it is society as a whole that benefits from this initiative. We benefit from reducing carbon emissions in our agricultural sector and we all benefit from an agricultural sector which is much more environmentally friendly.
I do not come to this chamber as an expert on agricultural matters; however, it is clear that the manner in which we utilise land must be sustainable. It has often been observed by legal theorists that our old attitude to land ownership is wholly unsuitable to this nation. The principle I am referring to is that from John Locke; namely, that our role as humans is to improve the land in a manner which primarily considers the productivity of the land and the maximum human benefit that can be derived from that land.

These principles were developed in European countries and were applied in Australia upon settlement. I am not here to speak tonight about any wrongs that have occurred in the past, but it has been long evident that exploitative attitudes to land ownership have had a very detrimental impact on the environment. These old principles have resulted in some farmers attempting to maximise the number of heads of cattle on a particular property because, at the time, this was considered a productive way of utilising land. However, the problems of overuse of agricultural land by earlier generations are well known to modern farmers.

In recent decades the importance of sustainability and the sustainable use of land has been much more widely realised and become the practice of those who excel in this industry. It is in recent decades that we have come to appreciate the genius of the Aboriginal concept that we are custodians of the land and that we exploit her at our peril. That is what the entire debate about pricing carbon, and our actions across a range of sectors, is about. It is about honouring the nature of the land in which we live and taking responsibility for handling the challenges of our time so that we give a better future to those who follow us.

We must ensure the future viability of this land in addition to ensuring that our agricultural sector, which is vital to our national economy, continues to grow and strengthen. As Australians we can certainly meet this challenge as we have met many before. This legislation addresses one critical aspect of this challenge in a very strategic, sensible and evidence based way. It recognises that, in order to have a sustainable agricultural sector, we must provide the appropriate incentives for farmers and landowners to change the way we are using our land. We need to reduce our greenhouse gas emissions; we need to be more innovative and incentivised in finding better ways to look after our earth. Abatement projects may include more efficient and sustainable use of land. There maybe many great ideas out there that have not yet even been uncovered but, as we apply our attention and we incentivise people to think about their farming practices, I am sure the innovation that is naturally a part of Australia's way of responding to the great challenges of this continent will surface and shine. The initiatives of individuals, farmers and landowners will lead the way and for these reasons, and because this legislation allows for that, I speak in favour of the bills and commend them to the House.

Mr BUCHHOLZ (Wright) (17:24): I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011. The objects clause of the bill states:

(1) This section sets out the objects of the Act.

Climate Change Convention and Kyoto Protocol

(2) The first object of this Act is to implement a certain obligations that Australia has under

(a) the Climate Change Convention; and

(b) the Kyoto Protocol.

Incentives
(3) The second object of this Act is to create incentives for people to carry on certain offsets projects.

Carbon abatement

(4) The third object of this Act is to increase Carbon abatement in a manner that:

(a) is consistent with the protection of Australia's natural environment; and

(b) improves resilience to the effects of climate change.

When read in its entirety, I do not really have a problem with that. It is a well-thought-out overview of what the act intends to do and it is not that far removed from the intentions of our own direct action plan for sequestration. However, if we go to the simplified outline of the bill, we see:

The following is a simplified outline of this Act:

- This Act sets up a scheme for the issue of Australian carbon credit units in relation to eligible offsets projects.
- An Australian carbon credit unit is personal property and is generally transferable.
- The main eligibility requirements for eligible offsets projects are as follows:
  1. The project must be carried out in Australia;
  2. The project must be covered by a methodology determination made under this Act.
- A methodology determination must comply with the offsets integrity standards set out in this Act.
- This Act is administered by the Carbon Credits Administrator.

This is where the wheels start to fall off the bill. This should be a relatively straightforward bill. I agree with supporting our farmers to generate revenue from sequestration and capturing carbon but I am not completely convinced that this bill is the right mechanism. I will try to go through that during my speech.

In my electorate of Wright farming practices have come a long way. I believe our farmers, particularly in the Scenic Rim and the Lockyer Valley, have been guilty of not marketing the progress and the advancement in carbon capture in our industry in recent years. Take, for example, the practice of zero tilling. The advancements in carbon capture in that single practice alone have stood the industry in good stead. But we are very poor at selling the positive attributes of our industry. The farms in my electorate are predominantly high- to medium-intensity farms, and they produce all the leafy vegetables—broccoli, cabbage, beetroot—and other vegetables such as onions. They are all great carbon abatement plants that are not included under this bill.

These businesses are struggling to meet the already escalating input costs in an environment where big business, mostly the oligopolies, are squeezing the processors and then the processors are squeezing the producers. At the end of the day, all that squeeze is coming out of the wallets of the mums and dads and the pensioners and families not only in the electorate of Wright but around Australia. For example, with the expectation of a carbon tax Heinz Australia, who owns Golden Circle, an iconic Queensland company, told my farmers they would be sourcing their beetroot offshore as of next year and that my growers would need to make other arrangements. There will be job losses although this government has repeatedly said that this carbon tax will actually create jobs. When we highlight the examples we are accused of scaremongering. The Prime Minister is on the record stating that she will be assisting Australian households, but why will she if the polluters are going to pay? I hope she intends to assist the 160 Golden Circle employees who soon will not have a job in Queensland, the 146
who will not have a job in Victoria and the 38 who will not have a job in New South Wales. Will her household compensation package top up their unemployment benefits to what they were earning when they were gainfully employed at Golden Circle? Maybe she would like to direct them to this wonderful world of green jobs that she often speaks about. The truth is that she will not top those people up and she cannot direct them to any green jobs because there are none. My people need to put food on the table and feed their kids next week. I challenge anyone from the other side of this House to direct me to the 138 green jobs which I can steer these people into, notwithstanding the flow-on effects that will have on my community.

I resent the fact that we continue to be told that we are scaremongering. Will the Prime Minister assist my farmers and the many people they used to employ to harvest the beetroot by directing them to the clean jobs that we are told about? I think not. As for my farmers who operate high- and medium-intensity farms, please do not tell me that the contents of this bill are the answer and that the government wants them to plant trees. These are high-intensity production farms. It is simply not feasible for these guys to plough their fields, plant a row of blue gums and think they are going to be able to pay the leases on their tractors and machinery in 12 months. It is just ludicrous.

When you go out to some of our more broader catchment areas that do not have those intense farming practices we have certain grasses that I believe abate carbon but which are not included under this bill. If you are going to use scientific research as a basis for moving this debate forward you lose the right to pick and choose the bits of research that suit you. When you look at the scientific advice I encourage you to take it as a whole picture. I would encourage grasses, particularly legumes and certain other varieties, to be included in this legislation.

I have concerns when I see explanatory memoranda of more than three pages for any bill. However, the explanatory memorandum to this bill is 360 pages. Mr Deputy Speaker, my intention when I read the brief to you was that I thought any like-minded person reading that would not pick up the intentions or objectives of this bill. It is obscured in the detail, and it is the detail that I have trouble getting my head around, as do a lot of my colleagues.

We hear often from the government that businesses tell them that they want certainty and that businesses want a carbon tax. I suggest that those businesses that are telling the government they want a carbon tax are the very businesses that look to prosper and profit from a carbon tax. Those are the very businesses that will have the capacity to pass it on because no-one in their right mind who is responsible to shareholders would stand up to a government and say, 'Please give me an extra expense that I have no capacity to pass on.' Hundreds of millions of dollars in commissions will be paid on the trading of these permits and these will go to those very businesses: the bankers, the traders and the commission takers. Those businesses are telling the government that they want a carbon tax because they are going to profit from it. Do you know what they are going to do with their profits? They are going to rush down to Sydney and buy those beautiful big mansions around Sydney Harbour—the very mansions that we are told by this government are going to be two metres underwater as a result of climate change if we do not introduce a carbon tax. It beggars belief how this will help us move forward in a logical way.

I was at the Logan Chamber of Commerce business awards the other day. There were
300 people who attended. There were 120 businesses nominated and over 3,000 people from the area voted for those businesses—coffee houses, hairdressers, real estate agents, hotels and the other normal businesses that you would have in a community. Not one of them came up to me and said: 'Scotty, I have a great idea. To try to stimulate the retail sector we need you to go back to Canberra and get us a new tax straight away because we think that is what is going to kick things along.' No-one said that to me.

Large businesses and the polluters will pass the costs on, but my small businesses and their suppliers will be the ones who are going to cop it. Do you know what? They are going to pass those costs on to mums and dads, pensioners and the people who are already struggling. This government made an announcement of $500 for pensioners the other day. According to my estimates, that is going to put a carbon permit price in at around $4.50 because if it comes in at anything more than $4.50 that $500 will disappear in a heartbeat. I look forward to having that debate if and when it ever comes. According to my estimates, that is going to put a carbon permit price in at around $4.50 because if it comes in at anything more than $4.50 that $500 will disappear in a heartbeat. I look forward to having that debate if and when it ever comes. I stand by the coalition's perspective that we will rescind a carbon tax if in government.

The silent majority are slowly awakening to this tax and the web of deception being spun by this government.

I want to look 12 months into the future on a hypothetical, but in order to do that we need to look 12 months into the past to see this government's performance in this debate. I recall 12 months ago that we had a Prime Minister, Kevin Rudd, who was committed to a carbon tax but who was assassinated as the polls spiralled downwards. The new Prime Minister was chosen on the pretence that there would still be a carbon tax, but just before the election she made the announcement, 'There will be no carbon tax under a government I lead'. She then had the audacity to come into this House and say that they had backflipped and that they did not have a position on this. Our position has been clear all the way through this process.

Who really stands to benefit from the introduction of a carbon tax, which the Carbon Credits (Carbon Farming Initiative) Bill 2011 relies upon? As I said, it will be the brokers and the trading houses. The true irony is that they will profit from it at the expense of our mums and dads. This debate is unable to progress in a logical, concise and informed manner without a thorough understanding of the regulations that speak to this bill. The bill is also dependent on a carbon tax debate. A number of concerns have been raised by parts of the farming community and by the peak bodies within the agricultural sector. Price is what underlies the Carbon Credits (Carbon Farming Initiative) Bill 2011.

Talking about fearmongering, I will make the sweeping assumption that the majority of the allegations of fearmongering directed at us stem from the uncertainty created by the government in the marketplace by not linking a price to their basic policy. I am under no illusion that the government does not already have a price in its head. I suggest it will probably be in line with the ETS that was going to come in at a $10 cap and then let market forces take it out over the following couple of years. A cost of $11 billion in the first year brings in a cap of around $10. If that is the intention, just say that. The government is adopting the boiling frog approach at the moment. Stick the frog in the water, slowly let the costs get up around it and the frog slowly dies.

This is going to come down to an issue of trust. I remind the House that the Prime Minister said, 'There will be no carbon tax under a government I lead.' There were also comments along the line of, 'Business tell us
that they want a trading system.' Businesses in my electorate are not saying that. 'A carbon trading system will create jobs.' I have people who are going to be looking for jobs and those opposite cannot direct me to where those green jobs are. 'Businesses want certainty.' If they want certainty, tell them what the carbon price is. 'No-one will be worse off under a carbon tax system.' Who can believe that one when no-one believes any of the other statements?

Ms BRODTMANN (Canberra) (17:39): I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011. This legislation forms part of this government's strategy to tackle climate change. It is a comprehensive strategy, not a back-of-an-envelope shopping list of tactics as proposed by those opposite—from memory, that includes turning off the lights, saving some water using buckets. Their shopping list of tactics is going to cost the Australian taxpayer hundreds of millions of dollars.

I would like to make a few points clear right from the start. First up, climate change is real. Human activity is contributing significantly to climate change. Climate change represents a significant risk to our economy, our environment and our way of life. We must act now if we are to avert this risk. These points are a matter of scientific fact not political belief. It is strange to me that I must make these points clear and I have to underscore what the science is showing us in Tasmania, when around the world, particularly in Europe, they see this in a clear way. The science is well understood and well understood across the political spectrum. In the UK alone, successive governments from both sides of politics have taken action. They have plans to halve emissions by 2025, using a 1990 figure as the baseline. They have invested millions if not billions of pounds in clean industries, energy production and a green workforce. The UK's Deputy Prime Minister said:

... investing in a greener future is an ambition that combines an ethical duty and an economic opportunity.

It is bizarre that I have to make these points clear and I have to underscore what the science is showing us in Tasmania, when around the world, particularly in Europe, they see this in a clear way. The science is well understood and well understood across the political spectrum. In the UK alone, successive governments from both sides of politics have taken action. They have plans to halve emissions by 2025, using a 1990 figure as the baseline. They have invested millions if not billions of pounds in clean industries, energy production and a green workforce. The UK's Deputy Prime Minister said:

... investing in a greener future is an ambition that combines an ethical duty and an economic opportunity.

It is an economic opportunity. It therefore astounds me that some here, instead of showing leadership, are stuck in denial. I am proud to be part of a government that is tackling climate change and taking it seriously, doing all it can to tackle this significant challenge. I welcome the legislation we are discussing tonight which is part of an important solution to this very large challenge for future generations. I want to ensure, as does this government, that Australia is prosperous in the future and that we position Australia so it can compete in the future and provide prosperity that will benefit all Australians. The only way we can
do that is by turning into a clean energy economy.

I was fortunate enough a few weeks ago to be invited to visit a school in my electorate, Marist College, to talk to year 8 students about climate change and what the government is doing on this issue. I spoke to the engaged, bright and insightful students for about an hour. In that time, they asked me close to 20 questions about climate change, its effects, what the government is doing and why some seem so reluctant to act. While talking to them, it really hit home to me what my responsibilities are to them as the member for Canberra. It is a common saying that it is the responsibility of the current generation to make the world just a little bit better for the next. Looking at those year 8 students, I was struck by how true that saying is, that as their member of parliament I have a duty to make the world that little bit better for them and their children.

It would perhaps be easier to play to populist rhetoric and make the easy choices, to outline a policy that lacks substance and hope that no-one notices by the time the election comes around. However, I cannot, in good conscience, ignore this opportunity to do some good and make a real difference to the future of this country, particularly its prosperity, and I believe that this bill will do real good.

Australia is the highest per capita emitter of carbon pollution in the developed world and is one of the 20 largest polluters in total. Although we are on target to meet our obligations under the Kyoto protocol, without additional action we are projected to reach pollution levels 24 per cent above the year 2000 level by 2020 and 44 per cent above that level by 2030. With this in mind, I must act today in the interests of the people in my electorate to ensure their prosperity 20 years from now. So I am acting for today's children—for those Marist College boys—and for their children's children.

This legislation fulfils the commitment made by the government to give farmers, forest growers and landholders access to carbon markets. The Carbon Farming Initiative provides a framework that is grounded in the science and provides clear economic value to actions that store or reduce our contribution to carbon pollution. While Australia has among the highest agricultural emissions of any developed country, we also have significant opportunities to utilise our landscape to increase carbon storage. We have a lot of land. This legislation represents an opportunity for regional Australia and provides the certainty needed to ensure that the sector receives the investment it needs to be part of the solution to climate change. The Carbon Farming Initiative will enable crediting of land sector greenhouse gas abatement irrespective of whether it is recognised towards our targets under the Kyoto protocol. These abatement activities can be achieved by the reduction or avoidance of emissions or by the removal of carbon from the atmosphere and its storage in soil or in trees through the growing of forests or by farming in a way that increases the amount of carbon trapped in soil.

Under this legislation these offset activities will be undertaken as offset projects. The offsets generated through these projects can then be translated into carbon credits, purchased and used by organisations to reduce their net carbon output either voluntarily or as part of a regulatory requirement. There will be a number of steps involved in establishing an offset project under this scheme: the project manager needs to be a recognised offsets entity; there needs to be an approved methodology for the type of project being undertaken; and the project must be undertaken according to the...
methodology and comply with any other eligibility requirements under the scheme. The project will report on their carbon credits issued and entered in the Australian National Registry of Emission Units. Projects can be transferred or terminated, and this scheme contains within it compliance and enforcement measures.

A number of groups have endorsed this scheme. Most importantly, the National Farmers Federation welcomed this scheme and said:

The Government deserves credit for listening to the farm sector and modifying its proposal to ensure that genuine abatement opportunities under the CFI are not unnecessarily overlooked.

Greening Australia said they 'strongly support the government's initiative to introduce the Carbon Farming Initiative and broadly support the carbon abatement scheme'. They went on to say, 'Carbon biosequestration under the CFI offers significant opportunities for biodiversity and multiple environmental service benefits.' These are just two endorsements of this scheme among many. I am also delighted to hear that as of 25 May the first methodology on this project was released for consultation. This methodology would allow Indigenous land managers to combine traditional local knowledge and modern science to earn carbon credits through better land management.

I would like to take this opportunity to say a few words about the tenacity, resilience and resourcefulness of Australia's farmers. They know, perhaps more than any other group in the country, what the effects of climate change will be. They know exactly the impact of longer and harsher droughts and more severe weather events like floods. They are great stewards of this country and that is why they embraced land care. That is why they rose to the challenge of salinity and began to reform their practices to look after land that had been in their families for generations. That is why, many years ago, I was joined by representatives of the National Farmers Federation at forums on climate change when I was in Foreign Affairs and Trade in the very, very early days of discussions on climate change. It was probably 10 or 15 years ago, or even longer. The National Farmers Federation were there right from the start, long before it became part of the main public debates in this place. They were there in those very, very early days because they knew then it was important.

Our farmers are great innovators. They are renowned throughout the world for their ability to adapt to their circumstances and their environment. Some of the great innovations in agriculture have been either made or refined in this country. Great innovations like no-till farming have been perfected here to ensure better use of groundwater. This is why I have great belief in their ability to utilise this scheme not only to maximise income for themselves but to maximise the environmental outcomes from this project. I believe farmers want access to carbon markets worth hundreds of millions of dollars each year to regional and rural Australia.

I would just like to reflect that recently my colleagues from the ACT and Senator Kate Lundy organised for Labor Party members a series of climate change forums to provide members with a great deal more information on the science of climate change and what the government is doing in response at both the ACT and the federal levels. Our first seminar was attended by Professor Will Steffen, who provided an incredibly comprehensive overview of climate science. It showed in stark detail the dramatic rise in CO₂ emissions, particularly since the industrial era, from around the 1800s. One of
the graphs was extraordinary. It was crystal clear that there has been a massive increase in CO₂ in the environment and that it is linked to the warming of the environment.

When we went to the question and answer section of that discussion, Professor Steffen made quite a telling comment that really made me sit up and notice. He said that one of the very strong messages that he got from the debate that is happening throughout the world on climate change and how to respond to the challenges was from the Chinese, who are looking, as we know, at introducing a range of clean energy solutions. They are already implementing them and they are looking at them for the future. He intimated in those discussions that, unless Australia got on board with clean energy now and got on board with positioning ourselves to deal with the modern world and the markets of the modern world, we would be stranded by having this legacy of old-fashioned industries as the base of our prosperity and the base of our economy. It was a very strong key message I took out of those discussions with Will Steffen and it is something that has stayed with me for some time—the thought of Australia being stranded if we do not adopt this clean energy technology, if we do not move to adapt to the needs of the market and the world in the future. It frightens me that, if we do not act now, we are going to impact on the prosperity and the legacy that we leave for those year 8 Marist boys, their children, my nieces and nephews, my godchildren and the children of Canberra. It was a very strong key message I took away from that briefing.

There were also briefings from the Parliamentary Secretary for Climate Change and Energy Efficiency and from the ACT Minister for the Environment and Sustainable Development. We are aware of what we are doing at the federal level—we are debating it now—but the ACT government is also undertaking a range of activities. It has a very comprehensive strategy and plan to reduce Canberra’s carbon emissions. We have quite a large carbon footprint in this town. As a planned city, Canberra has among the highest per capita users of the car, so we have quite a high carbon footprint for a city with a very low industrial base. That is a very great concern to the people of Canberra and the government of the ACT.

This legislation is just one step towards tackling climate change, but it is an important step. I commend this legislation and I call on those opposite to support it and to end their farce on this debate. I call on them to join with the government in taking real and sustained action—indeed, direct action, but not just turning off the lights or saving water—on climate change.

Mr McCormack (Riverina) (17:54): I was really interested to hear the member for Canberra’s very eloquent speech on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills. I was particularly interested in her comments about having listened to schoolchildren in her electorate and her very eloquent words about farmers of this nation. She and all other members of this parliament should listen to schoolchildren because they are our future. Indeed, they are the leaders of tomorrow and they often have very important messages for us. I am sorry that the member for Canberra is not going to stay and listen, because I also speak to a lot of schoolchildren in my electorate and they tell me that one of the most important things for their parents and their futures is that they are able to continue to grow the food to feed the nation and to grow the fibre to help clothe the world. It is a fact that every Griffith farmer feeds 150 Australians and 450 foreigners each and every day. That is how much food they grow in the Murrumbidgee Irrigation Area—and
there is the Coleambally Irrigation Area as well. That is the food basket of this nation and farmers need to be able to continue to grow that food and fibre to feed and clothe not only our nation but also neighbouring nations.

The member for Canberra spoke about farmers and she spoke about how farmers are the great stewards of this country, about how important land care was to them and about how farmers are so great at adapting to the circumstances of their environment. Sometimes they have to adapt to changes in their environment brought about by floods and droughts—as Dorothea Mackellar wrote about in her famous poem, My Country. It is certainly true that this country is a very diverse nation. It is a most hostile nation at those times when Mother Nature throws her worst at us. But we keep adapting, we keep changing and we keep growing the food to feed the nation.

Farmers, as the member for Canberra pointed out, do a great job. But farmers also need arable land and fertile land to continue to do the great job that they have done for more than 200 years. They cannot have their vast tracts of arable, good soil taken up by pine forests and other trees, which you cannot eat and which you cannot export. While certainly carbon farming has lots of merit, we need to tread very warily into some of the initiatives that are being proposed by this government. Just because this bill has the word 'farming' in the title does not necessarily mean that farmers and our nation are going to benefit.

This legislation is incomplete and it is misleading. The carbon tax and the emissions trading scheme proposed by this government may lead to distortions. Just prior to the last election on August 21, the Prime Minister said that there would be no carbon tax under a government she leads—which leads me to wonder whether she is, in fact, leading the government. Is some other force leading the government? Perhaps Senator Bob Brown and his dangerous Greens are. That word 'dangerous' is one the Treasurer so often says just before he uses the words 'climate change'. He talks about 'dangerous climate change'. I think the Treasurer is being hysterical and trying to convince the Australian public that a carbon tax is necessary. I would like to see the Prime Minister call an election to see if the public at large actually does think that a carbon tax is necessary to stop this 'dangerous climate change'.

The coalition, in particular the Nationals, are active supporters of reasonable carbon farming initiatives and the opportunities which can be given to agriculture. But this bill is not filling all the gaps and it is threatening an entire industry, which will lead to the loss of opportunities. Carbon farming was a key ingredient of the coalition's direct action plan and it still is. The potential for carbon farming was highlighted in the last election, as was a direct path to fund real action to make sure that the initiatives put in place by the coalition deliver broader results.

I am the son of a generational dryland farmer and I have a very close affinity with the soil, the land and the climate. So I come to this debate with knowledge of the land and the science of the soil and with a love of the industry which, as I said, has kept our nation well-clothed, well-fed and employed. Farmers have been saying for as long as anyone can remember that we need to protect our environment—we need to protect the land from which we draw our income and from which we derive our food and our jobs. Farmers, as the member for Canberra pointed out, are very adaptable, but they need to have certainty. This government is providing anything but certainty at the moment to
farmers—or any other Australian, for that matter. One thing is for sure: farmers will talk about the Labor government in terms of that uncertainty and will ask, 'Is this government providing for regional and rural Australia as it so often purports to do?'

Because of the hung parliament situation, this government has required the vote of two key Independents to keep the minority government in power. Because of that, it says that it has a true and real focus on regional Australia. But so often its policies are showing quite the opposite. Farmers, along with many other Australians, strongly oppose Labor's carbon tax. The farmers say quite bluntly that they cannot see how a carbon tax or a trading scheme can change the temperature. Indeed, Tim Flannery, that respected scientist and global warming activist, said only recently:

"If the world as a whole cut all emissions tomorrow, the average temperature of the planet's not going to drop for several hundred years, perhaps over 1000 years."

If taxes were to decrease the sea levels and the temperature, quite frankly, under this Labor government, we would all be living in the next ice age. A tax is not going to reduce the global temperature. Even Mr Flannery admits that.

As I said before, the Prime Minister promised just prior to the last election that there would be no carbon tax under a government she led. That breach of trust has led to people really questioning a lot of what this government are all about. The government have not told us what price carbon is going to be. They have not told us a lot of things. Take the independent youth allowance, for instance. We are still waiting to find out exactly what is going to happen with independent youth allowance. We are still waiting to find out exactly what is going to happen with the Murray-Darling Basin Authority. I was on the committee—as you were, Madam Deputy Speaker Livermore—which went around the four states and all the regions conducting meetings to engage with people as to what the Murray-Darling Basin required to secure its future, to secure that triple bottom-line approach that was missing. We have come up with a good plan which is at present being ignored by the government, which continues to buy water haphazardly and continues to provide irrigation farmers and family farmers with that great uncertainty that I also speak about for carbon-farming initiatives and the dreaded carbon tax.

I do acknowledge that the Minister for Regional Australia, Regional Development and Local Government recently said in the media that coal will play an important part in our nation's energy. But when you come to this place you find out that coal is almost a dirty word. We hear from this government about 'dirty' coal fired power stations. We hear from Senator Bob Brown that coalminers caused the Queensland floods which wreaked so much devastation earlier this year. I have not heard too many, if any, people from the government actually say that those claims were fanciful and ridiculous when we all know that they were. We know the role that coalminers have played in developing this great nation and the role that they have played in ensuring this nation's prosperity and providing the energy needs of this nation. But, unfortunately, their hard work, their efforts and their futures are being put at risk again by this Labor government.

We have been told farmers will be exempt from Labor's carbon tax. However, they will still have to pay higher prices for fuel, transport, fertilisers, chemicals, manufacturing and machinery, as well as for the processing of their products. Whilst carbon farming will potentially deliver a new income source for farmers and deliver broader environmental objectives, it has to
be implemented correctly and logistically. This government, which at present has not produced anything that is correct or logistical, wants to sign up farmers for a hundred years, which is about three or four generations. Farmers will be locked into a scheme which a century from now could and most likely will be outdated and other varieties and techniques have been implemented. You have only to look at the past hundred years to see how much change in the industry there has been not just in farming but in every facet of life and every other industry that we have in this great nation.

This Labor-Greens government want us to vote on a carbon-farming scheme despite there being no in-depth detail. I say again, that lack of detail from this government, which seems to say that everything needs to be put off to the future—‘We'll talk about it later; we'll put it to a review; we'll put it to a committee’—means that nothing ever really comes of anything until it is too late. These bills are dependent on regulations which are yet to be presented and will be done at Labor's pleasure and the whim of the Greens.

This Carbon Farming Initiative could be win-win if it is done properly. It could meet the expectations of those who want to address concerns about the man-made influences on weather patterns and it could help farmers to improve productivity, profitability and our environment—but, again, only if it is done properly. These bills are fundamentally flawed and cannot be supported at this time. They are quite lengthy bills, but most of the fundamental detail will be revealed only in the regulations.

How can this Labor government expect support for legislation which does not provide adequate detail and which will lead to perverse outcomes for farmers? Under the coalition's plan, farmers will be entitled to tender for additions in soil carbon. Significantly improving soil carbon also helps soil quality, farm productivity and water efficiency and should be a national goal, regardless of the CO2 abatement benefits.

Three different properties in my electorate of Riverina have taken it upon themselves to implement carbon farming and to trial its benefits under a scheme put forward by CO2 Australia. Colin and Jan Lucas from Avondale in Coolamon, Wayne Hamblin and his son Jake from Big Tree in Matong, and Murray and Julieanne Neilsen from Pinevale in Matong have had trees planted on their farms by this company, CO2 Australia. The trees have been placed to enable wind breaks to stop the wind from taking the top soil and to keep moisture in the ground as well as to encourage native bird life. It has led to increased production and a great ambience for these farms. But they have done it only along the corridors and the fence lines. They have not taken up their whole farmland with great tracts of pine trees. A minimal overall percentage of their farmland has been used for this initiative. It is sensible planning, has added value to the property and income to the farmer, and has importantly reduced CO2 emissions to the environment. Since coming to government, this Rudd-Gillard-Green alliance has done very little for agricultural industry because they do not care for the agricultural industry. It seems they would like to see Australia become the carbon tip of the world.

We cannot trust this government to get it right. We have seen that in so many different aspects. They have made so many mistakes in just 3½ short years. In fact, in just 2½ years they have racked up a bigger net bill than Bob Hawke and Paul Keating could run up in 14 years. So why should we, why should farmers, trust them now? It is so typical of this government, which worries
more about political spin, media spin and the 24-hour media cycle than it does about good policy, particularly for farmers and for regional communities.

Ms HALL (Shortland—Government Whip) (18:08): I am surprised, to say the least, by the tack that the opposition is taking. I am particularly surprised that the member for Riverina, who represents a farming area in this parliament, stands up here and opposes legislation that will deliver some return to farmers. I find it absolutely inexplicable, given that the National Farmers Federation supports this legislation and submitted to the inquiry by the Committee on Climate Change, Environment and the Arts—that I am a member of and was part of the hearing that took place—that:

The legislation has also addressed NFF concerns around potential perverse outcomes in relation to food production, water, local communities, employment and biodiversity, as well as reducing some of the uncertainty and administration costs surrounding crediting periods, reporting timeframes and offsets compliance. The Government deserves credit for listening to the farm sector …

I suggest to the member for Riverina that he listen to the farm sector and talk to some of the farmers that he represents in this place. Listen to them and learn what they think about this rather than linking into the opposition's spin, the opposition's position of oppose, oppose, oppose. That is all this opposition does—opposes for the sake of opposing.

The Carbon Credits (Carbon Farming Initiative) Bill 2011 fulfils the government's commitment to develop legislation:

... to give farmers, forest growers and landholders access to domestic voluntary and international carbon markets. This will begin to unlock the abatement opportunities in the land sector which currently make up 23 percent of Australia's emissions.

This legislation's first objective is to help Australia meet its international obligations. Its second objective is to create incentives for people to undertake land sector abatement projects and to achieve carbon abatement in a manner that is consistent with protection of Australia's natural environment and improve resilience to the impact of climate change. The Australian National Registry of Emissions Units Bill 2011 establishes a national register, which is a very important aspect of the legislation that we are debating, and it registers two primary purposes: as Australia's national register for Kyoto units and as a register for carbon credits.

As I indicated at the commencement of my contribution to this debate, I am a member of the House of Representatives Standing Committee on Climate Change, Environment and the Arts. This legislation was referred to the House committee to consider the legislation, and the House committee did exactly that. We had a day's hearing where we received a number of submissions and evidence from a number of different parties. There was one question I asked every witness who appeared before the committee. That one question was: 'Do you support this legislation?' Every person that appeared before the committee said, 'We support this legislation. There are some things that we would like to see done a little bit differently, but we see it as a really good starting point.'

I was so surprised when I learnt that the opposition was opposing the legislation. Maybe I should not have been because oppose is what they do—oppose, oppose, oppose and say no, no, no. But when members of the opposition are working on House committees they are happy to work with members of the government to try and put together a report that is actually constructive. I have to say that a number of
the members of the opposition did not turn up for consideration of the legislation, but the member for Moore did. When the member for Moore turned up he was, as always, very constructive and he supported the recommendations of the House committee. At a very late stage of the inquiry we received a letter from the Western Australian government with some concerns, but we noted those concerns in the report. It is important to highlight some of the issues.

Before I move on from the report, I must say that this is a unanimous report. Every member of the opposition had an opportunity to vote against the report, but this report is a unanimous report. I repeat for the benefit of the House: a unanimous report. That unanimous report made three recommendations. Recommendation 1:
The Committee recommends that the House of Representatives pass the Carbon Credits (Carbon Farming Initiative) Bill 2011.
Recommendation 2:
The Committee recommends that the House of Representatives pass the Carbon Credits (Consequential Amendments) Bill 2011.
Recommendation 3:
The Committee recommends that the House of Representatives pass the Australian National Registry of Emissions Units Bill 2011.

Those were unanimous recommendations. So you can understand why I was so surprised when I heard that the opposition were opposing this very important piece of legislation that delivers to farmers, to people that many in this parliament claim to represent. I would say that they do not represent the farmers. They represent their own self-interest, and their own self-interest is validated by opposing absolutely everything.

The scheme is outlined very succinctly both in the legislation and in the report that was brought down. The scheme, as I mentioned, will begin to unlock abatement opportunities in the land sector, which currently produces 23 per cent of Australia’s emissions. Australia has amongst the highest agricultural emissions of developed countries, but there are significant opportunities to increase carbon storage in our landscape. The scheme will provide significant opportunities in regional and rural Australia—opportunities that I would have hoped members representing the National Party in particular would seek to embrace. It is about setting up a long-term framework rewarding land sector abatement. I feel this is very important legislation. The national register will also be an important part of this legislation.

When the committee held its inquiry, we decided we would concentrate not on every aspect of the legislation but on methodology, additonaliy, permanence and the risk of reversal buffer, native title, national resource management plans and perverse outcomes. They are the areas that were highlighted in a number of submissions that the committee received. At the start of my contribution I mentioned that there had been a number of submissions received by the committee, but there was also a Senate inquiry that received an inordinate number of submissions. As well as that there was extensive—I repeat: extensive—public consultation where interested parties had the opportunity to make submissions in relation to this legislation. The consultation period was from October 2010 to February 2011. The one issue that was of vital importance to the government was that everyone would have the opportunity to have input into this important legislation. Madam Deputy Speaker, I would say to you and to the House that that opportunity was taken by many people.

Methodology, as I mentioned, was one of the first issues that the House committee
looked at. We found the methodologies to be an integral component of this scheme, and the support of research and development was also found to be an essential element. That was raised by a number of witnesses who appeared before the committee. The committee supported the view that there is a need for ongoing research and development. We strongly encouraged the department to examine that issue further, because ongoing research and development will see the industry that comes out of the legislation before us expand. The initial take-up rate is expected to be quite small and as it becomes more established it will need that research and development to look at new areas where carbon farming can be introduced.

The purpose of the additionality test is to ensure that credits only occur for abatement that would not have occurred before. So they have to be new activities. That is what additionality is about—making sure that credits are for new initiatives. Once again, I feel that that is an important component of the legislation and one that all members should support. The 100-year-permanency requirement is accompanied by a risk of reversal buffer. The 100-year-permanency requirement was raised on a number of occasions before the committee, but it was generally felt that it was about the right period of time. While some submissions felt that a lesser period would be better, the overwhelming majority supported the 100-year period. The committee noted those concerns, but we believed that it was important for there to be that 100-year period.

I will put on the record once again that this is great legislation. It was supported by every witness who appeared before the committee. It was a unanimous report. I ask the opposition to stop opposing for the sake of opposing and to support the people they are supposed to represent in this parliament, not their own self-interest.

Ms GAMBARO (Brisbane) (18:23): I also rise tonight to speak to the Carbon Credits (Carbon Farming Initiative) Bill 2011. This bill seeks to achieve a reduction in greenhouse gas emissions by contributing to the bipartisan five per cent reduction on 2002 emissions by 2020. It seeks to create incentives for farmers and landholders to undertake voluntary land sector abatement projects around the country through the Carbon Farming Initiative, which is a voluntary scheme. The bill seeks also to achieve carbon abatement and improved soil resilience in particular farming that would have additional environmental benefits such as reducing salinity and erosion. Regenerating landscapes and improving water quality may also be achieved.

The Carbon Farming Initiative would offer farmers the chance to sell carbon offsets—largely by growing trees. However, no guarantee has been given that the offsets could be sold into the initial fixed price trading scheme. The CFI aims to give farmers, forest growers and landholders access to domestic and international carbon markets, providing an investment incentive for environmental conservation and greenhouse gas emissions reduction. By undertaking emission abatement activities that reduce or store carbon pollution, landowners can generate carbon credits, known as Australian carbon credit units, that can be sold domestically or internationally, either voluntarily or to meet regulatory requirements. Dr Brian Keating, the Director of the CSIRO's Sustainable Agriculture Flagship, says that while it is good to encourage landowners to take action carbon farming will not play a major role in cutting emissions. Dr Keating told an inquiry held by the Senate Standing Committee on
Environment and Communications into the CFI:
While forest carbon and soil carbon sinks are opportunities worth pursuing, current research would suggest the abatement likely to be achieved in the short term, at least, is likely to be modest.

Agriculture accounts for 23 per cent of Australia's greenhouse gas emissions, but the sector will be exempted from Labor's carbon tax and emissions trading scheme. While we on this side strongly support the principle of carbon sequestration, our experience with this government is that everything must be very carefully considered. Quite often it introduces a program without proper oversight, and we know the disastrous results that can come of that. On this bill we are asking for oversight and we are looking very carefully at what this government is proposing.

The member for Shortland spoke earlier about our opposing everything and saying no, no, no. We support the principle of the bill, and I commend any action at all that improves the quality of air, soil and our waterways. That is not an issue. What we do not support are the outcomes this government does not achieve when it has been given a blank cheque. Time and time again, it just has not achieved positive outcomes. For this reason, we seek to see a greater discussion on the substantive bill and on the regulations, which we are yet to see. There is nothing wrong with wanting to see the regulations regarding this bill.

The CFI will cover carbon sequestration projects including reforestation, revegetation and projects that increase the secure storage of carbon in soils. On-farm projects that reduce emissions through better on-farm management can also qualify, as will some projects designed to avoid emissions from land clearing or deforestation. The Carbon Farming Initiative is open to wide participation; however, the registration of a project will not be simple. Some of these abatement activities, such as reforestation, are recognised under the Kyoto protocol, with the result that the Carbon Farming Initiative credits generated from them will be able to be exchanged for Kyoto protocol units, such as the emissions reduction units and assigned amount units held by the federal government, and traded on the international compliance market.

Others of these abatement activities are not recognised under the Kyoto protocol, although some of them, such as the avoided deforestation and soil carbon sequestration, may subsequently be recognised under any international successor to the Kyoto protocol. The Carbon Farming Initiative credits generated from these activities will be tradeable only on voluntary markets, most likely at a discount to the compliance units. Because the abatement represented by these voluntary units does not count towards Australia's international greenhouse gas reduction commitments, the federal government is assuming the risk of any difference in the achievement of the domestic and international targets that may result from such abatement. The Australian Plantation Products and Paper Industry Council told the inquiry into carbon farming that timber growers would be unlikely to join the Carbon Farming Initiative as currently proposed. The lobby group's chief executive, Richard Stanton, said:

It is our considered view that the Carbon Farming Initiative, as detailed in the legislation, is unlikely to attract the interest of commercial plantation growers …

Growers would not take the economic risk associated with establishing a project in the absence of a 'meaningful' carbon price market, he said.

We support the principles of carbon farming but there are many, many flaws in
this legislation. The government has not explicitly said the use of CFI offsets will be included in any future carbon price. 'But the expectation is that it will,' says Martijn Wilder, head of Baker & McKenzie's global environmental markets practice, who helped advise the government on the draft laws. Big polluters will buy the offsets to meet mandatory emissions cuts, thus giving them another way to manage their carbon risks and drive investment in projects that cut greenhouse gas emissions. But, until that happens, the initiative will only serve a small voluntary market for offsets and limited international demand for offsets from forestry projects. While there is likely to be some demand from the voluntary market, I do not think we are going to see the huge volumes of CFI offsets until we see carbon-pricing legislation that confirms that they can be acquitted against mandatory carbon liabilities. There are many, many people out there who share that view, including Deutsche Bank's carbon analyst Tim Jordan.

This legislation needs a lot more detail. That is why we in the opposition will be supporting that amendments be made to this legislation. Biosequestration through better land management can be a significant way to reduce greenhouse gas emissions. However, in encouraging these activities we must also remember that land use changes to forestry and pasture cannot be reversed without significant carbon costs should we decide that more land is needed for food production. I have been very pleased to speak to this legislation tonight, but we need to see more detail. I will be supporting whatever amendments are moved by our shadow minister.

Ms GRIERSON (Newcastle) (18:33): I rise today to speak in support of the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills and in support of an environmentally sustainable Australia that takes action to reduce the harmful effects of climate change and preserve our natural heritage. I also rise to welcome the fulfilment of an election commitment, not simply to introduce a carbon farming scheme but to take action to halt climate change and mitigate its impacts.

The agricultural sector accounts for over a quarter of the nation's annual greenhouse gas emissions, and these bills will create the world's first legislated mechanism through which to generate carbon credits from agricultural land. This is supported by an investment of $42.6 million into the research and development of abatement options for the agricultural sector.

When elected in 2007, we began a constructive debate about climate change. Our first act as a new government was to ratify the Kyoto protocol, limiting our greenhouse gas emissions to eight percent above 1990 levels. We subsequently introduced renewable energy targets and invested in clean energy initiatives. Now we have committed to putting a price on carbon and ultimately introducing an emissions trading scheme in order to reduce our emissions and advance our transition to a low-carbon economy.

The Carbon Farming Initiative is a voluntary scheme that creates incentives to protect the natural environment and adopt sustainable farming practices that reduce carbon pollution. It allows farmers, forest growers and landholders to obtain tradeable carbon credits by reducing or avoiding emissions or removing carbon from the atmosphere and storing it in soil or trees. These carbon credits are then able to be exported or sold to companies that want to offset their emissions or sell carbon neutral products. In the absence of a price on carbon, the market will determine the price of the credits, but, as an example, international
credits have sold for up to $20 per tonne over the past two years. Through revegetation, improved land management, tree planting and carbon storage in agricultural soils, for example, the agricultural sector can provide greater protection of our natural environment while working to mitigate carbon pollution. They can also, of course, provide greater protection for the sustainability of their industry.

Preliminary modelling by the Australian Bureau of Agricultural and Resource Economics and Sciences indicates that carbon farming could lead to a reduction of tens of millions of tonnes of pollution every year by 2020. In addition, production costs would decrease in response to improved efficiency and carbon income, and productivity would increase.

In order to ensure that offset projects achieve genuine and permanent carbon abatement, the scheme provides for an independent expert committee, the Domestic Offsets Integrity Committee, that is responsible for the assessment of carbon reduction methodologies, including the monitoring of abatement activities. Trees, for example, must remain in the ground for 100 years and carbon must be stored in soil for a similar period. Such a strong and transparent accountability mechanism will ensure that the Carbon Farming Initiative translates into real action to make a difference and mitigate climate change. The Climate Institute, however, has stated:

... carbon farming's long-term benefit for Australia, and possibly its long term viability, depends on a commitment to a national limit and price tag on pollution ...

Last month a coalition of more than 20 businesses, led by General Electric and including BP, AGL and Linfox, issued a joint statement supporting the introduction of a carbon tax. A price on carbon, they said: ...

... is critical to providing business certainty and unlocking the jobs and investment that will accompany the transition to a prosperous, cleaner and internationally-competitive economy.

There is not only a clear need, but also clear demand, for a price on carbon. We do this because we accept the consensus of the scientific community that human-caused climate change is occurring. The Climate Commission's report, *The Critical Decade*, handed down last month reiterated this, noting that there is unequivocal support for this view among practising climate scientists. Climate Commissioner Will Steffen has gone so far as to comment that there has been no debate in the scientific community for decades—just agreement. The science is conclusive, the science is agreed. Professor Ross Garnaut in his Climate Review wrote:

Prudent risk management would suggest that it is worth the sacrifice of a significant amount of current income to avoid a small chance of a catastrophic outcome.

I agree. Even the Productivity Commission, in its ground-breaking report released last week, makes crystal clear that there is no better way to reduce our emissions than to put a price on carbon.

It's a simple proposition. We insure our home; we insure our car; why don't we insure our environment and our economy? We have the highest per capita carbon emissions in the world, and our agricultural emissions are amongst the highest of all developed countries. But we also have significant opportunities to increase our use of the natural environment and increase carbon storage. Those who say we should not act before the rest of the world ignore that, as Ross Gittins has written, Australia is not 'leading the way and making sacrifices while others hang back' but is 'dragging the chain'. Taxes on pollution have been introduced, to varying degrees, in Finland, the Netherlands, Sweden, India, Norway,
Denmark, Switzerland, Ireland and Costa Rica. And I see that China has started its move towards a cleaner carbon approach to its economy.

While the challenges of climate change require urgent action, solutions must be cautious and balance the needs of the environment, Australian society, Australian industry and the economy. Some unions have raised legitimate concerns about the impact of a price on carbon on Australian workers and on energy-intensive industries. The secretary of the Australian Workers Union, in particular, has raised concerns about the impact of climate change mitigation strategies on jobs in my electorate. But the lessons of Newcastle's recent experience tell us much about the long-term positive impact a price on carbon can have on regional economies like Newcastle's. When BHP steelworks closed in 1999, we saw job losses that hit many families hard. But governments worked closely with unions and employers to manage the impact of job losses and drive economic diversification and restructuring. We developed new partnerships between business, unions and arbitrators that saw industrial strife turned into effective productivity based bargaining. We strengthened collaboration within the engineering and manufacturing sectors and set up our own training organisations to build the skill base we needed for a smarter economy.

This level of cooperation paid real dividends in the decade that followed. We are becoming a leading centre of knowledge and innovation, welcoming investments in clean energy such as the CSIRO's Australian Solar Institute, and we will see the launch of the biggest solar thermal tower in the world in my electorate this week. Then there are the National Clean Energy Innovation Centre, the $100 million Smart Grid, Smart City program and the Newcastle Institute for Energy and Resources. With increased investment in renewable technologies in the Hunter region, Newcastle is well located to profit from these gains because as a government we are working to ensure that the challenges of climate change are also opportunities for job creation, industry redevelopment and sustainable growth. As the government we are also working with carbon exposed industry, and of course in my electorate I have steel, cement, aluminium and coal. We are working with them to sustain their competitiveness and their economic productivity. So I reiterate the importance of genuine consultation and collaboration between unions, industry and government to gain the best outcome from these reforms. It is in the interests of all Australians to work with the government in this way.

It is inevitable that Australia will have no choice but to introduce a price on carbon pollution. Most members opposite I think know that. The member for Wentworth certainly knows that. This is why when the coalition were last in power in 2007 they actually committed to introduce a price on carbon. Even the British Conservative and Liberal Democrat coalition government has announced that it is taking action on climate change, intending to cut emissions by 50 per cent below 1990 levels in the 2023-27 period. So, given its inevitability, I particularly would like to ensure that it is a Labor government that puts a price on carbon. It is a federal Labor government that will do it in a way that protects jobs and maximises advantages to regional economies like mine. It is a Labor government that will ensure that pensioners and low-income earners are protected from flow-on price impacts from a price on carbon. A Labor government is committed to retaining a sense of equity that would see disadvantage dealt with.
We can see, unfortunately, that on the other side the Leader of the Opposition is not interested in solutions; he is very much interested in scare-mongering. We have heard a lot of apocalyptic talk lately, including from Mr Abbott, and I note from some rather deranged preachers in the United States warning of the end of times. The Leader of the Opposition has warned that jobs in regional economies like mine would be decimated by a carbon price. And I note that Reverend Harold Camping claimed that on 21 May this year the world would end when true believers would be whisked to Heaven by God. Well, both of these claims have equal credibility. Fortunately, though, the Australian community is an informed, intelligent, committed and concerned community. They can see through Mr Abbott's campaign of fear, lies and deceit. Mr Abbott and the coalition are becoming increasingly isolated by the shrill, radical nature of their campaign.

Driving essential reform in this nation has never been easy, but the path to success lies in explaining carefully and rationally the case for reform. And in this debate on a carbon price, the tide has begun to turn. Just today, a group of seven prominent Australians—Professor David de Krester, Ian Kiernan, Dr Fiona Stanley, Dr Pat McGorry, Peter Cundall, Sir Gus Nossal and Dame Elisabeth Murdoch—added their names to the case for a price on carbon, writing in the Australian newspaper today:

A price on carbon is fundamental to substantially reducing emissions and driving the development and growth of a low-carbon economy.

And just last week, a group of eminent economists added their public weight to the case for a carbon price. Saul Eslake, director of the Grattan Institute, Besa Deda, chief economist at St George, Paul Brennan from Citigroup, and Bill Evans, chief economist from Westpac, released a statement on 3 June from which I shall quote:

We are all of the view that the introduction of an emissions trading scheme is a necessary and desirable structural reform of the Australian economy, designed to change relative prices in a way that provides an effective incentive to consumers and producers to shift over time to more low carbon energy efficient patterns of consumption and production.

Countless other Australians have also stood up to be counted in favour of a carbon price. Over 45,000 Australians recently signed the 'We Say Yes' to a price on carbon pollution petition, including: the Australian Conservation Foundation; the Australian Council of Social Services; the Australian Council of Trade Unions; Bishop Patrick P Power, Bishop of Canberra and Goulburn; Dr Richard Charlesworth AM, Australian Hockey coach; Dr Rosemary Stanton; John Quiggin, University of Queensland; Indigenous leader Professor Patrick Dodson; Tim Winton, a famous author; former Liberal leader John Hewson; and former Prime Minister Malcolm Fraser. Even the Leader of the Opposition, Tony Abbott, we now know has been an advocate in the past of a carbon tax, when the political circumstances suited him. So it is high time the opposition abandoned their hypocritical negativity and recognised the national interest and got on board with the task of putting a price on carbon.

The land sector abatement measures contained in these three bills are an important measure designed to empower landowners to reduce carbon pollution and develop a sustainable Australia. On this side of the House we recognise the need to address climate change, and we will work to put a price on carbon in order to reduce our CO₂ emissions and protect our natural environment. I do know that the community of Australia will rise to this challenge and
will be proud of the outcomes and will be pleased that we have eventually triumphed over this issue and can all be committed to making a difference to our country. I know that farmers have for very many decades understood the importance of managing farmland and agricultural land in a sustainable way. So, although this is voluntary legislation, I know it will be embraced by good farmers and committed Australian citizens, who provide so much to our economy and to this nation, so that they too are part of what I think is a very exciting adventure for the future.

It would be irresponsible of us as a government to do anything other than that which we are doing. I commend these bills to the House.

Mr FLETCHER (Bradfield) (18:47): The question before this House is whether this package of bills, the Carbon Credits (Carbon Farming Initiative) Bill 2011 and cognate bills, should be supported or not. This legislative scheme can be summarised as a good concept but with bad execution. Unfortunately, that is a problem all too frequently with the measures this government is proposing and putting forward for consideration by this House.

We have a government that has a dismal track record of actually delivering outcomes. The home insulation scheme, with some good intentions, but terribly executed, resulted in four deaths, over 150 house fires, a lot of shoddy workmanship, a lot of money wasted and absolute chaos being created in the insulation industry. We had the Building the Education Revolution program, where a series of scandalously expensive buildings were put up around the country, often costing twice as much, or more, per square metre than the going market rate, and quite often not meeting the genuine needs and requirements of schools. The program went over its original budget due to an unfortunate misunderstanding between the department of the then Deputy Prime Minister and the department of finance. Or indeed, there was the Digital Education Revolution, which we have just learnt has now—

Mr Gray: I raise a point of order. I draw your attention to the bill and the need for the speaker to remain relevant to the bill.

The DEPUTY SPEAKER (Hon. Peter Slipper): All honourable members must observe the standing orders. I call the member for Bradfield.

Mr FLETCHER: On the question of relevance and the capacity of the government to execute a program encompassed in this bill, nothing could be more relevant than the track record of this government in executing programs. We have a package of measures before the House this evening and the question the House is called upon to determine is: do we have confidence that the policy measures set out in this legislation are likely to be delivered?

Let us remind ourselves what this package of measures aims to do. The intention is that it be a policy mechanism by which this nation is able to reach its bipartisan emissions target, which is that by the year 2020 there will be a five per cent reduction in greenhouse gas emissions compared to the level of the year 2000. The particular policy mechanism set out in this bill is to create incentives for farmers and land holders to undertake voluntary projects to achieve carbon abatement in the land sector. The bill creates a new form of private property, the Australian carbon credit unit, and there is a series of other quite complex arrangements in this legislation.

I put three propositions to you and the House this evening. Fundamentally, on this side of the House we are very supportive of measures designed to drive a reduction of
greenhouse gas emissions or an abatement of carbon in the agricultural sector. Indeed, that is a key element of the coalition's direct action plan on climate change. The second proposition I want to put to the House is that key aspects of this legislative and policy scheme depend upon details that are to be set out in the regulations, and the regulations have not yet been provided in their totality. That is why we have moved an amendment that would decline to give this bill a second reading at this stage. The third point is that insofar as the legislative scheme is fully revealed in the bill there are serious questions about the rigidity of some of the requirements to comply with this scheme in order to be eligible for the treatment under it.

Let me turn firstly to the question of principle. As a matter of principle, is it a good idea to seek to capture carbon emissions in soils, trees and other biological matter? Are we in the coalition supportive of so-called biosequestration? Of course we are supportive of it. We think it is an important policy tool. Indeed, it is a key element of the coalition's direct action policy on climate change. To that extent, we certainly welcome the implicit endorsement, in the bringing forward of the legislation, of the coalition's direct action plan. We welcome the endorsement of the fundamental principle that biosequestration is an important policy tool open to the Australian government and the Australian nation in seeking to reduce our volume of carbon emissions.

We now turn to the second principal argument that I want to put to the chamber this evening, which is that critical details inherent in this policy scheme have not been made clear in the materials provided to the House, particularly in the wording of the bill itself. This piece of legislation has been put forward before the key details have been sorted out. And it is with some regret that I must note that this is again an all too familiar pattern from the government—we have a concept but, sadly, the details have not yet been filled in. The climate change assembly was announced during the 2010 election campaign before all of the details for it had been worked out. Cash for clunkers was also a little light on detail at the time it was announced and before it suffered an ignominious policy death—much like the climate change assembly. Of course, I could mention other policy areas such as the East Timor regional processing centre or, indeed, the Malaysian five-for-one people swap. Again these are areas in which the Gillard government, the Labor government, announces a concept but then it turns out that the hard work of the detailed policy thinking has not been done and the government is simply unable to implement a detailed and workable scheme.

This is a matter of acute relevance to the question which is before the House this
evening, because what we are being asked to do by this government is to take it on trust that it will sort out the details. We are being asked not to worry about matters of specifics. We should not worry, for example, about precisely what activities will qualify as abatement under this legislation because that detail will be sorted out. 'Don't you worry about that' is what we are being told. I am mindful of the aphorism: fool me once, shame on you; fool me twice, shame on me. And I am also relieved that I managed to get that out accurately, unlike the notorious occasion when the former President of the United States, George Bush, did not. But the core principle is the relevant one here. When we have a government that has a record of coming forward with schemes that are light on detail and when this government has proven itself unable to execute those schemes in an efficient, well-managed manner, it is completely appropriate for this House, for the people's house, for the House of Representatives, to say, 'No. We will not pass this legislation unless you give us the detail of how this is going to work and in a form that we are able to make an assessment of.' We do not have that detail right now, and on this side of the House we are not prepared to take this government on trust.

Let us examine some of the specifics in this bill for which we do not have the detail. The very core of this policy scheme is that certain activities will be eligible for a credit and certain activities will be eligible as abatement; however, we do not actually know what they are. We do not know what those activities are going to be, because that is going to depend upon the regulations. There will be a so-called positive list of activities which qualify, which meet this requirement of so-called additionality, but at this stage we simply do not know what those activities are. Yet this government is asking us in this House to provide a blank cheque.

This government is asking us to wave this legislation through when we do not have sufficient detail to make an assessment. These are not peripheral matters. This is the very heart of this legislative scheme, and that is why we have on this side of the House moved an amendment to decline the second reading of the bill until such time as the regulations are provided and we are able to see and assess the detail.

Of course, it would be theoretically possible to wave this through, but to do so would simply not be prudent. It would not be good management. Also, it is not something that we on this side of the House are prepared to countenance, because we have seen on all too many occasions good intentions on the part of this government turn into a deeply unsatisfactory, poorly administered reality. We are saying here: let us pause; let us wait until we can see the detail, and then we can make an assessment of whether in fact this is a legislative scheme that lives up to the high ideals articulated for it and whether it is a legislative scheme that we are able to support.

In the time that remains to me, let me turn to the third area that I would like to highlight. Insofar as the details have been provided, some of the requirements that are proposed appear to be unnecessarily rigid and inadequately responsive to feedback from potential market participants, including, for example, plantation forestry and plantation organisations—

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! It being 7 pm, I propose the question:

That the House do now adjourn.
Mr FLETCHER (Bradfield) (19:00): The matter I want to speak about in the brief time available to me is the regrettably creative nature of the fact sheets—and I use that term advisedly—which have been issued by the National Broadband Network Co. I am referring in particular to one which is headed 'Case study: Healthcare—chronic illness' which contains this statement:

In 2010, Hunter Nursing participated in a pilot project with technology firm Intel to trial the Intel Health Guide, a remote patient monitoring system.

We are told in this case study issued by the National Broadband Network Co. that the pilot study involved 50 high-risk patients and that they were monitored using the Intel Health Guide, which is an in-home patient device with an online interface that allows clinicians to monitor patients in their homes via high-speed broadband. You might reasonably think that, because this fact sheet has been produced by the National Broadband Network Co., this application is going to need 100 megabits per second. We are, after all, told by this government that the National Broadband Network requires 100 megabits per second and there is a pressing need for that speed.

When Dr George Margelis of Intel-GE Care Innovations, who is cited in this fact sheet, appeared recently before the House of Representatives Standing Committee on Infrastructure and Communications to talk about this trial—which, just to be clear, I regard as a very interesting trial offering some very encouraging results—I asked him what bandwidth is required for this equipment to be workable. Mr Deputy Speaker, do you know what Dr Margelis said in answer to that question? He said at least 256 kilobits per second. He then said 512 kilobits per second would be better and that once you start getting up to one and two megabits you find that the technology no longer becomes an issue and you then start hitting constraints on the hardware.

Let us be very clear about what is going on here. We have a fact sheet issued by the National Broadband Network Co. which argues that the Hunter Nursing trial conducted in 2010 offers evidence of the need for the high-speed broadband network which the National Broadband Network Co. is rolling out at a cost we now know exceeds $50 billion and which is going to deliver 100 megabits per second using fibre to the home. The clear implication in this fact sheet is that you need these kinds of speeds to deliver services of the kind that were delivered in the trial conducted with Hunter Nursing last year. But when you look at the facts that is a wholly misleading statement, because the actual speed required is between 256 and 512 kilobits per second. Let us just briefly do the maths. What proportion of 100 megabits per second is 512 kilobits per second? I will tell you, Mr Deputy Speaker. It is 1/200th. So the exemplar that we are given in this fact sheet provided by the National Broadband Network Co. which apparently justifies the expenditure on this massive project is an application which actually requires a speed which is only 1/200th of what we are told the National Broadband Network requires.

Sadly, this is not the only example of highly misleading fact sheets issued by the National Broadband Network Co. There is another one headed 'E-learning for teachers and trainers'. The impression you get from this is that the National Broadband Network Co., having installed fibre in Tasmania, is being used by this unit called Skills Tasmania. Yet when you read this in detail you learn the 'Skills Tasmania Office isn't connected to the NBN yet'. You also learn that, without a reliable ADSL connection, one student can still be downloading files while others have already moved on to the
next task. I am sure that is right, but that suggests the solution that is required is to give people a reliable ADSL connection, not a ubiquitous 100 megabit per second fibre-to-the-home network.

I highlight these instances because they are really quite troubling. Both of the examples which are given in these fact sheets are perfectly sensible, desirable types of activity, but they do not need 100 megabits per second and they do not need the extraordinary amount of money that this government is spending in the National Broadband Network. *(Time expired)*

**Chisholm Electorate: Manufacturing**

Ms BURKE (Chisholm) (19:05): We have been speaking a great deal in this House today about manufacturing. I want to talk about manufacturing in my electorate of Chisholm. Given that my electorate is pretty much wall-to-wall suburbs, you would not think that manufacturing goes on there, but it does make up a significant proportion of the area mass. My electorate sits within the south-east of Melbourne which accounts for 44 per cent of Victoria's total manufacturing production. Victoria has been home to manufacturing for a long time and I truly want to see it continue. As many have said before, I do not want to belong to a country where we do not produce and manufacture our own goods.

Many of the companies in this region possess world-leading technologies in specialist fields and a number are recognised as some of Victoria's leading exporters. There are many manufacturers in my electorate who are doing great things and I do not think we recognise them enough. I want to share some of those local successes tonight. Maton Guitars is a 100 per cent family owned company that has been going for over 50 years in Australia. It is a maker of custom made guitars that are sold both in Australia and internationally. Maton is recognised as one of the guitars of choice for most guitar players. You will see on their website a list of renowned players, both at the classical and at the pop end of the market, who boast a Maton guitar in their collection. They are doing great things. They have actually expanded their production and have been rewarded many times for their works.

Unidrive, which was established in 1952, is a leading manufacturer of drive shafts for automobile applications. It employs many hundreds of people on its site in Clayton. It is a major component supplier to Australian vehicle manufacturers Holden, Toyota, Mitsubishi and Ford and has an ongoing relationship with Toyota in its production and quality line.

Jardan, based in Mount Waverley, makes top-quality furniture. In its beginnings in 1987 it made one lounge suite per week—they are very high end and highly crafted. It is now producing many more. The company has won numerous business awards, and I can highly recommend the quality of its furniture.

Dulux, which is a household name, has its home base within Clayton as well. It also has its research and development arm within the electorate. It goes from strength to strength, having built a high-tech environmental plant within the area, employing many hundreds of people. Orica, which is interrelated with Dulux, is another household name. It is listed globally, operates in 50 countries and is based within my electorate.

Consequently, manufacturing is an important part of my community. It employs many people, not just within those places but in the downstream components that make up the many bits and pieces of this sector. Tragically, though, manufacturing has been facing its challenges. Recently Bosch—
again, a very big employer in my electorate—announced that it would be outsourcing and sending overseas several of its production lines. This is a great shame. The R&D for these production lines was done in Australia, and they are going overseas before we do anything about carbon, in many respects because of the high Australian dollar.

I have recorded my disappointment at Bosch's decision to send these 380 jobs overseas. The current site employs 1,800 people. This number will be reduced. The site will continue to have a very large presence of white-collar workers who do a lot of the research and development for their end productions, but we will be seeing fewer and fewer manufacturing jobs at this site.

This comes on top of the loss of the Arnott's biscuit factory in Burwood, where several years ago more than 400 people lost their jobs. Silcraft, another great car components factory, shut down, with another 450 jobs lost. Every time one of these factories closes in my electorate it becomes a housing site. Every time we give up these sites, people build homes on them. It is a middle-ring area and people want to live there because, bizarrely, although it is 20 kilometres out of town it is now closer to the city than most other places and it is a good place to live; there are schools and there is transport. But if we keep giving up on these sites we will lose the manufacturing base and we will lose those jobs that are close to home, that you can drive to. We will also lose the inflow jobs. When Arnott's left it was not just the jobs on site that were lost; it was all the downstream production.

The federal government is aware of these issues, and we are putting in place many initiatives to ensure that we continue to have a manufacturing base in our electorate. The government has developed a 10-year innovation agenda, *Powering ideas: an innovation agenda for the 21st century*. Within the federal budget there was also money for suburbs and for ensuring that people stay within the suburbs to work, rest and play. More needs to be done for manufacturing in Victoria. *(Time expired)*

**Casey Electorate**

Mr TONY SMITH (Casey) (19:10): It is my pleasure to rise in the adjournment debate tonight to pay tribute to a great primary school and a great small business, both of which I visited last Friday in the electorate of Casey. I had the pleasure of attending the Bayswater North Primary School, where 81 students participated in the Bayswater North Primary School parliament. I know you, Mr Deputy Speaker Slipper, with your experience, as well as both the shadow minister, the member for Canning, and the minister at the table, the member for Brand, would be very familiar in your own electorates with the study of civics at the primary school level.

The students of Bayswater North Primary School will be visiting Parliament House later in the year to continue their studies. Last Friday it was a great pleasure to be at the school and to assist, as you would expect me to, the 81 assembled students participating in the parliament. They chose a prime minister, Jordan Donnelly, and they chose a leader of the opposition, Matthew Adams. They chose Brayden Hansen as speaker first of all. As you would be aware, Mr Deputy Speaker, they also chose a deputy speaker, and that was Alexandra Watson. Both the speaker and the deputy speaker presided very ably. You would be very proud of their conduct last Friday.

The DEPUTY SPEAKER (Hon. Peter Slipper): Please pass on my regards.

Mr TONY SMITH: I will pass on your regards to the speaker and the deputy
speaker, as well as to the prime minister and the leader of the opposition in the Bayswater North Primary School parliament. With my assistance, they conducted a debate. The minister at the table and the shadow minister will be pleased to know that the Bayswater North parliament voted to cut taxes, which I thought was a fantastic initiative of the 81 students there. As I said, they will be visiting this parliament later in the year on a school tour, as so many schools from our electorates right across Australia do. I know I speak for everyone when I say that the tour program in the Parliamentary Education Office here offers a very valuable service. It is one that we encourage as many schools as possible to take part in. For young students to come to the national capital to see the workings of democracy is a real investment in the future of our parliamentary system. It is also valuable for them to see the War Memorial and some of the other very important sites around Canberra. It was a great pleasure to be at Bayswater North last Friday, and I know that the students who participated are looking forward very much to coming here later in the year.

I also visited a fantastic small business in Mt Evelyn: Shear Obsession, a hairdressing business. I visited because Samantha Baker was a finalist in the Casey apprenticeship and trainee awards earlier this year. She also won an encouragement award. Samantha was one of 12 finalists out of a large field and received the most nominations. I visited the business to pass on my congratulations to her and to her employer, Kaylene Bird, who is doing a fantastic job running that small business.

The Casey Apprentice and Trainee Awards that we hand out each year recognise excellence in local trades. They recognise outstanding achievement from young people who have taken a decision to embark on a trade. Samantha was, as I said, one of the 12 finalists and it is obvious from the number of nominations and from the way she is received in the business that she is doing a fantastic job. Kaylene Bird, as her employer, is also doing a fantastic job. It is a thriving business in Mount Evelyn and I have no doubt that it will continue to be so. I also have no doubt that, one day, Samantha herself will be a business owner if she wishes to be.

**Firefighters**

Ms VAMVAKINOU (Calwell) (19:16):
Recently I met with a delegation from the United Firefighters Union of Australia who came to Canberra to raise awareness about a life-threatening aspect of their profession. I draw the attention of the House to the very important issue of occupational health and safety as it relates to the firefighting profession. There is a proven link between firefighting and the risk of some cancers and heart disease. Evidence collected through studies in the United States and Canada have demonstrated that this link is a real and present danger to the health of firefighters everywhere and is, in fact, a leading cause of death amongst members of the firefighting profession.

In fact so evident was the relationship between firefighting and cancer related deaths that action was taken in Canada and the United States of America to address concerns and to put in place a legislative regime that provides security and support to firefighters and their families. It is called presumptive legislation and is a set of laws that identify diseases or conditions that have been shown to be hazards associated with an occupation. Presumptive legislation now exists in seven Canadian provinces and 43 US states and is designed to protect the family of a deceased firefighter. This legislation is also now being considered in Europe.
I also draw the attention of the House to the campaign by the UFUA to urge the parliament to put in place similar legislation in Australia. All members of this House recognise the invaluable and, indeed, the very dangerous work our firefighters do. We often get up and speak about that very important, lifesaving work. We rightly remember our firefighters during major calamities, but the reality is that fighting fires is a daily job for professional firefighters.

Perhaps we might think that fighting a house fire or even a car fire would be less dangerous than the magnitude of the Black Saturday fires but the truth is that a silent killer lurks, apart from the fire itself, in this challenge. It comes in the form of exposure to numerous chemicals and gases which form toxic cocktails from plastics and other hazardous material during combustion. Think what exposure to radiant heat of up to 1,000 degrees can do to products that emit toxins and fumes which are inevitably absorbed by our firefighters time and time again as they go about their jobs. Fires in today's world are as much about toxins and chemicals as they are about heat and light. The plasticised, chemical world we live in means the vast majority of fires, however minor, emit elevated levels of toxins to which long-term exposure significantly increases the risks of certain types of cancer. We know through sound scientific evidence that there is a visibly higher rate of cancer related illnesses amongst firefighters than there is amongst the general population. The correlation of research data from 110,000 firefighters in North America is testament to this. We know it is due to work related exposure and it is incumbent upon us to ensure that firefighters and their families, who assume this risk during their prime physical health and fitness, are properly cared for when the battles have worn their body thin.

It is my belief that this is a serious issue which warrants our attention. We need to do more than simply acknowledge the lifesaving work of our firefighters, which is carried out at a cost to their health and with severe impact on the life of their children and families. I want to acknowledge the work of the men and women of the MFB and CFA fire stations in my electorate—in Broadmeadows, Bulla, Campbellfield, Craigieburn, Greenvale, Kalkallo, Sunbury and Tullamarine. They are stations at the front line of defence for the tens of thousands of families in my electorate. So, it goes without saying that as we recognise this we need to also seek to put forward presumptive legislation so that the affected firefighters can access assistance and compensation for what are clearly occupational diseases. It is our moral obligation as a society and it is ultimately a social safety net.

I will conclude by acknowledging the tireless work of the United Firefighters Union of Australia and their determined campaign to protect their members and their families. We need to support each and every one of our firefighters in Australia by replicating the presumptive legislation in this parliament—because the life that they save may, one day, be ours.

**Live Animal Exports**

**Dr STONE** (Murray) (19:20): I wish to put on the record my deep concern that any animals could ever again be tortured in the way that we saw recently on ABC television. Nothing could excuse the behaviour of the workers in the slaughterhouses, who clearly could not humanely restrain or manage the Australian cattle, typically three times the size of their local Indonesian cows that are raised quietly in their villages. Their
equipment was inadequate, the restraint boxes were not used properly and the animals shown died in appalling conditions. The Gillard government's immediate response was to stop all further slaughtering of Australian cattle in all abattoirs in Indonesia for six months. This ban includes the five or so abattoirs that comply with Australian standards and the 20 or more which comply with international standards, which could with very little extra support and training become compliant with best Australian practice, including the use of stun guns.

There is, in fact, an alternative strategy that will stop the cruelty not just for Australian cattle in some of the Indonesian abattoirs but for most livestock slaughtered anywhere in that country. We recommend that the Australian government quickly and expertly create a register of Indonesian abattoirs that excludes those with the unacceptable practices. Such places should never have access to Australian livestock again unless they change their ways. Australian training and better equipment should be available to all those places that recognise the need to change and that want to be included in the approved abattoir register. Such places would then, and only then, be given access to Australian cattle when their standards were assessed as sufficiently high. They would then be regularly monitored, like all on the register.

The Indonesian government has also been concerned at the cruel practices shown in the ABC footage, given halal slaughtering practices do not condone any ill treatment. We would therefore expect them to want to support such a register and such changes in the places that were shown on ABC Television.

An independent and ongoing inspectorate is an important part of this strategy and should be in place to ensure that Australian cattle do only end up in approved and registered places for slaughter. The NLS system of animal tracking means Australian animals can quickly be identified and traced at any stage in their movement from paddock to plate.

With the cooperation of the Indonesian government and of the meat and livestock industry of Australia, the exposure of any Australian animals to cruelty in Indonesia could be stopped quickly and the chance of any other livestock being cruelly treated would be reduced and we would not destroy the beef cattle industry of northern Australia. If we simply stop all the Australian livestock trade to Indonesia for all time, animals imported from some other place in the world—for example, buffalos from India or cattle from Argentina—would be substituted and exposed to the same shocking treatments. No Australian would want to see that.

The strategy as I have described it ensures that the animal-slaughtering practices of our near neighbour are changed for the better and only those abattoirs with registered and approved Australian standards of slaughtering would be able to process Australian cattle.

It is a fact that there are some 10,000 animals already collected for shipment in Darwin and Port Hedland. There are no alternative abattoirs to slaughter these livestock in northern Australian. There is no refrigeration access in much of Indonesia. Calls to only export chilled or frozen meat out of Australia are simply not realistic. The only employment and industry outcomes for cattle producers throughout northern Australia would be catastrophic if this market for the beef was stopped indefinitely, and little would be gained in protecting other substituted livestock from other countries if
we do not remain actively engaged in the Indonesian market. We are the only country in the world which is trying to assist and support another to improve its slaughtering practices.

There are far-reaching consequences arising from this live cattle exporting issue if we get it wrong. Already some beef prices have dropped 35c a kilo in the saleyards in my rural electorate in northern Victoria, as buyers anticipate the huge glut in beef coming onto the market. My farmers cannot remain viable if prices drop that far. As well, during the drought, many of my dairy farmers were sustained by selling dairy heifers to China to assist them establish a Chinese dairy industry. Obviously, we know that the good treatment of our livestock during transportation from Australia is not in question. What we have to do is make sure that there is not a terrible slaughtering experience at the end of that transportation in Indonesia.

Finally, we do not want to see substituted cattle cruelly slaughtered in Indonesia if Australia just walks away. We also know there is a very real prospect of substituted livestock carrying foot and mouth and other disastrous livestock diseases. These diseases would be brought to our very near neighbourhood through the importation of thousands of livestock from the disease infected countries. There is a simple way ahead. Our path is in a serious new direction, and it is the way we must take. (Time expired)

150th Anniversary of Italy's Unification

Mr ZAPPIA (Makin) (19:25): This year marks the 150th anniversary of the unification of Italy. It seems extraordinary that a country with such a long and fascinating history that dates back thousands of years only became the country as we know it today just 150 years ago. It is the land of the Vatican, the Pope and the Roman Catholic Church and the country of Julius Caesar, Marco Polo, Leonardo De Vinci, Michelangelo, Christopher Columbus and so many other historical figures. From science to art, to music and fashion, construction, manufacturing, food and sport, Italy has a proud record.

It was on 17 March 1861 that Giuseppe Garibaldi united the separate regions which today make up Italy. The month of June is also significant for Italy because it was on 2 June 1946 that Italy became a republic. Since 1946, the second of June has been celebrated by Italians around the world as the Festa della Republica. In Italy and around the world Italians are this year, understandably, celebrating the 150th anniversary of unification and, in doing so, are celebrating the Italian contribution to world affairs and the Italian culture and identity.

Australia has its own story to tell about Italian migration. Almost 880,000 Australians are of Italian heritage and they can be found in most parts of the country. Whilst the majority came to Australia post World War II, Italians can be traced right back to the arrival of Captain Cook in 1770. Two of his crew members were Italian-American, Giacomo Matra and Antonio Ponto. Matraville in Sydney is named after Giacomo Matra. There were also Italians amongst the First Fleet arrivals led by Captain Arthur Phillip, and the Italian Raffaele Carboni was one of the leaders of the Eureka Stockade. He later wrote a book about the stockade. The onsite work on this house, the national parliament, was directed by Italian architect Romaldo Giurgola.

The ties between Australia and Italy have always been strong and they continue to be. Notably, the Australian Governor-General, Her Excellency Quentin Bryce, was one of
the few world leaders invited by the Italian government to participate in the 150th anniversary celebration events in Italy earlier this month. Her Excellency reciprocated and reinforced those ties by attending.

Italian influence in Australian life can be detected in so much of what we see and do. There are few places in Australia where people of Italian origin have not settled. From the fishermen of Fremantle in Western Australia and Port Pirie in South Australia, to the cane growers of Queensland, the horticulture and agricultural settlements of the Murray-Darling Basin, or to opal mining at Coober Pedy, Italians have quickly adapted to their new homeland, embraced the Australian lifestyle and contributed to Australia's growth and prosperity. The cultural differences highlighted in John O'Grady's book *They're a Weird Mob*, written under the pseudonym 'Nino Culotta' and subsequently adapted into a classic movie of the same name in 1966, have today largely disappeared. Pizza, pasta and cappuccinos are today as much Australian as they are Italian. From the concrete and terrazzo workers of the fifties and sixties, today Italians can be found in business, trades, farming, academia, music, sport, design, the arts, restaurants, law, medicine, the sciences and even politics.

I briefly turn to the Italian people of South Australia. Almost 100,000 South Australians claim Italian ancestry. The City of Adelaide has a large Italian population as have country regions like the South Australian Riverland, Port Pirie and Mount Gambier. Italian Australians identify not only with their heritage but also with the Italian region from which they originate. Hardly a weekend passes when an Italian religious festival, celebrating a specific region of Italy and usually associated with the patron saint of that region, is not taking place in Adelaide or somewhere else in South Australia. Each year, the Italian Carnivale is held in Adelaide, where thousands of people come to celebrate Italian food and entertainment.

Italians are enterprising and very good at supporting each other. Throughout South Australia are located numerous social and sports centres, welfare services, aged care residential facilities, and literary and music groups that have been established to assist Italian Australians with their life in Australia. An Italian chamber of commerce exists in Adelaide. In my electorate of Makin, the Campania Sports and Social Club, the Italian Benevolent Foundation, which provides aged-care accommodation and aged-care services, and the Northern Italian Coordinating Committee are prime examples of such organisations.

One of the most successful and valuable initiatives of the South Australian Italian community was the establishment 30 years ago of Radio Televisione Italiana of South Australia, a 24-hour seven-days-a-week community-owned Italian radio broadcasting service. The radio station not only provides entertainment to the elderly housebound Italians who have limited English language understanding but also invaluable information services from government information to medical, legal, financial, travel advice and so much more to help listeners. I take this opportunity to acknowledge and commend the entire team at Radio Italia, led by its president Don Totino and its program director, Giovanni Di Malta. I also acknowledge tonight the contribution of Italian Australians in the development of our country and to Australian life.

**Foreign Aid Budget**

Ms GAMBARO (Brisbane) (19:31): Speaking after the member for Makin, I also record my support for his very generous remarks on the 150th anniversary of the
unification of Italy. Tonight I want to speak about the aid budget. The government announced in its budget that Australia would increase its 2010-11 allocation of $4.3 billion worth of official development assistance to over 0.5 per cent of gross national income by 2015-16. The effective doubling our country's overseas aid and development budget will see it reach an estimated $8 billion to $9 billion in five years time. This decision means that this budget will be this country's fifth largest expenditure portfolio.

Australians are generous but, understandably, they have an expectation that the responsible government agencies are accountable and that these funds are managed efficiently and as effectively as possible. Now that the independent review on foreign aid has been completed, I urge the government and the Minister for Foreign Affairs to release the findings to public scrutiny as an urgent priority. It is expected that the review will detail recommendations to rectify any insufficient reporting and independent auditing shortfalls, ensuring that funds are managed by a robust and transparent process. Every day that this report is delayed we run the risk that valuable aid money will be wasted by inefficient processes and poor oversight.

Internationally, Australia is recognised for its leading role in the region, particularly in Papua New Guinea and near Pacific nations. Our aid is ever more important given that two-thirds of the world's poor—some 800 million people—live in the Asia Pacific, yet they receive less than one-third of global aid. From recent newspaper reports and then in Senate estimates on 2 June, AusAID officials confirmed that TB and cholera were major problems in PNG. PNG nationals have for some time been crossing our border in the Torres Strait to access TB and other chronic diseases treatment centres. Yet Queensland Health has closed its TB services in the Torres Strait and the Gillard government now has to act urgently to ensure the biological security of our borders. AusAID has been funding health initiatives, particularly infrastructure in PNG, yet the health services in the Western Province continue to fail.

There was no excuse for abandoning surveillance of extreme drug resistant TB. The patients whose lives depend on the Torres Strait clinics find themselves in the precarious situation of having no clinical care. I am aware that clinicians on the front line are doing all they can to transfer skills to PNG providers but the enormous complexity and microbiological requirements of treating TB make domestic control by Port Moresby close to impossible. Professor Wronska of James Cook University said in the Australian on 2 June:

TB is a highly infectious disease that is spreading worldwide and we are not immune.

Axing a program without any evidence that there is a replacement that will be up and running in four weeks represents a significant biosecurity risk. Untreated cases can infect family members leading to massive treatment costs. This is another example of Labor short-changing on services to fund the massive Gillard and Bligh government debts.

The release of the review into foreign aid cannot come soon enough. We have been hearing for some time about shortcomings in the aid program but now we have more reason for the review to be made public urgently. A recent ANAO report on the role of tertiary scholarships by AusAID, published on 26 May, noted that there were $362 million allocated in the 2011-12 budget additionally for these scholarships. The report noted:

Historically, AusAID has found it difficult to maintain up-to-date country strategies. Until
recently, nine of the top 20 recipients of country program aid did not have approved country strategies.

We need to make sure that we have secure operations of Australia's aid program. We can make Australian taxpayers' dollars and productivity count to pursue our goals to reduce poverty through improved medical care, education, economic opportunity and governance. We certainly need to ensure that the minister responds to the independent review into foreign aid as soon as possible so that these factors can be improved.

**Hindmarsh Electorate: Glenelg Cinema**

Mr GEORGANAS (Hindmarsh) (19:36): I rise tonight to draw the House's attention to the Save the Glenelg Cinema campaign which is being run in my electorate, run by many of the residents—my constituents—and local traders along Jetty Road, off Jetty Road and around that area of Glenelg. At the forefront of this campaign is Sam Cannell, who has been working tirelessly with residents and other shopkeepers in the area over recent weeks to prevent the demolition of this beautiful and historic building, the Glenelg cinema, on Jetty Road.

Glenelg is one of South Australia's most visited tourist destinations, yet unfortunately during the colder months there are few major drawcards because the beach, as we all know, in winter has limited appeal. Until 2009, the Glenelg cinema, which is a beautiful art deco building and a real institution on the Jetty Road streetscape, was that drawcard. It provided a great incentive for people to hop on the tram, get on their bike or jump in the car and come to Glenelg to watch a movie, perhaps have a bite to eat and a cup of coffee and browse the shops. Unfortunately the cinema closed in 2009 and since that time we have seen the many patrons disappear who would have gone to the movies and then gone out to do their shopping or patronise many of the businesses along Jetty Road and within the precinct.

Cinemas have a wonderful way of drawing people into local areas and right now Jetty Road in Glenelg needs those people to come. Cinemas offer year-round weatherproof entertainment which can be enjoyed not only by families but by people of all ages and interests. Although a cinema is clearly needed, the possibility of the Glenelg cinema being demolished would be a serious blow to traders in the vicinity. That is why I am supporting the Save the Glenelg Cinema campaign, to ensure the owners, Wallis Cinemas, know that they have the community's full support for a reopening. Sam has done a wonderful job collecting signatures for petitions, pounding the pavement every weekend to talk to people. She has also started a Facebook group which has attracted more than 1,500 supporters in a very short time and that number continues to grow.

The Wallis family have a strong track record in protecting and restoring historic cinemas, including the Chelsea and the Piccadilly, and we hope that they will extend that track record to the Glenelg cinema as well. Many people have written, phoned and emailed Wallis in recent weeks urging them not to demolish the wonderful building and to reopen the cinema as a local attraction. Although Wallis has not responded yet, we remain hopeful that the outpouring of support from the community—from the residents, from the shopkeepers, from the traders in the area and outside the area as well—for the retention of the cinema will help Wallis to continue exploring options for a viable and vibrant new future for the Glenelg cinema.

As well as being a great thing for the local economy, the building itself is particularly
special because of its classic art deco architecture. Those of you who have gone down Jetty Road in the electorate of Hindmarsh would have seen the building—it stands out; it is a beautiful building. It was constructed in 1937 and was designed by architect Kenneth Milne, who also designed the 1911 Adelaide Oval scoreboard. The opening night souvenir program from 1937 gives a great insight into the excitement surrounding the opening, when a night out at the pictures was a real social occasion. That program in 1937 said:

We offer you the public of South Australia a centre of entertainment unique in this state. Every luxury, every thought, every care that 27 years of experience dictates, that modern science knows, is here for your comfort, your convenience, your service. We present the showplace of Australia, the Ozone Theatre Glenelg.

In 1971, the theatre was purchased by the Wallis family and in 1972 it was re-opened as only the second multiscreen theatre in Australia. It was also the first in the state to have a licensed bar. When the cinema closed in 2009 with a final screening of Gone with the Wind—very appropriate—the local community, as well as people from all over South Australia, mourned its loss. I know that Wallis place a great deal of importance on respecting heritage and history and will keep in mind the historic significance of the Glenelg cinema. (Time expired)

Workplace Relations

Mr FRYDENBERG (Kooyong) (19:41): 'There is a winter of growing discontent out in the nation's workplaces.' These are not my words but those of respected journalist Alan Kohler, on ABC's Inside Business just a few days ago. The problem for this government and our economy is that these sentiments are not unique but shared by many. After promising with Fair Work Australia a new regulatory framework characterised by 'fairness and flexibility' we have seen graphic examples across the country of emboldened unions striking unsustainable wage rises as labour costs and union power increase.

Vulnerable to costly industrial action, employers, particularly in the construction, energy and mining sectors, have no practical choice but to reach agreements with unions who are unwilling to consider links to productivity gains being written in. The 30 per cent wage increase reached between the MUA and Total Marine Services in Western Australia and the CFMEU's deal with Thiess at the $5.4 billion desalination plant in Wonthaggi, Victoria, are two cases in point. Indeed the failure to achieve productivity gains at Wonthaggi is a factor in the recent profit downgrade issued by Thiess parent company Leightons. Now employers across the country are on notice. With workers at Wonthaggi receiving $50 an hour more than their compatriots across the state, the unions see this agreement as the new benchmark and not an isolated case.

But wages claims are just one element in a worsening workplace environment where productivity as measured by GDP per hour worked is down 1.8 per cent in the March quarter. Examples of this deteriorating environment include more far-reaching modern awards imposing increased regulations and restrictions on more work places and in the process forcing up labour costs for employers; an Australian Building and Construction Commission which now has a reduced capacity and inclination to tackle lawlessness and intimidation on building sites; greater right of entry for unions to enter the workplace; more onerous unfair dismissal provisions which act as a disincentive to hire; and a concerted attack on independent contractors to force them into direct employment arrangements whereby they can come under union control. And, in a major decision earlier this month, Fair Work Australia has given the green light
to unions undertaking industrial action prior to workplace bargaining even getting underway.

While unions and the Gillard government see this as a win for workers, the Australian Chamber of Commerce and Industry see it as 'untenable for business' as it 'opens the door on a return to industrial chaos in the workplace'—not a good omen for an economy already suffering capacity constraints and for Labor's industrial relations framework which Julia Gillard herself declared in 2007 as being 'good for productivity'. What is more, with Labor's radical alliance partner the Greens—and their plans to abolish the ABCC, strengthen a union's right of entry and abolish secret ballots—soon to assume the balance of power in the Senate, who knows what further regulation, cost and complexity Labor has in store for Australian workplaces. And all this at a time when the OECD is imploring Australia to maintain 'labour market flexibility' as it is 'critical to sustained growth'. So the issue is: where do we go from here? Before the last election the coalition made clear that we had learnt the lessons of our 2007 defeat and that Work Choices was dead, buried and cremated. To this we all agree. At the same time we remain committed to flexibility in the workplace and real productivity gains which are, at the end of the day, the keys to higher employment and real wages growth. We also said last year that Labor's Fair Work Act was far from perfect but it deserved a fair go. So far, that fair go seems to be taking our economy in only one direction: higher wages and lower productivity. It is now time that all fair-minded employers, employees and industry participants speak out for change because such a combination of higher wages and lower productivity is unsustainable for the Australian economy in the longer term.

**Namadgi School**

**Ms BRODTMANN** (Canberra) (19:45):
I rise tonight to speak about the great work being done at Namadgi School in Kambah in my electorate. A few weeks ago it was my real privilege to join the new Deputy Chief Minister of the ACT and Minister for Education and Training, Andrew Barr, in the official opening of this new state-of-the-art purpose-built school. It was a great day with many hundreds of students, parents, teachers and members of the community present to see the opening and tour the facilities.

The school is designed to become an active hub and heart for the local community. Several features have been included for use by the community such as tennis courts, a gymnasium, a hall, performing arts facilities, a library, seminar and community rooms, and a language school for children of non-English-speaking backgrounds. This introductory English centre caters for primary school-age students in the Tuggeranong-Weston Creek area who have recently arrived in Australia and need assistance to learn English before enrolling in their local school.

It was also my very great privilege to open the new $2.3 million Urambi Environment Centre, which received $2 million in funding under the Gillard government's Building the Education Revolution program. This centre includes spaces for food technology classrooms and dining areas, and I understand there are also plans underway for each class to grow their own vegetables to use in the centre. There was a garden outside and I planted a magnolia in honour of the official opening. The centre also includes a collaborative learning area, environmental learning classroom and a garden room. The centre was built to the highest environmental standards and achieved a five-star educational green rating.
I was very fortunate to be given a tour and briefing of the centre and the other science labs at the school by Namadgi science teacher Mark Merritt. Mark was the 2005 recipient of the Prime Minister's Prize for Excellence in Science Teaching in Primary Schools. He is one of those truly inspiring teachers who can motivate not only his students to develop a lifelong passion for learning but also other teachers to refine their practices and sustain their passion for teaching. It was great to see him interact with students on the day and to see their eyes light up as they spoke to me about the projects they and Mark had worked on in class, particularly the mini ecosystems. They had developed these with little deserts, little rainforests and a whole range of other things. It was a really interesting experiment. It was clear to me, even from those brief encounters with the students, that they were proud of their work and were developing a keen understanding and passion for science, which is a great gift. Mark came to the ACT from Western Australia and I think he is probably a great loss to the school system in the west, but WA's loss is very much Canberra's gain and I hope to see Mark continue to contribute to the lives of ACT school children.

Seeing the work being done by Mark and his students really proved to me the benefit of the BER scheme. To me the BER project is about linking Australia's fantastic teachers, such as Mark Merritt, with the latest in infrastructure and technology so that they can truly realise the potential of their students. The BER is about giving teachers the tools they need to make a real and lasting difference in the lives of students and to ensure that the full transformative effect of education can be realised. The BER is an investment, and I use that word deliberately because it is an investment in this country's future to ensure that students and teachers get the opportunity to learn in 21st century facilities. It is an opportunity they rightly deserve.

The BER projects have been much derided by those opposite—I think sadly and unnecessarily so. In my brief time here as the member for Canberra I have been called upon to visit many schools and facilities funded by the BER scheme. At each of these facilities the community have been very strong supporters of the program and great supporters of the new libraries, classrooms, performance areas and all of the other great works that have been going on as a result of this terrific program. The BER program is one of the largest investments in education infrastructure in our nation's history. Nationwide, the Gillard government has invested $16.2 billion in projects such as the Urambi Environment Centre that I opened at Namadgi School.

I am proud to be part of a government that supports great teachers like Mark Merritt, that supports great schools and community hubs such as Namadgi School, and, most importantly, that supports students and understands the power of education.

**Renewable Energy**

Mr SCHULTZ (Hume) (19:50): I rise to update the House on the ongoing battle to bring about an immediate moratorium on all wind turbine developments in New South Wales. Appropriately, today is Global Wind Day. This industry sponsored initiative will see coordinated public events and open days take place, accompanied with glowing propaganda pieces paying homage to these supposedly gleaming tributes to a low-carbon economy. One of these events is taking place in the electorate of Hume at one of the Prime Minister's favourite photo spots, the Capital Wind Farm at Bungendore. Visitors will no doubt be impressed by the sheer scale of the wind turbines and the
assurances by the project managers that they not only will clean up our atmosphere but also might clean our environmental consciences.

But on Global Wind Day there have been other, less public developments in this ongoing battle. A neighbour of the Capital Wind Farm, Mrs Ruth Corrigan, is holding her own open day at her house. As reported in the *Australian* today, Mrs Corrigan is worried about the serious health effects, such as chronic sleep disruption, that wind turbine companies and the government have failed to adequately investigate. When I first reported this serious issue to the House last month, I called on the new O’Farrell-Stoner coalition government in New South Wales to implement an immediate moratorium on all wind turbine development, with the possibility of a full public inquiry. Since that speech, I have been inundated with correspondence from landholders affected by poorly regulated wind turbine development. Further, not a week goes by where local media outlets such as the *Yass Tribune*, the *Goulburn Post*, the *Boorowa News* and the *Cowra Guardian* are not reporting the community divisions and concern relating to the ongoing debate about the proposed 730 wind turbine projects planned within a 90-kilometre radius of the city of Goulburn. The New South Wales government should immediately halt further wind turbine planning, approvals and development in New South Wales pending the establishment of a commission of inquiry into this industry. Upon completion of the inquiry, the government should then implement any recommendations by creating new regulations and guidelines enacted in legislation.

There are seven action items that need to be addressed and implemented in order to bring the wind energy industry in line with community expectations and standards: (1) an immediate moratorium must be imposed on all further development applications, including those submitted but not approved; (2) similar to the moratorium in place on mining exploration, once the moratorium is lifted proponents must be required to scientifically prove the validity of their application—emission reductions—and the overall impact to consumers—power price increases—and that their development will have no impact on surrounding properties and communities in the way of health, wealth and environmental issues; (3) state planning application fees must be reintroduced for wind farm applications; (4) wind turbines must no longer be defined as critical infrastructure; (5) all future developments must be accompanied by health and property valuation guarantees; (6) all future developments must be accompanied by a AAA rated government bond for the purpose of ensuring compliant decommissioning in line with manufacturers' requirements; and (7) all developments must comply with existing building codes/laws, including the requirements of WorkCover.

Implementation of these seven points by government at all levels forms the necessary foundations for future development of the wind energy industry in regional New South Wales. The wind energy industry, as well as government at all levels, should take heed: I will not cease to advocate for the protection of the property rights of individual landholders in my electorate until an immediate moratorium is called and these seven points I have put forward are appropriately addressed.

The more I look into this issue, the more I find the deceit, the misinformation and the lies that are endemic within the wind turbine industry. I have made a very personal commitment to ensure all of those negative matters are raised on a regular basis so that the community at large can see how they
have been conned by what is perceived to be and is accused of being one of the most efficient generators of electricity in the country. *(Time expired)*

**Live Animal Exports**

Mr CROOK (O'Connor) (19:55): The federal government's blanket ban on live exports to Indonesia is creating shockwaves across regional Australia. While I was shocked and appalled by the footage of Indonesian abattoirs featured on *Four Corners* earlier this month, I am also incredibly concerned about the federal government's knee-jerk reaction to this issue. As a former sheep producer for 30 years, I can attest that no producer of livestock wants to see animals in the horrendous conditions witnessed on national television earlier this month. There is no denying that animal welfare must be paramount in any discussion we have regarding live exports.

If the animal welfare standards can be guaranteed—and they certainly can be in many abattoirs throughout Indonesia—then live exports should immediately be resumed to those approved abattoirs. Those abattoirs that are unable to meet international standards should remain barred from receiving Australian livestock and must be given assistance to raise their standards to an international level if they wish to receive Australian livestock again. A blanket ban will set animal welfare standards in Indonesia back decades and could also prove detrimental to animal welfare within Australia.

With the Indonesian market closed, many pastoralists in the north of Australia have been left with thousands of animals they are unable to sell. This will lead to overgrazing, animal welfare issues and land degradation if not managed properly, not to mention financial hardship for our producers. The domino effect of this blanket ban will also be catastrophic to the small businesses that service the livestock industry across Australia.

It must be recognised that there are many abattoirs in Indonesia who have been doing the right thing and operating at international standards. It must also be recognised that a six-month blanket ban will effectively halt cattle production for nine months, due to the seasonal nature of the cattle industry in the north. Due to this seasonality of cattle production, the establishment of an abattoir in Australia's north will not be commercially viable. Shipping frozen meat to Indonesia is not a viable option, as the majority of the population live on very low means, without access to electricity or refrigeration. The export of livestock also provides the people of Indonesia with a valuable industry, creating employment and boosting their economy.

I would like to propose to this House a solution which will address all of these above issues, while continuing to ensure that animal welfare is paramount. I call on the federal government to establish an independent government watchdog tasked with inspecting Indonesian abattoirs on an individual basis to ensure they meet international standards, with a view to lifting the blanket ban and resuming live exports immediately. I urge the federal Minister for Agriculture, Fisheries and Forestry, Joe Ludwig, to continue to liaise closely with all relevant state ministers and industry stakeholders to immediately resolve the animal welfare and financial issues that this blanket ban has created. Furthermore, a new independent watchdog should also be assigned the role of auditing and maintaining the standards of certified overseas abattoirs. There is no denying that Meat and Livestock Australia and LiveCorp have dropped the ball on this issue in relation to animal welfare, but the federal government must
also be held accountable for the loss of income and any animal welfare and environmental impacts that arise as a result of this knee-jerk blanket ban.

As I stated earlier, animal welfare must be paramount for us to move forward and re-establish the live export trade as quickly as possible. I am currently aware of an abattoir based in Jakarta that can humanely slaughter 600 to 800 cattle per day and has an attached feedlot that can hold 12,000 head of cattle. It is a world-class operation, and it is available for inspection by the Australian government today. It is vital that we re-establish the live export trade effective immediately. I have presented the House with an appropriate solution that safeguards animal welfare as the most important factor. It is now imperative that the federal government address this issue with the urgency it demands. It is vital for our Australian producers, it is vital for our regional communities and, above all, it is vital for the welfare of Australian animals overseas and at home.

House adjourned at 20:00

NOTICES

The following notices were given:

Mr BRENDAN O'CONNOR: to present a Bill for an Act to amend the Customs Act 1901, and for related purposes.

Mr GRAY: to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Contamination Remediation Works, Former Fire Training Area, RAAF Base Williams, Point Cook, Victoria.

Mr GRAY: to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Specific Nutritional Capability Project for the Defence Science and Technology Organisation, Scottsdale, Tasmania.
The DEPUTY SPEAKER (Hon. Peter Slipper) took the chair at 09:33.

CONSTITUENCY STATEMENTS

Live Animal Exports

Mr O’DOWD ( Flynn) (09:33): Like all Australians, I was shocked and deeply disturbed by the mistreatment of Australian livestock exposed in the recent Four Corners program and agreed that urgent action should be taken to stop our beef cattle being slaughtered in this cruel manner. We all agreed that something needed to be done. Both sides of the House started on the same page and had the same idea: banning exports to the abattoirs whose practices were identified as inhumane. But this Labor government's decision to suddenly ban all live cattle exports to Indonesia is a knee-jerk reaction with serious consequences to our important beef cattle industry and our relationship with Indonesia. It is obvious that this government has panicked and bowed to the demands of animal activists, some Independents and the Greens. The decision punishes those who are doing the right thing, both in Australia and in Indonesia, and it will have a ripple effect throughout the industry in both countries, without stopping the inhumane treatment of cattle. This suspension must be stopped in the immediate future, within the next four weeks, because the wet season will come down upon us and the cattle will not be able to be moved in the north. So, if the ban lasts six months, it will actually become 12 months. The ban also raises some concerns over Australian chilled boxed meat exports to Indonesia. There is a real concern that Indonesia could retaliate by stopping imports of our boxed meat products, which now total about 50,000 tonnes per year.

If we could have our own way, Australia would only process, freeze and ship packaged meat to other parts of the world, but there are some countries where this is not possible for cultural and practical reasons, such as lack of refrigeration. But, if Australia does not promptly resume these cattle exports to Indonesia, the country could turn to illegal trade with countries such as India, which carries a real threat of contamination with foot-and-mouth disease. Many dollars have been spent by Australia in Indonesia to eradicate this hideous disease, and this opens up that threat again. We know that there are abattoirs in Indonesia that have been doing the right thing, with modern stunning and slaughter facilities, and there are five slaughter houses in Indonesia that are operating under Australian standards.

Now this Labor government has antagonised the key industry people in Australia and Indonesia. This total suspension is not going to solve the problem. It is not going to encourage those who are doing the wrong thing to stop, as they will source their cattle from countries other than Australia. This ban has left hundreds of cattle stranded in holding yards and on trucks, while beef producers stand to lose millions of dollars if the suspension drags on. This decision was made with no thought to the consequences and no plans for the future of this vital industry. (Time expired)

Sport

Mr MURPHY (Reid) (09:37): The government has increased its support for young Australian athletes under the Local Sporting Champions grants of 2010-11. All members would be aware that the funding has increased to improve financial support for young people and their families who find it difficult to meet the ongoing and significant costs that come
with sporting competitions. The increased funding provides double the number of individual
and team grants available to each electorate this financial year, bringing the total number of
individual grants to 24 and the team grants to two.

For those who are not aware of the Local Sporting Champions grants, the federal
government is providing young people aged between 12 and 18 years of age with the
opportunity to apply for a $500 individual grant, or a $3,000 team grant, to meet the costs of
travel, accommodation, uniforms or equipment when competing, coaching or officiating at an
endorsed state or national sporting competition or a School Sport Australia national
championship.

The program has been very successful in my electorate of Reid, with all 12 individual
grants and the team grant awarded last financial year. I take the opportunity to thank those
who contributed to the success of the program last year, especially the panel members. I
particularly thank Ms Kylie Norris of the Briars Sporting Club; Mr John Perkins of the
Touched by Olivia Foundation; Ms Alyssa Healy, the Australian female cricket player; and
Mr Shannon Cole, the Sydney FC midfielder, who also recently returned with the Socceroos
from a successful Asia Cup. The panel members were very generous with their very limited
time to assess the applications, and I sincerely appreciate each of their contributions.

The applicants constituted a pool of very talented young athletes over three rounds. I
congratulate all of the applicants and wish them all the very best with their future sporting
endeavours, whether they represent our state or our great nation. The range of sporting
endeavours in my electorate of Reid was quite outstanding. The list ranged from dragon boat
racing to diving, hockey, lifesaving, golf and archery. It is not surprising, however, given the
many excellent sporting facilities available in my electorate and the enthusiasm for sport that
so many Australians share. For athletes competing at elite levels there are invariably cost
s to be met, and I believe the Local Sporting Champion grants are a very worthy form of
assistance for young athletes and their families to lessen the load and to help them to fulfil
their dreams.

I note that the local media are encouraging and promoting the program. The Burwood
Scene recently published an article on the grants in its very new online version. The article
about the grants attracted more than 100 hits in the first 24 hours. I dare say that the increased
number of individual grants will make the selection of successful applicants much easier
for the panel and will ensure that we can provide valuable financial assistance to many worthy
applicants. Finally, I commend the Australian Sports Commission for their professional
involvement and I thank the Minister for Sport for his continuing support.

The DEPUTY SPEAKER: I thank the member for Reid. I think that must almost be a
record for the number of words in three minutes.

Small Business

Mr FRYDENBERG (Kooyong) (09:40): Yesterday's flippant remark by Labor's Minister
for Small Business, Nick Sherry, that bookstores will soon 'cease to exist' was, for many small
business owners, the last straw. This government's disdain for small bookstore owners is
simply a metaphor for their abandonment of the small business sector as a whole. Small
business matters. With nearly two million small businesses Australia wide, representing 96
per cent of all businesses, small business employs more than five million people.
In Kooyong we have nearly 18,000 small businesses, from the bustling shopping strips in Glenferrie and Burke roads to the small family enterprises run from home. It is the engine room of our local economy. If you hurt small business, you hurt every Kooyong family. That is why the Gillard government's policies towards small business are causing such concern.

In this year's budget, the abolition of the entrepreneurs tax offset will affect up to 400,000 small businesses who will lose up to $2,500. It is a severe punishment for self-employed operations reporting incomes of less than $50,000 a year and, to make matters worse, the sector's peak body, the Council of Small Business Organisations of Australia, COSBOA, said there was no consultation prior to the announcement.

The introduction of a requirement on businesses in the building and construction industry to report to the ATO every payment made to contractors is another punitive measure that has caused an outcry. It will create a significant administrative burden on small business and is clearly a payback to the union movement, who are looking to government for help in reversing their declining membership.

Small business operators who drive more than 25,000 kilometres per year are also facing higher FBT charges on their vehicles—another impost on doing business. With the carbon tax expected to lift gas and electricity prices, there will be no compensation for small business. All these changes are coming at a time when small business is doing it tough and consumer confidence is on the wane. The Telstra Business/COSBOA 2011 Back to Business survey found that more than one-third of small businesses face cash flow problems, only one in five believe that economic conditions are better today than they were a year ago, and nearly half are concerned by higher interest rates.

You do not have to take my word for it that Labor is bad for small business. Just ask COSBOA or the Independent Contractors Australia who said, 'It's becoming harder not to reach the conclusion that the Gillard government really hates small business people.' The fact that the Rudd-Gillard governments have seen 300,000 jobs lost from small business is a sign that enough is enough. The Australian public want a minister who is ready to man the barricades in their defence, not one who is quick to write the epitaph of their demise. The only way to reverse this devastating trend for small business in Australia is to remove this government from office.

**Dalai Lama**

Ms PARKE (Fremantle) (09:43): At a time when we are seeing sweeping changes in the world, we need more than ever voices advocating peaceful democratic change, non-violent solutions to conflict and freedom of speech. Yesterday, more than 100 members, senators and members of the diplomatic corps welcomed His Holiness the Dalai Lama to this parliament and attended a reception where His Holiness provided an insight into the current political and social conditions under which the occupied Tibetan people are forced to live.

He also delighted the audience with his wisdom and light-hearted observations on such issues as the need for teaching of secular morality and ethics to children and the considerable health benefits of being a warm, open and caring person rather than someone whose hatred, fear and anger makes them closed and isolated.

I am very pleased to say that this Saturday, 18 June, His Holiness the Dalai Lama will be attending a function in my electorate that I have helped to arrange in collaboration with the
City of Fremantle and Senator Scott Ludlam. That event at the Fremantle Town Hall will give my Fremantle constituents and other Western Australians a further opportunity to hear from one of the world's great spiritual leaders and advocates for peace—an attribute appropriately recognised by being awarded the Nobel Peace Prize in 1989—a powerful message to the world in the year of the Tiananmen Square massacre. The appetite for this kind of engagement in Fremantle has always been very high, and this was made abundantly clear when the 400-or-so tickets for the audience with Holiness sold out in 27 minutes. I want to acknowledge the work that has been done by Senator Scott Ludlam's office in organising the Fremantle event and I want to thank the Mayor of Fremantle, Brad Pettit, and the officers of the city of Fremantle for their support and for the use of the town hall. This event has been arranged as a fundraiser for the Tibetan children's village and has already raised more than $20,000 for this purpose.

In 2009, Senator Ludlam and I were fortunate enough to be part of a parliamentary delegation to India that also included the Deputy Speaker, Mr Slipper, among others, where we met with His Holiness in Dharamsala. We also visited the Tibetan children's village which houses and educates orphans and refugee children from Tibet. The school mottos are 'Others before self' and 'Individuals can make a difference'. As I noted when I return from Dharamsala, the Tibetan children's village managed to be simultaneously the saddest and happiest place we had seen—happy because the children are welcomed and loved; sad because many have been sent from Tibet into the care of the Dalai Lama and may never have contact with their families in Tibet again. Those families may never find out whether their children even made it to Dharamsala.

To gain some understanding of the situation in Tibet, I urge as many people as possible to see the excellent film What Remains of Us, about a young Tibetan woman from Quebec who enters Tibet for the first time carrying a message from the Dalai Lama to Tibetans inside Tibet. To see the reaction of poverty-stricken Tibetans inside their humble abodes, gathered around a small portable video player, as the Dalai Lama—exiled from Tibet for the past 52 years—spoke to them is incredibly moving. His Holiness the Dalai Lama has touched many lives in his 75 years and I hope he will have a long life and continue to touch many more. Happy birthday to His Holiness for 6 July. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper): History will record that Mr Speaker welcomed His Holiness when he was in the gallery of the House of Representatives chamber yesterday.

Beyer, Mr Luke

Mr SIMPKINS (Cowan) (09:46): I stand to make a tribute following the tragic death of my constituent Luke Beyer, from Ballajura. On Friday night, 27 May 2011, on the corner of Illawarra Crescent and Sloop Rise in Ballajura, Luke Beyer, who had finished his shift at the local supermarket, had just dropped off some of his friends that he had picked up from the cinema. As he was sitting in his car, around the corner came a drink-driver, who may have been speeding as well. Without deviating, this drink-driver went up onto the footpath, across the verge and hit the car that Luke was sitting in. As a result, Luke died later in hospital.

I make my condolences today to his family—his mum, Colleen; his dad, Martin; his brother, Matt; and his grandad, Tony. On Sunday, 5 June, there was a commemorative service at the Ballajura War Memorial and Peace Park. Afterwards, I spoke to Luke's grandad, Tony,
who spoke of what a fabulous young bloke he was. When you think that Luke had finished his shift, had gone to pick up his mates and was dropping them off around Ballajura, it is a real indication of what a great guy he was.

The commemorative service held on Sunday, 5 June was organised by Tom Davies, who initiated both a social media commemoration and the memorial, which was attended by more than 2,000 members of the Ballajura community. Friends attended, as did those who did not know Luke but nevertheless felt that something needed to be done about these sorts of circumstances where somebody is innocently killed by the reckless and dangerous actions of others. That day was not a day for politics; it was not a day for political statement. But it was a day to reassure the family that something good has to come out of these circumstances.

Whilst we must always look at law enforcement and laws to punish people who offend, we must also look at the need for attitude change. People cannot just take their own lives and disregard the lives of others by their reckless actions. What must come out of this is that we must always say, 'Enough is enough.' More people need to look at themselves and make that decision: 'I'm not going to take the lives of others in vain. I will not take risks with the lives of others because I just want to do what I want to do.' That is the sort of attitude change that is needed. All the other laws can only be looked at in the light of attitude change.

**The DEPUTY SPEAKER (Hon. Peter Slipper):** I thank the member for Cowan and I am sure that all honourable members would join him in the sentiments he so eloquently expressed.

**Blair Electorate: Roads**

Mr NEUMANN (Blair) (09:49): The people of South-East Queensland, particularly Ipswich and the Somerset, deserve to know the attitude of the coalition to the upgrade of the Ipswich Motorway. The Ipswich Motorway takes about 100,000 vehicles on its busiest day and 80,000 on the least busy. What was the policy of the coalition government towards this? When they were in power for 11½ years, they did nothing. There was inertia and inactivity. For three election campaigns in a row they campaigned against the Ipswich Motorway upgrade. At the last election campaign my LNP opponent was equivocal. I am not sure whether he was in favour or against.

We know that in October 2009 the shadow minister for roads, the member for Wide Bay, said in parliament that he would shut the construction of the Ipswich Motorway down between Dinmore and Goodna. Last night we had a bizarre performance from the hopeless, hapless and helpless shadow minister where he was advocating instead of the Ipswich Motorway upgrade that he would build the Goodna bypass. It is not a Goodna bypass at all—it links back into Goodna. What he did not say was that every council in South-East Queensland supports the Ipswich Motorway upgrade. In fact, the state conservative coalition opposition supports the Ipswich Motorway upgrade. Campbell Newman supports the Ipswich Motorway upgrade. But here in this chamber last night the shadow minister said that he would not support it. He advocated a Goodna bypass instead. What he did not say is that the Goodna bypass would cost more than twice as much as the Ipswich Motorway upgrade. So you do not have an $11 billion black hole in the coalition's costings; you have a $15 billion black hole in the coalition's costings. That is the reality. That is what they said.
We have allocated the money. They voted against the money for the Ipswich Motorway upgrade for the Dinmore to Goodna section. We have allocated it. In fact, in the last budget we put $155 million towards finishing it by the end of 2012. But those opposite now say, ‘No, we will not support that. We will shut construction down, put thousands of jobs at risk and spend $4 billion,’ because that is what the Queensland Department of Main Roads thinks it will cost to do the Goodna bypass. It is 10 kilometres of road, crossing the Brisbane River four times potentially, but there is no off-ramp through the leafy suburbs of Ryan because those opposite do not want people from Ipswich going anywhere near them. The reality is that those opposite will not support the people of Ipswich. They will not support the farmers and small business operators. They put the people of Ipswich and the Somerset at risk—the farmers and the small business operators. Those opposite let them down for 11½ years.

Then there is the Blacksoil Interchange. We have committed $54 million in this budget. For 11½ years those opposite opposed it. Every conservative politician in Queensland supports it, but those opposite will not put the money towards it. They did not do it for 11½ years. It is typical of the coalition. Their failure on road infrastructure in South-East Queensland is evident in their opposition to the Ipswich Motorway upgrade and their opposition to the Blacksoil Interchange. (Time expired)

Cook Electorate: Sutherland Shire Relay for Life

Mr MORRISON (Cook) (09:52): I wish to inform the House of an immensely successful community event, one of the largest of its kind in New South Wales and certainly the biggest in the shire—the Sutherland Shire Relay for Life. It is run for the Cancer Council. These relays for life are held all over the country and I am proud to say that the one in the shire is one of the largest in the country, exceeded only by those in places like the entire city of Perth. One part of Sydney is doing an incredibly great job.

The relay was held over a very wet weekend down at the athletics track in Sylvania Waters, from 30 April to 1 May. I was pleased to be there to join them and I pay tribute to the great resilience of the entire community turning out to support this great event. It was the 10th anniversary relay. It went ahead with over 6,000 participants who walked many, many kilometres around the track to raise $650,000 for the Cancer Council despite the inclement weather. In the words of the organisers, ‘This just goes to show the tremendous attitude of everyone involved in this wonderful event. Those fighting cancer don't get a break when it rains, so neither do we.’ That was the spirit on display.

I want to pay tribute particularly to the convener of the shire's relay for life, Mr Rod Coy, and his entire management team. There is a cast of tireless community servants that Rod brings together to run this event, and he is but one of those. I know he thinks of himself like that, but someone has to steer the ship and Rod does it incredibly well, inspiring all of those others. Rod is himself a survivor and has been involved in this event for some time. He has been instrumental in raising over $3 million through the Relay for Life for the Cancer Council in the Sutherland Shire. As I said, Rod is a survivor, and he is an inspiration to many in our community. I had the pleasure of awarding Rod the Cook Community Medal in 2009 as part of our annual Cook Community Awards for his outstanding leadership and community service. This award singles out selfless volunteers in recognition of their contribution to our community.
Relay for Life is a unique fundraising event that brings communities together in the fight against cancer. As Rod says: 'Perhaps you've been touched by cancer; perhaps not. Whether you are a survivor or a carer, are supporting friends or loved ones or simply want to make a difference, Relay for Life empowers everyone who participates.' I commend all of those who got involved with the Relay for Life again this year in the shire and thank all the participants who turned up and walked those many kilometres, those who did the marathon, those who were there serving in the stalls and supporting the organisation, those entertainers who came along and all those who were there. I want to thank Dr Charlie Teo in particular for coming down and being there for the event as well. I commend this event to all members. I know members of this House across the political divide are involved with this great initiative, and I commend it to them. I thank again the Cancer Council and the shire Relay for Life team for another job well done. (Time expired)

Petition: Easter Sunday

Mr SYMON (Deakin) (09:56): Today I am presenting a petition signed by 194 retail workers from in and around the electorate of Deakin that calls on the federal government to recognise Easter Sunday as a public holiday. This petition was considered by the Standing Committee on Petitions on 11 May this year and certified as being in accordance with the standing orders.

This petition is also a response to the Baillieu Victorian Liberal government's actions this year. The Baillieu government forced the Shop Trading Reform Amendment (Easter Sunday) Bill 2011 through state parliament. It declared that Easter Sunday 2011 would not be a public holiday and workers could be required to work without receiving penalty rates. All other mainland Australian states recognise the significance of Easter Sunday except now for Victoria. Many people in my electorate who work in retail industries particularly are outraged. In comparison, the New South Wales state parliament unanimously legislated for Easter Sunday to be a public holiday.

As many Victorians know, when the state Liberal government of Jeff Kennett transferred the state's workplace relations powers to the Commonwealth in 1997, he kept hold of some particular conditions. One set of those conditions was the appallingly bad schedule 1A of the Workplace Relations Act, which kept hundreds of thousands of Victorians on lower wages with virtually no conditions. Another power that was kept was that of regulating public holidays in the state, and that is the very power that the Baillieu Liberal government is using to beat up on working people yet again.

The National Employment Standards already recognise Good Friday and Easter Monday as public holidays. This petition calls for the Fair Work Act to recognise Easter Sunday in the National Employment Standards. The constituents who signed this petition are calling for changes to the National Employment Standards for many reasons. One is that many of them attach a religious significance to Easter—and of course there are many people in the electorate who do. I know that around 64 per cent of Australians overall do. However, it is not just the religious significance of the break; it is also a long weekend for most people, with a well-earned four days in a row off work. It is also a traditional time in Australian culture for holidays, weddings, footy and quality family time. Having to go to work in the middle of a long weekend does not make it very long, and I think most of us would appreciate that. Why any of these people should be expected to forgo a family time on Easter Sunday and not even
be properly compensated for it is a very good question. It is not just Australians, of course, who enjoy the Easter break period, as many, many countries around the world also have public holidays at this time.

I support this petition because the exception of Easter Sunday as a public holiday is not fair on my constituents working in the retail industry, nor is it fair on their families. I present the petition to the House.

The DEPUTY SPEAKER (Hon. Peter Slipper): If the situation is as the honourable member has advised us, and I have no reason to disbelieve his word, the petition will be received under standing order 207(b)(ii).

The petition read as follows—

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

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

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

We therefore ask the House to:

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

from 194 citizens

Petition received.

Boothby Electorate: Home Insulation Program

Dr SOUTHCOTT (Boothby) (09:58): I would like to speak about the Home Insulation Program. The government knew the risks about quality, fire, safety and the potential for fraud but did nothing to mitigate them. The program has caused four deaths, almost 200 house fires and countless scams and dodgy installations. It is one of those countless dodgy installations that I want to talk about today.

Two constituents of mine own a very lovely 1920s house within my electorate. They were cold-called, approached by an insulation company on 30 November 2009 to have their house insulated under the government's scheme. They agreed. What they did not know was how much of a mistake that decision would turn out to be. My constituents were under the impression that they would be receiving replacement insulation batts. However, the company installed shredded paper insulation—cellulose—instead on 14 January 2010. This is done by spraying the insulation into place. However, the installers were so careless with this process that they covered all cabling and all roof trusses, causing serious safety risks. Their roof
cavity looks like a sea of shredded paper. It was not discovered that shredded insulation rather than batts had been used for some months, as they were not home when it was installed.

Twelve months after the installation, on 19 January this year, and after hearing about fire concerns my constituents called a recommended company to inspect the roof. The inspectors refused to enter the roof space due to safety concerns that the beams and electrical wiring were covered and unable to be seen. My constituents then called their friend, an electrician, who also refused to enter the roof space. They called the Department of Climate Change and Energy Efficiency and were never called back. They called the department again and another inspection was arranged. This inspector also declined to enter the roof space due to safety concerns and said that a master electrician was needed. The master electrician refused to enter the roof space due to safety concerns and told my constituents to call the department to have the insulation removed. They rang the department again and were told they would be called back. They never were. Once again, they had to chase up the department—this is now up to 2 June—who had no record of previous contact. They were told the department would look into it.

This has now been six months since they first sought to have their roof inspected. They are still being given the run-around by the department. I call on Minister Combet, the minister in charge of cleaning up this insulation debacle, to stop the run-around and ensure my constituents’ house is made safe again, the way their house was before this debacle began. There was nothing wrong with their ceiling before this insulation scheme. There was nothing wrong with their roof before this insulation scheme. This has been a debacle from start to finish, and now we have an incredible situation where they continue to get the run-around. The government needs to act.

Israel

Mr DREYFUS (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (10:02): It saddens me to be again calling for the release of Gilad Shalit. Saturday, 25 June 2011 will mark the fifth anniversary and 1,825th day since he was kidnapped by the terrorist group Hamas. On the first anniversary of this war crime I addressed 300 people on the steps of Melbourne’s GPO and on each anniversary since I have stood in this parliament and called for his release.

On 25 June 2006 the then 19-year-old corporal was kidnapped near Gaza in an illegal cross-border raid into Israel by Izz ad-Din al-Qassam, the armed wing of the terrorist organisation Hamas. Two other Israeli soldiers were killed in the raid. For five years Gilad Shalit has been a hostage of Hamas at an unknown location in Gaza in contravention of the Geneva convention. The International Committee of the Red Cross, other human rights organisations and even his own family have been denied contact with Gilad, who is a dual Israeli and French citizen. Gilad’s family will not stop fighting for justice for their son. Noam Shalit, Gilad's father, commenced a proceeding in the Paris district court this month. He has asked that the French justice system investigate and take action against Hamas, which is illegally holding his son. He said to the French press, 'I do not know yet what this will accomplish but I can do nothing but try every avenue, hold on to every hope.' This is every parent's worst nightmare.

Yelena Bonner, famous for being an activist in the Russian human rights movement and the widow of dissident and human rights activist Andrei Sakharov, spoke in 2009 at the Oslo
Freedom Forum on issues relating to Israel and made specific reference to Gilad Shalit. She asked this question of her human rights colleagues: 'Why doesn't the fate of the Israeli soldier Gilad Shalit trouble you in the same way as the fate of the Guantanamo prisoners?' She continued, 'He is a wounded soldier and falls clearly under the protection of the Geneva conventions. The conventions say clearly that hostage taking is prohibited, that representatives of the Red Cross must be allowed to see prisoners of war, especially wounded prisoners.' And she said at the end of her address, 'Returning to my question of why human rights activists are silent, I can find no answer except that Shalit is an Israeli soldier, Shalit is a Jew. So again it is conscious or unconscious anti-Semitism. Again, it is fascism.'

Before people call for Israel to sit down and negotiate with Hamas, they should think about the conduct of this organisation, an organisation that took power in an armed coup in Gaza and murdered hundreds of its opponents, an organisation which has authorised the firing of thousands of rockets from Gaza into Israeli communities and an organisation which to this day illegally holds Gilad Shalit hostage. On this fifth anniversary of the taking of Gilad Shalit, I call on human rights activists and world leaders to stand up, to speak up and to demand the immediate release of Gilad Shalit.

The DEPUTY SPEAKER (Hon. Peter Slipper): In accordance with standing order 193 the time for members' constituency statements has concluded.

BILLS

Appropriation Bill (No. 1) 2011-2012

Consideration in Detail

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (10:05): I suggest that the order for the consideration of proposed expenditures agreed to by the House previously be varied so that we consider the proposed expenditure for the following portfolios after the Attorney-General's portfolio this afternoon: firstly, the foreign affairs segment of the Foreign Affairs and Trade portfolio; secondly, the workplace relations and BER segment of the Education, Employment and Workplace Relations portfolio; and, thirdly, the tertiary education and skills and school education, early childhood and youth segments of the Education, Employment and Workplace Relations portfolio.

The DEPUTY SPEAKER (Hon. Peter Slipper): Is the suggestion of the minister agreed to?

Dr SOUTHCOTT (Boothby) (10:06): Can the minister make it clear whether the opposition whips and the shadow ministers have been notified of this variation? If they have not then I do not see we are in any sort of position to agree to that.

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (10:06): I cannot assure the Main Committee of that one way or the other. It is a reasonable question. I have stood up and moved this proposition on the basis that we have. I am happy to check that and come back to this proposition. It would see five portfolios be considered in detail up until about 5 pm, so I am happy to get that assurance and get back.

The DEPUTY SPEAKER: The minister has not moved anything. He has made a suggestion. The minister has agreed that he will obtain the information sought by the member for Boothby. On that basis, I think we proceed with the program we currently have. If the
Main Committee chooses to accept the minister's suggestion subsequently, that is exactly what we will do.

**Health and Ageing Portfolio**

Proposed expenditure, $7,800,412,000

Mr DUTTON (Dickson) (10:07): Perhaps on indulgence, Mr Deputy Speaker: I just want to seek clarification, bearing in mind that it is almost 10 minutes past the hour, about whether the Main Committee will be hearing the health and ageing part of this debate for an extended period and whether the minister will be in attendance.

The DEPUTY SPEAKER: Firstly, according to my schedule, the consideration of this portfolio will terminate at 11.30. Secondly, my understanding is that it is a matter for the government which ministers appointed to administer the Department of Health and Ageing appear for the consideration in detail in this chamber. It is open to any member who wishes to make a comment on that in his or her contribution to do so.

Mr DUTTON (Dickson) (10:09): The first point that must be made is that this is a minister who is running and hiding. This is a minister who refuses to front this Committee, as would normally be the case, and clearly it is as a direct result of the hypocrisy of the minister overnight. It is an indication that this minister is embarrassed by having misled the Australian public. This is a minister who, whilst saying one thing publicly and leading the Australian public to believe that she was taking a certain course of action, has done something quite different in private. This is a minister who, while she was saying to the Australian public that it is bad to solicit donations from tobacco companies, was privately writing to these companies seeking those same donations.

Mr Hayes: Mr Deputy Speaker, I raise a point of order. This is about the appropriations. The member cannot go off into a rant about matters extraneous to the issues in the budget.

The DEPUTY SPEAKER: This is a broad-ranging debate. However, I would point out to the member for Dickson, and I thought this was the point that was going to be made by the member for Fowler, that he ought not reflect on the minister other than by a substantive motion.

Mr DUTTON: Thank you, Mr Deputy Speaker. All of it is now fact and it is before the public to make their own determinations about the credibility or lack thereof of this minister. The fact that she will not front this committee to talk about issues relating to appropriations is a disgrace—

Ms King: On a point of order, Mr Deputy Speaker, the member is now impugning another member and I ask for him to desist.

The DEPUTY SPEAKER: There is no point of order. He made a comment on the fact that the minister is not present, which I do not believe is impugning. I am listening very carefully.

Mr DUTTON: My question is to the Minister for Indigenous Health and other matters. It relates to that part of the portfolio where there is direct expenditure on tobacco campaigns. In reference to that particular measure undertaken by the government, has the minister sought donations from or had contact with tobacco companies since the 2004 declaration of the then Leader of the Opposition that the Labor Party would undertake no such activity?
Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10:11): You ask me about tobacco initiatives under the budget, which I am happy to respond to. We are expanding in excess of $100 million on tobacco initiatives for Aboriginal and Torres Strait Islander Australians. We understand, as I am sure you do, that cutting tobacco consumption rates amongst Aboriginal and Torres Strait Islander people is an absolute must. Around 50 per cent of the Aboriginal and Torres Strait Islander people smoke compared to around 16.7 per cent of the general population. If we are to actually close the gap in Aboriginal and Torres Strait Islander life expectancy, it is imperative that we actually get people off smokes. That requires us doing a range of things. One of those is that we have employed a national Indigenous tobacco coordinator, Tom Calma, to oversee the implementation of our program. We have involved tobacco action workers in 57 regions across Australia and tobacco action coordinators. Their job is to work with the communities to try to, firstly, make people aware of the issues to do with tobacco consumption and its impact upon their health and the health of their communities and, secondly, ensure that they take action to reduce their own smoking rates.

Mr Deputy Speaker, you would be aware that this is no easy task. I know the member opposite is actually interested in this subject, so let me take him to more detail. You know and I know that the diseases associated with tobacco consumption lead to a lot shorter life expectancy amongst Aboriginal and Torres Strait Islander Australians through vascular disease, diabetes, heart disease and cancer—the sorts of things that we know kill people. I make no apologies, and I am hoping from the shadow minister's question that he is supporting these initiatives. I assume he is. It is very important, as I say, if we are to close the gap in life expectancy between Aboriginal and Torres Strait Islander Australians and the rest of the community that we address these sorts of issues.

I know that the member has got a fixation with tobacco companies and I understand that. I am not interested in tobacco companies in this debate. What am I keen on doing is getting consumption rates of tobacco down amongst the Aboriginal and Torres Strait Islander community. We have an objective of halving tobacco consumption rates amongst Aboriginal and Torres Strait Islander community Australians by the end of the decade. If we can do that, that will make a substantial difference to their life expectancy. If we were to be able to bring down the tobacco consumption rates of Aboriginal and Torres Strait Islander Australians to what the rest of the population currently is, less than 17 per cent, then it is asserted that we would make a material difference across the Aboriginal and Torres Strait Islander community of increasing life expectancy between four and five years. That would have a material impact upon the health of Aboriginal and Torres Strait Islander Australians.

Mr Dutton interjecting—

Mr SNOWDON: Mr Deputy Speaker, this bloke wants to talk to you.

Mr Dutton: Mr Deputy Speaker, on a point of order on relevance: I asked a specific question of the minister, who either is refusing to answer that part of the question, is embarrassed to do so or does not know the answer to it. Can he please answer that part of the question that related to whether or not he has had contacts with or sort donations from tobacco companies. Why does he refuse to answer?

The DEPUTY SPEAKER: There is no point of order. This is a wide-ranging debate.
Mr SNOWDON: I am responding to budget initiatives in this current budget which go to managing our chronic disease—

Dr Southcott: You are not responding to the question. When did she give it up?

Mr SNOWDON: The relevance of the question is about tobacco and what we are doing for Aboriginal and Torres Strait Islander Australians. Let me just go to more detail around the general health initiatives for Aboriginal and Torres Strait Islander Australians. The member should know that we are investing in this budget $1.2 billion in 2011-12 compared to what they did in their last budget in 2006-07, $0.5 billion. This is a substantial growth in investment and we expect to get concrete outcomes from that investment. The government has continued funding of $39.1 million over four years for projects to assist stolen generations. But significantly, going back to the issue that was raised by the shadow minister, we are absolutely focused on bringing down tobacco consumption rates amongst Aboriginal and Torres Strait Islander Australians. Do you want to have a discussion about what we are doing to address Aboriginal—through you, Mr Deputy Speaker—

The DEPUTY SPEAKER: Through the chair. I am not wanting to have the discussion with anyone.

Mr SNOWDON: I am assuming that the opposition are genuinely interested in having a discussion about how we close the life expectancy gap between Aboriginal and Torres Strait Islander Australians and the rest of the community. I am assuming they will want to do that.

Mr Dutton: Stop filibustering.

Mr SNOWDON: And, in the context of this discussion, I am the minister responsible for Aboriginal and Torres Strait Islander health.

Dr Southcott: Where's the minister?

Mr SNOWDON: He asked me a question about Aboriginal and Torres Strait Islander health. I am endeavouring to answer it. If he is not interested in the answer, he is quite welcome to leave and not even read the Hansard. It will not worry me one little bit. But let us be very clear about it. We are absolutely committed to reducing—

Mr Dutton: Did you receive a donation?

Mr SNOWDON: Tobacco consumption rates amongst Aboriginal and Torres Strait Islander Australians, and we, through this budget, are going to implement the programs we have announced previously through our chronic disease package. We are investing $805.5 million in that package. Together with the states we are investing $1.6 billion on addressing these issues. We are doing it in partnership with the Aboriginal and Torres Strait Islander community; we are doing it in partnership with state and territory governments. We are having success in doing it. I want to say to the shadow minister: you do more by collaboration, discussion and partnership then you will do by adversarial politics. If you want to have a real discussion about how we improve the life outcomes for Aboriginal and Torres Strait Islander people, I am pleased to have it. I know the shadow parliamentary secretary is keen on these sorts of issues, had his own experiences working in Aboriginal and Torres Strait Islander communities and knows what the priority should be. The person sitting next to him, another medical practitioner, also knows the importance of these measures. I am sure they both share, as I am sure you do—
Mr Dutton: How much did you reduce the rate by? How much?

The DEPUTY SPEAKER: The member for Dickson has had a fairly good opportunity and he may ask another question later.

Mr SNOWDON: He can ask as many questions as he likes. You would know that we have implemented these measures over the last two financial years. Here we have it. We are going to spend $1.6 billion, we have spent in excess of $115 million on tobacco action programs for Aboriginal and Torres Strait Islander people under two different headings and now he wants to know what our results have been now that we are 18 months into it. Give me a break.

Mr Dutton: You're four years into government; give me a break.

Mr SNOWDON: Even you know—

The DEPUTY SPEAKER: Order, please. The member for Dickson will remain silent.

Mr SNOWDON: What I do know is in 2006-07, you invested in Aboriginal and Torres Strait Islander health $0.5 billion. In this year's budget—

The DEPUTY SPEAKER: I think the minister means the former government, not me.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10:19): It is $1.2 billion. Now do you understand the difference?

The DEPUTY SPEAKER: The minister should direct his remarks through the chair.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10:19): I am not a mathematician, but it is an increase of around 125 per cent.

Mr Dutton: Did you accept a donation?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10:19): Or 225 per cent, I should say—twice and a bit.

Ms Hall: Mr Deputy Speaker, I find the member for Dickson's behaviour quite disorderly. He is interjecting.

The DEPUTY SPEAKER: The member will resume her seat. I am the occupant of the chair and I will make the appropriate determinations. The minister has the call for 23 seconds.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10:20): I am not at all worried about any interjections, and I just say to the shadow minister: we are absolutely committed to closing the gap in life expectancy and we are absolutely committed to these tobacco programs, which we know, if given effect to and assisted by you and the other people who are involved in this discussion, will bring down tobacco consumption rates and improve life expectancy. (Time expired)

Ms RISHWORTH (Kingston) (10:20): I am very pleased to be talking about Appropriation Bill (No. 1) 2011-2012 today, because this budget builds on an incredibly large investment in health that this government has made. I have been very pleased about this, because my electorate, in the outer suburbs of Adelaide, has had significant investment since
this government got elected. Under the previous government, it was completed neglected, I have to say, and there was no investment, but under this government we have seen significant investments. Most recently, I am very pleased that it has been announced that there will be a Headspace unit at Noarlunga, which will really address mental health issues in the local southern suburbs of Adelaide. What is great about these Headspace sites is that they bring everyone into one tent: physical health professionals, mental health professionals and employment services, providing a holistic approach. In this budget, there is mental health funding of $2.2 billion, a significant investment. I am pleased that the Minister for Mental Health is here. He did a lot of hard work in making sure that we got this package. It was a priority of the government to really invest in mental health, and I am very pleased about the Headspace site.

It is disappointing that the member for Boothby has left the room, because the member for Boothby made a little bit of a mistake on radio the other morning. This government has invested $12 million into a GP Plus Super Clinic at Noarlunga. The member for Boothby was on the radio and had obviously read some paper somewhere that said this was delayed. He made a mistake because he got on radio accusing the state government of delaying the GP Plus Super Clinic. I have got good news for the Member of Boothby: there will be no such delays in Kingston. I am very pleased to inform him—I am disappointed he is not here, because he did make that mistake on radio—that it is full steam ahead, with stage 1 already open and stage 2 being constructed. This is another example of this government's significant investment in health.

In addition, we are investing a lot in training new GPs and clinicians, whether they be nurses or allied health people. I am very pleased that the final stage at Flinders hospital at the Noarlunga centre is open for the training of more GPs. That was something that the previous government really neglected. They put a cap on GPs. Their only strategy really was to provide golf balls to GPs to try and train more. I am not really sure what their strategy was with the golf balls, but certainly it did not work. The golf balls were somehow meant to encourage GPs. The minister has a good example of that—they were not even all used. That did not work.

Our investment is in training positions—in my electorate at Flinders, at Noarlunga and at the repat hospital—in training facilities so that doctors can be trained where they actually might want to work so that we can increase the capacity. I know that Flinders has also extended into some very sophisticated training facilities at Alice Springs, all funded by this government. This is real investment in health.

In addition, I know that there has been a real investment in integrated cancer services. This is really important. Darwin is one of the places where, previously, the patients had to fly to Adelaide but now they have an integrated cancer service in their local area. But a focus of this government has been on prevention. Previously, very little attention was paid to prevention, but this government has put a real focus on prevention. Obviously, the Gillard government has extended funding for the National Bowel Cancer Screening Program. My question to the minister is: could the minister advise how this program will improve the detection and prevention of bowel cancer?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (10:25): I thank the member for Kingston for her concise, punchy question and for her ongoing advocacy of
the health needs of the southern suburbs of Adelaide. I have had many a discussion with the member for Kingston about the health needs of southern Adelaide. She has been a strong supporter of the mental health reform process. I greatly appreciated her counsel and advice, as one of the very few, if not the only, professional psychologist in this parliament. Her advice about the better targeting of primary care services and youth mental health services was incredibly valuable to me in developing the package that was presented at the last budget.

She has also outlined some of the many advantages that the residents of the southern suburbs of Adelaide—the electors of Kingston—have received from the mental health reform process broadly and also from the specific investments in the acute care sector, particularly the Flinders Medical Centre, the major tertiary hospital in the southern suburbs of Adelaide, which has received $7.2 million for a new acute medical unit and $10 million for a general upgrade. We know that patient activity in that hospital has been increasing significantly for an extended period of time. Flinders has also benefited from the general emergency department capacity management system upgrade in the South Australian major hospital system, again funded through the Rudd and Gillard governments.

As the member for Kingston has outlined, a GP superclinic, in partnership with the South Australian government through its GP Plus program has been developed in the southern suburbs near the Noarlunga Hospital as well as a range of other community health and community mental health services. I was at the sod turning some time ago with the member for Kingston and the South Australian Minister for Health. The southern suburbs of Adelaide are one of the 10 areas where a new headspace service will be built during this year. I want to pay tribute particularly to the southern GP division down there, which I have dealt with on many occasions. It is an incredibly professional outfit and I know that it will play a very central role in the development of the headspace service there.

The member for Kingston also outlined the importance that this government attaches to preventative health. We know that of the more than $100 billion that is spent in this country on health every year, only about two per cent is spent on prevention and the vast bulk of that on immunisation programs. That is why we have set up the Preventive Health Agency, which finally passed through the parliament. That is why we agreed with COAG, in 2008, the largest ever preventive health agreement to the tune of about $872 million. We know that prevention and early intervention not only is much better for patients but also relieves a larger cost impact on the healthcare system later on if things are not picked up early.

The government's National Bowel Cancer Screening Program is a wonderful example of that approach. We know that bowel cancer kills almost 4,000 Australians every year, the second highest cancer killer in this country. We also know, though, that less than 40 per cent of bowel cancers are detected early, maximising the opportunities for treatment, intervention and therefore recovery. In 2008, as the member for Kingston well knows, there was an allocation in that budget of over $87.4 million over three years, offering free screening for up to 2.5 million Australians who turned 50, 55 and 65 years of age between 2008 and 2010. In 2008, that screening program led to 120 bowel cancer cases being detected, along with 334 suspected cancers and more than 5,000 potentially precancerous conditions also being detected.

This year we have followed up on that commitment with $138.7 million over four years to continue the National Bowel Cancer Screening Program. Approximately 3.4 million
Australians will be offered free screening over the next four years through that program. The program intends to commence sending out invitations in July this year—next month—to people turning 50, 55 or 65 from 1 January this year. I thank the member for Kingston for her ongoing interest in health reform and her interest in this program in particular.

Mr LAMING (Bowman) (10:30): My question pertains to the Marathon Project, which is a half million dollar program to inspire Indigenous Australians to run the New York marathon. Twelve people were recruited last year and four attended New York, and this year they have expanded that to 20 participants. I wanted to understand some of the numbers around that program. First of all, which of the 12 participants from last year are involved this year or have followed up and are participating in community support and inspiration of local people in their communities? Why does this year's squad contain a bachelor of construction management, a bachelor of marketing, an Indigenous liaison officer from a university and a third-year environmental engineering student? Are these individuals who need the inspiration to run a marathon and deliver changes for their community? How many of these have undertaken certificate qualifications? It is our understanding that none have, either from this year or last year. Do they intend to make a certificate a compulsory part of that program?

Could you please enumerate the number of corporate sponsors that have jumped on board the Marathon Project as a good and inspiring idea? If there is evidence to support sending people to an overseas footrace rather than a local one—some of the largest footraces in the world are held here, such as the third largest triathlon in the world—then I would like to be directed to those resources. Lastly, why is that money a better expenditure for Indigenous wellbeing than the Lillawan study phase 2, of half a million dollars, to look after Fitzroy Crossing babies with foetal alcohol syndrome, which remains unfunded by the government.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (10:32): I thank the shadow parliamentary secretary for his question. I understand that he has a deep and very genuine interest in Aboriginal and Torres Strait Islander health. It will not surprise him when I tell him that I cannot give him all of that detail right now. I will take the questions on notice and I will respond to him formally in as short a space of time as possible.

Mr DUTTON (Dickson) (10:32): What medical advice is being relied upon by the government in not listing certain medicines that have been recommended by the PBAC? Can the minister guarantee that no patient's life will be placed in jeopardy by the government's refusal to list certain medicines because the budget is not in surplus?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (10:33): I thank the shadow minister for his question. As has been the subject of some public commentary, earlier this year the government took a decision to defer a number of recommendations from the Pharmaceutical Benefits Advisory Committee, PBAC. There were some seven pharmaceutical products recommended by PBAC which have been deferred—they have not been rejected by the cabinet. A decision was taken to defer them in the context of the government's fiscal position and our commitment to return the budget to surplus in 2012-13. Even within those fiscal parameters, though, the government has been completely definite about our position that we will list medicines to treat serious and life-threatening conditions. The only deferrals that have taken place have been in areas where there is an alternative
medication. We continue to take a proactive approach to listing on the PBS PBAC recommendations for medicines that deal with serious and life-threatening conditions.

Ms GRIERSON (Newcastle) (10:34): I take great pleasure in drawing attention to the appropriations in this budget and particularly for health. I take this opportunity to acknowledge and thank Minister Butler for his frequent visits to Newcastle and his wonderful delivery on mental health services. I also take this opportunity to thank Minister Snowden, who is sitting beside me, for his attendance at a national Indigenous men's health forum in my electorate. I know how much it is appreciated that our interest in the health of the Indigenous population is genuine and that we have delivered great outcomes. Also worthy of mention are the achievements of Parliamentary Secretary Catherine King, who is also in the chamber, on the organ donation program. I also note that the member for Shortland joined with me just recently in my electorate to announce one of the first Medicare Locals, and that is something we take great pride in.

For us, this budget delivers on four years of great investment in the health of our electorates. All of us have been touched by cancer in some way, with 88,000 Australians diagnosed with cancer each year and 35,000 dying from cancer each year. In the four years before the federal Labor government was elected in 2007 we had campaigned long and hard for attention to be given to our scanning and imaging equipment but we were ignored by the then health minister, Tony Abbott. We were pleased and privileged to have a PET scanner, but it had been bought by the specialists themselves and was being funded by the specialists themselves. It was not until Labor was elected that the positron emission tomography scheme was funded for a Medicare licence, and then, in a follow-up budget, $1½ million was invested to upgrade services—to buy the necessary radiopharmaceuticals, increase the shielding equipment and purchase another PET scanner.

Under this government we have also seen a new Medicare licence for an MRI scanner at the East Maitland Private Hospital, which services my electorate and that of the member for Hunter. The Calvary Mater hospital in my electorate, which provides most cancer oncology services in the state of New South Wales, purchased a new MRI machine which was installed just two weeks before the budget. We had been waiting for that machine to be installed and I am very pleased that in this budget the minister was able to partially fund a new Medicare licence under a regional health program. So my question to the minister is: can you outline the ways that access to important MRI diagnostic services was included in the budget—those services that will help diagnose conditions such as cancer—and how this is reforming access to MRI services right across the nation?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (10:38): I thank the member for Newcastle for her question and for her ongoing interest in health reform under this government. I was very pleased to conduct a consumer and carer forum in Newcastle during our mental health reform process. That forum was auspiced by the Mental Health Council of Australia but hosted by the member for Newcastle. It was an incredibly valuable forum and I took a lot from it. There were some particularly passionate carers at the forum who gave me some very valuable insights into the ways that they and the family members for whom they are caring interact with emergency departments in hospitals in particular. That is why one of the focuses of the mental health reform package outlined in this year's budget, supported by a $200 million reform fund from the Commonwealth, is to engage with the
states about ways in which the experience of people with severe mental illness and their carers presenting at emergency departments can be improved. I took a lot from the Newcastle session about that issue, and it was very important in terms of us developing that position to take to the states at COAG later this year.

As the member for Newcastle has outlined, the area that she represents in New South Wales has benefited greatly from the health reform process. There has been very significant improvement in medical assessment infrastructure in Newcastle, particularly at the Calvary Mater hospital, with eight beds funded by this government for a medical assessment unit. The member for Newcastle has already outlined a number of the diagnostic imaging improvements which have been supported by this government. She would also be aware that the Hunter Urban Division of General Practice is one of the first group of Medicare Locals announced by the Minister for Health and Ageing in the last couple of weeks as well as being a lead implementation site for our e-health reforms, which are so central to the success of our broader health and mental health reform process.

The member for Newcastle would also be aware that this government has greatly supported the Hunter Medical Research Institute, which is something of a nation leader in medical research in the area of mental health. That institute has received support to the tune of $35 million from this government that will allow it continue and expand its valuable research in the area of public discussion of mental health and suicide issues as well as early childhood mental health, which is such a central part of our mental health reform package in this budget.

The member for Newcastle asked particularly about the diagnostic imaging reforms presented in this year's budget. As all members know, and as the member for Newcastle in particular knows, diagnostic imaging is an incredibly important part of the healthcare system and a fast-growing part of healthcare expenditure. In 2009-10, Medicare expenditure on diagnostic imaging was around $2.15 billion, an increase of over 10 per cent on the previous year in spite of a range of supply-side restrictions in the area of MRI licensing, for example. In response to significant advocacy from the sector and the broader community, in last year's budget this government announced a broad review into diagnostic imaging, which has led to the announcement of a $104.4 million diagnostic imaging reform package over the next four years. In particular, that package will do a couple of things. Firstly, it will expand the number of Medicare licensed MRI machines around the country from about 125 to about 200, an increase of over 50 per cent. That particularly will benefit regional communities. Also, we have responded to advocacy from the sector that would allow GPs to refer patients for MRIs directly rather than having to go through a specialist or a physician. From November 2012, children aged 16 and under will receive a Medicare benefit for a GP requested, clinically appropriate MRI service for the first time. That Medicare eligibility will be expanded to Australians over the age of 16 from the following year, 1 November 2013. These are reforms that will significantly improve diagnostic imaging and thereby significantly improve the health of all Australians.

Mr LAMING (Bowman) (10:42): My question pertains to how the COAG National Partnership Agreement on Preventive Health, the NPAPH, connects with the Australian National Preventive Health Agency announced by the federal government—these two federal efforts; how do these fit together? At estimates we have been told that the NPAPH now predominantly focuses on obesity, but the listed outcomes of the NPAPH clearly state that it
also covers smoking, consumption of alcohol and a healthy start to life. Are these all now going to fall through the crack as the NPAPH is now purely obesity focused?

Secondly, once you have explained how these two connect, how will we be dishing out the reward payments of around $162 million for healthy kids and $144 million for healthy workers for a total of $307 million? If we have COAG working on the one hand and the ANPHA on the other, how do we correctly reward the states?

Finally, we understand that ANPHA has only picked up the area of social-marketing initiatives. What is going to happen with all of the other five initiatives that are effectively neglected—healthy children, healthy workers, healthy communities, industry partnership and enabling infrastructure—if these are not being picked up by ANPHA?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (10:44): I thank the shadow parliamentary secretary for his question and for his interest in preventative health. As I indicated in an earlier response, this government has taken an unprecedented interest and approach to preventative health, reflecting the fact that only some two per cent of the country's total health spending is made on prevention rather than treatment and cure. This is an area in which the country—the government but the health system broadly—simply must do better.

That is why as part of our analysis of the healthcare system, the foundation of our health reform process, we engaged the National Preventative Health Taskforce to look at ways in which we could significantly improve our approach to preventative health. As the shadow parliamentary secretary knows, that task force was asked particularly to focus on three areas of prevention identified by the government as particular areas of priority: smoking, alcohol and obesity or diet and physical activity. That task force delivered a very comprehensive report about ways in which we could deal with those three health priorities in particular and also a broader approach to prevention from a Commonwealth government point of view.

At the same time, as the shadow parliamentary secretary has outlined, the government engaged the states and territories very early after its election in an agreement to ramp up our approach in preventative health, leading to the largest ever preventative health agreement with the states and territories, concluded in 2008—I think it is a five-year agreement, but I am happy to take that on notice—and comprising some $872 million in investment from the Commonwealth.

I add that the government has been committed for some time, in keeping with the recommendations of the Preventative Health Taskforce, to establishing an agency which will have cross-portfolio responsibility for prevention. As the shadow parliamentary secretary, as a medical practitioner, knows, good prevention cannot rely simply on the health portfolio and the Department of Health and Ageing. Good prevention requires a capacity to get into schools through the education portfolio and deal with children at a young age to teach them about good healthy habits. A good example of that has been the Gillard government's Stephanie Alexander Kitchen Garden Program, which many members in this place have in their own electorates and will have visited. I have one in the electorate of Port Adelaide, which I have the honour of representing. It has been there for some time. It is delivering wonderful advances not only to the understanding of the children who use that program but, through them, to the understanding of their broader families. I was there in only the last couple of weeks, and members of the school council were telling me that parents were reporting to them
that their children were giving them lectures about the healthy or unhealthy nature of the meals that they were consuming at night. So this reflects a broad approach.

The Preventive Health Agency is something I will talk about later.

A division having been called in the House of Representatives—

Proceedings suspended from 10:47 to 10:59

Mr BUTLER: I think I remember the substance of the question. It was particularly about the interaction of the National Partnership Agreement on Preventive Health, which COAG agreed, with the work of the Preventive Health Agency. In particular—although I do not remember the specifics—the shadow parliamentary secretary was asking whether any of the Commonwealth programs under the NPA would be affected or terminated by the work of the PHA.

The Preventive Health Agency's work, as I indicated before we were interrupted, is to coordinate the Commonwealth's work in the preventative health sphere. One of those jobs obviously will be taking control or oversight of the Commonwealth programs that we have committed to undertaking as part of the COAG National Partnership Agreement on Preventive Health. I cannot remember all of the points that the shadow parliamentary secretary asked about, but I am happy to take those specific points on notice. Suffice it to say that all of the commitments we have undertaken as part of the NPA will be fully discharged by the Commonwealth and will become part of the Preventive Health Agency's work. It is not right that the Preventive Health Agency will only be dealing with obesity—I cannot remember whether that was part of the question. Its immediate remit will be the three areas identified by the Preventative Health Taskforce. I indicated that they are smoking, obesity—particularly childhood obesity—and alcohol abuse. But in due course the Preventive Health Agency will take a broader view of preventative health work.

Ms SAFFIN (Page) (11:01): I am pleased to be able to speak in the health part of the appropriations debate. My question is about regional health infrastructure, but before I get to the specific question I want to talk about some of the significant developments in my seat of Page and in the Northern Rivers-North Coast area. Firstly, one of the things that I really applaud the Minister for Health and Ageing in particular for is her commitment to extending integrated cancer care centres in the regions. We all know the statistics, and the statistics still stand, but they will change over time as these regional integrated cancer care centres get up and running. Indeed, some are already opening. The one in my area is at Lismore Base Hospital. The Minister for Indigenous Health had occasion to be there for the opening.

Mr Snowdon: The joy of!

Ms SAFFIN: That is right. The minister was also in my electorate when we did a regional hospitals tour over two days.

Mr Snowdon: A great consultation.

Ms SAFFIN: Yes, it was a great consultation with the communities. We did it at the hospitals and brought all the health communities in.

Mr Dutton interjecting—

The DEPUTY SPEAKER (Ms S Bird): The member for Page has the call! The member for Page will continue and—
Ms SAFFIN: It is all right, Madam Deputy Speaker; it was friendly banter, so I quite enjoyed it. On the Lismore Base Hospital: before I got elected in 2007 there had been a commitment from the previous government for some $8 million. We agreed to keep that commitment, which we did, and we added an extra $15 million plus. I got another $7 million, I think it was, which meant that the cancer care centre could come on line one year sooner than it would have otherwise. That meant that people did not have to travel as far to have their radiotherapy treatment, which is really significant for better health outcomes and for some of those terrible statistics that show that people in regional, rural and remote areas sometimes die more quickly than those in metropolitan areas, where people can access facilities. It is a rather stark thing to say, but that is a health statistic that we have.

Five hundred and sixty-two million dollars was made available nationwide, and we were able to also get some extra money. We got it for a project called Our House, and that meant that people can actually stay across the road from the integrated cancer care centre that is being redeveloped now. We were fortunate to get $2.6 million and then got some extra money in the budget this year, because when they went to do the redevelopment they found asbestos and termites and it required nearly $1 million to flesh that out. But there have been more than that in terms of my area. We also had provision in the integrated cancer care centre for the second linac, the linear accelerator. We were able to get some money out of the regional money available for the second linac and they are just commissioning that at the moment. It takes quite a few months to set that up, but we went and had a look at it the other day. There is also a PET-CT scanner and an additional MRI. These are just some of the things that we will have within the integrated cancer care centre, which covers a broad area in my region.

There have been other significant developments in my area. There was money available for what we call a MAU, a medical assessment unit, at Lismore Base Hospital. That is really useful in assessment and triage of patients when they first come into the hospital. At Grafton Base Hospital as well for the first time in years money was made available to bring it up to a modern facility. I recently went to the commissioning of the new emergency department and it is just wonderful to see. It is an old hospital and it was one of those that no-one in the health department really wanted to touch for a long time but we got the $18 million there, which is not a lot of money in terms of a hospital, and it was really good value for money. (Time expired)

Mr Dutton: What was the question?

Ms Saffin: It was about regional infrastructure.

The DEPUTY SPEAKER: I will allow the minister to address the points that the member raised.

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (11:07): Thank you, Madam Acting Deputy Speaker. I am very pleased to respond to the matters raised by the member for Page. She has been a strong advocate not only for health reform generally but particularly for the needs of regional Australia, and for mental health, along with a number of other regional members of parliament on this side of the main committee, including the member for Capricornia, the Parliamentary Secretary for Health, who have tirelessly advocated for the needs of regional communities. We do know, as the member for Page outlined, that Australians living in rural and regional and particularly remote Australia...
experience greater difficulty than metropolitan Australians in getting access to quality health care. That has been a particular focus of this government over the last 3½ years.

The member for Page outlined a number of ways in which her community, the community she represents, has benefited from that, ranging from the integrated cancer centre to upgrades to the Grafton and Lismore hospitals to GP superclinics, which improve access to basic primary care in those regional communities. She also alluded to the broad $560 million program to deliver regional integrated cancer centres in rural and regional Australia which help to close that gap in cancer care that the member for Page outlined.

There are also wonderful benefits that regional Australians are going to derive from our e-health program, a program that has not been the subject of questions yet. I know that in South Australia, for example, in the last couple of weeks we announced a cooperative program with the South Australian government to deliver new facilities for tele-psychiatry to, over time, up to 100 country hospitals or health centres in South Australia, which will allow remote diagnosis. Because of the quality of the bandwidth and the quality of the equipment being used in those facilities, it will allow remote diagnosis for the first time from Adelaide by resident psychiatrists at Glenside Hospital, the major psychiatric hospital in Adelaide, as well as some other places in Adelaide. This stops regional South Australians in that case having to be transported to Adelaide just for the purpose of diagnosis and will significantly reduce the level of trauma involved in that particular area of health care and improve the level of care provided not only to the people themselves but also the support provided to their families.

Utterly central to our approach to improving health for regional Australia is the Health and Hospitals Fund. The member for Page has outlined a range of ways in which this government has supported capital improvements in the health system in regional Australia and, as everyone in the Main Committee knows, the latest round of the Health and Hospitals Fund has been focused particularly on regional Australia because we know that regional Australia needs particular attention to ensure it has equal access to the quality health care enjoyed by those living in the capital cities.

There was very significant interest in this latest round, funded by the budget in May. There were 237 applications made to the Health and Hospitals Fund Advisory Board, 114 of which were identified by the advisory board as satisfying the evaluation criteria and funding, to the tune of about $1.3 million, has been allocated for those 63 regional projects. Another half-a-billion-dollar round will be opened later this year, again, with a priority focus on regional Australia, which will allow a number of those projects that were assessed as appropriate being considered by the Health and Hospitals Fund Advisory Board in that later round.

The 63 projects include a very broad range of initiatives in regional Australia. I know that the shadow minister for health and ageing will be particularly interested in the subacute or integrated care centres funded through this round for mental health care in regional Queensland. There has been a significant gap in Queensland for a considerable period of time in this area. People are cared for either at an acute level in Queensland or at a primary care level. We know the importance of improving subacute care. There have been a range of other projects for regional hospitals: dental care, primary health care, further cancer infrastructure and such like. I thank the member for Page for her ongoing interest in improving health care not only for her constituents but for regional Australia generally. (Time expired.)
Mr DUTTON (Dickson) (11:09): Minister, how many staff are budgeted to be employed in the first operating year of the independent Australian Commission on Safety and Quality in Health Care, the National Health Performance Authority, the Independent Hospital Pricing Authority and the National Funding Authority? Further, could the minister advise how many patients are budgeted to receive a lower rebate for a GP mental health plan under the Better Access program for 2011-12. When will the first EPPIC be operational? How many of the EPPICs announced in the 2010 budget are operational and how many have commenced construction? What proportion of funding will be provided by the Commonwealth for each EPPIC? And, finally, why does the minister consider a GP mental health plan is worth less in terms of a Medicare rebate than a GP management plan that assists patients with physical chronic health conditions?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (11:09): I thank the shadow minister for his question, in many parts. I think I got them all down and I will try to deal with them all, but not necessarily in the same order he did. Can I deal, firstly, with the government's reforms in relation to EPPIC? The EPPIC model has existed for almost 20 years and, as members would know, it was initiated by former Australian of the Year Patrick McGorry and has operated in western Melbourne since about 1991 or 1992. It has never previously received Commonwealth government funding and support. In all of the 11 or 12 years of the Howard government, the EPPIC model did not receive Commonwealth government support.

It was this government, in the 2010 budget, which, for the first time, indicated that it would provide direct funding to an expansion of the EPPIC model beyond Victoria, which is where the only EPPIC model—certainly, with fidelity to Patrick McGorry's model—operates. That was a recommendation from the Health and Hospitals Reform Commission, chaired by Christine Bennett, and funding was provided in the 2010 budget for up to, I think, four additional EPPICs, based on cost sharing with the states: 60 per cent Commonwealth, 40 per cent states. As the shadow minister would know, that was then the cost-sharing arrangement for acute care included within the National Health and Hospitals Agreement, concluded in April. This current budget adopts a different proposal based on the varied arrangement agreed by the states and territories and the Commonwealth in February, which is that there be a fifty-fifty cost-sharing arrangement. The money included in the 2011 budget is for 16 centres to be rolled out across Australia based on a fifty-fifty cost-sharing arrangement with the states. Obviously that is something we have started to talk to states about but we have not yet got agreement. If we get no input from states, the Commonwealth will proceed to roll out eight centres fully funded by the Commonwealth, and the costing arrangements are based on advice that Patrick McGorry's organisation, Origin, has provided to the department since the 2010 budget measures. That work, as well as ongoing discussions with the states about the degree to which they have an in-principle interest, as opposed to a financial commitment, has meant that none of the four EPIC centres that were contemplated in the 2010 budget have yet been rolled out. Correspondence that I sent to the states in late 2010—after being appointed the Minister for Mental Health and Ageing—asking for their indications of interest in this model elicited a very positive response. Obviously, since the 2011 budget we have started to have more substantive discussions with them about that.
The Better Access program that was initiated by the former government in about 2006 was the subject of a comprehensive evaluation that was received by me over the few months leading into the budget. The evaluation showed that the Better Access scheme had improved the level of access to treatment, particularly for people with high prevalence, mild to moderate disorders, and that there had been a reasonably positive outcome for consumers. It also showed that there was a very differential distribution across the community. It cut a number of ways, but the most stark and obvious way was that different quintiles, by socioeconomic status in the community, received very different levels of service. In 2009, for example, the richest quintile of Australians received 2½ times the number of services, attracting three times the amount of Medicare dollars compared with the poorest quintile of Australians. The difference between service numbers and Medicare dollars reflects that those in the highest quintile disproportionately received services from psychiatrists and clinical psychologists. We decided that we needed to take a look at that program to see whether or not there were ways in which we could redirect funding from that program, which is still projected to grow significantly, into more targeted primary care. One of the ways we have done that by reducing GP rebates for mental health treatment plans back down to a standard time-based formula, still with a 27 per cent premium for those doctors who have done their six to eight hours of mental health skills training, which is about three-quarters of them at the last analysis.

I will take the other questions on notice about particular staffing numbers for the three authorities that the shadow minister identified.

Dr LEIGH (Fraser) (11:18): I want to ask a question of the Minister for Health and Ageing relating to the government's programs in the area of mental health. It is an issue that I know affects many of us in this place. When I was 22, I had the experience of giving the eulogy of a friend of mine who had taken his own life. It is one of those experiences that you never forget and that you never want any other young person to have to go through. Andrew McIntosh was a good high school friend of mine. He was someone who drove a yellow Valiant Charger, loved music, but had the black dog inside him—unknown to all of us at the time. Thinking back, I wonder whether, if there had been better services available for people like Andrew, he might still be with us today.

I wanted to ask the minister to reflect on some of the programs in this area. I know the minister spoke in answer to the previous question about the EPPIC models for serious mental illness, and in the youth space there is also the headspace model for moderate ill health. I was hoping that the minister would reflect as well on some of the other interventions across the life cycle. We know, for example, that in the area of early childhood intervention there are programs that show promise. There is even a study, for example, which shows that expert observations of toddlers correlate with suicide attempts in adulthood, suggesting that there are hints of mental ill health that appear before the age of 12—the age at which headspace and EPPIC begin. Thinking right through the life cycle, we know that suicide peaks in the age range of 35 to 44. In fact, when I crunched the numbers it looked to me as though the typical Australian suicide victim was aged 44. We know that, for example, if we look at depressive episodes or anxiety disorders often brought on by workplace trauma, those are going to be things that appear later in life, in middle age, well after the age range of eligibility for headspace and EPIC.
There are other good things going on in the youth space, not just headspace and EPPIC but some of the youth targeted programs. I opened a day-long event in my electorate on 12 October last year which was titled 'Towards recovery: how do we talk about suicide?' The aim of the event was to encourage young people and community organisations working with young people to have a more positive conversation about suicide. Mike Zissler, the former CEO of Lifeline, told me when I met with him last year that the new research we have suggests that in the case of suicide it is important to use the 'S' word. If you are around somebody who you think might be contemplating self-harm, one of the best things you can do is ask, 'Are you thinking about suicide?' It is that destigmatising process that those in my electorate—the ACT Transcultural Mental Health Centre, the Mental Health Community Coalition and people like Simon Tatz, Brooke McKail and Simon Biereck—were trying to work through, aiming to ensure that young people and community organisations serving young people were up with the best research on how to address mental ill health.

The question that I really did want the minister to give me some more information about was the overall $2.2 billion national mental health reform package and how those reforms will affect Australia's mental health system. Particularly I wanted the minister to reflect on how the government's policy of looking at mental health right across the life cycle, not just in the 12 to 25 years age range, is producing the best results.

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (11:22): I thank the member for Fraser for his question but also his advice over the last several months. He has made a number of very important contributions to the public and parliamentary debate around mental health, along with many other members from both sides of the parliament. I particularly remember a speech that he gave reflecting on the experiences he has repeated again today in the chamber about his friend and about suicide prevention, and also the piece that he wrote for the Financial Review in one of his regular forays into the Fairfax press. It was a very important piece. I know that he had very good discussions with Professor Patrick McGorry about youth mental health. It was a very thoughtful piece, penned at a very critical time in the debate within the sector about what our focus as a government should be on mental health reform.

This budget does deliver on the Prime Minister's commitment made last year that mental health reform would be a priority of this term of government. As the member for Fraser has outlined, there is a package comprising $2.2 billion of new measures, part of which was announced over the course of the last year and $1.5 billion of which was announced on budget night. The measures announced last year very importantly focus on suicide prevention. Some years ago, only in the middle part of the last decade, suicide prevention from the Commonwealth's point of view attracted probably less than $10 million in a year. After the rollout of the measures announced last year as well as the step up that has taken place since the middle part of the last decade, started by the Howard government and continued by our government, that will be more like $50 million a year—a quintupling of the focus by the Commonwealth on suicide prevention—because all members in this place have experienced either directly amongst their family and friends or among their constituency the tragedy of suicide, which we know is still the largest killer of males under 45 and the largest killer of females under 35.
The member for Fraser makes an important point too, which is that our package does not simply focus on one age group or one part of the community. It focuses on the whole of the life span. It tries to take an approach that is not only health based but recognises that good mental health depends as much on good employment, good housing, good education and training, and good social support as it does on good clinical care through the health system. That is something I think we all understand. Finally, it also rests on the foundational idea that you do not have to choose between health reform and mental health reform, which was at the heart of the Leader of the Opposition's package last year. You can have both and, indeed, you should have both.

I want to take up a couple of points made by the member for Fraser about nought to 12 or early childhood and primary school aged children, because increasingly we understand in the education and physical health space the importance of the first five years. We know that that is where the brain develops at its fastest rate and, increasingly, as the member for Fraser has indicated, we know that good mental health later in life depends on a good experience in the first five years of your life. We have already followed up that intuition through our Perinatal Depression Plan, launched in the very early stages of the Rudd government, with the support of beyondblue and we have followed that up, again, in this package, with strong supports for promoting good mental health among children.

We have decided that the Healthy Kids Check, initiated by this government, will move from four years to three years of age, based on expert advice, particularly from paediatricians, child psychiatrists and the like, that the earliest possible check gives the best opportunity to identify emerging behavioural and other disorders and to identify whether the child is developing well in terms of their emotional and social wellbeing. In the next twelve months we will expand that Healthy Kids Check to incorporate social and emotional wellbeing elements. That was a very strong recommendation from experts in this field. It is also supplemented by a focus on the middle years and the primary school years, again, based on strong advice from the Research Alliance for Children and Youth, ARACY, an organisation that I think all members of parliament are familiar with.

We take a very strong view that good mental health across the life span rests on good foundational mental health at an early childhood level in primary school and in adolescence, which I think has been the focus of significant public debate, as well as on good supports through adulthood. *(Time expired)*

**Dr SOUTHCOtT** (Boothby) (11:27): My question is to the minister and it is on GP superclinics. Is the minister aware that the government's own director of the GP Super Clinics Program has said:

> We've got clinics that are struggling …

The patients that are walking in the door are not the sort of patients that have the sort of chronic disease they think they should be focused on.

What discussions have the government had with the 11 operational GP superclinics about their patient loads with chronic disease? Also, the Department of Health and Ageing have said that they will only provide self-reported numbers of service presentations at an aggregated level. Given that the minister has released the numbers of services at Palmerston and at Strathpine in February this year, why can the department not release this information? Given that this information relates to only self-reported figures, why is it considered commercial-in-
confidence? Why are the department only taking self-reported figures from the GP superclinics? Are the department checking or confirming the self-reported figures presented to them? Why are the department not undertaking more detailed analysis of the use or presentations at each GP superclinic, considering the size of the taxpayer contribution to this initiative? Given that the Townsville GP Superclinic, an existing practice, is described as 'offering early services,' what is the definition of 'early services' under the GP Super Clinics Program? Given that the minister promised, on 6 November 2007, a GP superclinic in Wanneroo, does the minister believe it is acceptable that this clinic will not be opened until late 2012? Can the minister advise what date the clinic will open and see a patient? Will it be in Wanneroo? And can the minister guarantee that no existing practice will be closed or folded into the superclinic?

The DEPUTY SPEAKER (Ms S Bird): Does the minister seek to answer the question or take it on notice?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (11:29): I will have to take some of those 34 questions or thereabouts on notice from the shadow parliamentary secretary, particularly the specific ones about particular services, but let me just clear up the record on this program before taking a number of those specific questions on notice. I know the opposition wants to run down the GP Super Clinics Program, but let me reiterate that this government has a very strong view that targeted interventions to ensure equality of access to quality primary healthcare services—

Dr Southcott interjecting—

Mr BUTLER: Settle down. Targeted interventions to ensure quality primary care access across the community are needed. We needed to lift the number of GPs in training following the cap that was kept in place at 600 by the Leader of the Opposition during his five years as health minister. We are lifting that over the course of time up to 1,200. We need to ensure that those communities who have high healthcare needs that are not well-served by a market based solution, which is generally the approach taken in the Medicare system, get the sorts of supports that are delivered through the GP Super Clinics Program.

I know that the opposition wants to run this program down, but let me state for the record that over 350,000 services have already been delivered through GP superclinics. As the shadow parliamentary secretary indicated, there are 11 GP superclinics that are operational, but there are also nine services that are providing early services and are under construction. There is an additional service providing early services without construction, and there are 10 further services that are under construction and in a short time will be providing services, no doubt. I am happy to take the particular questions the shadow parliamentary secretary has asked on notice, and I thank him for his interest in the delivery of good-quality primary health care to the Australian community.

The DEPUTY SPEAKER: The time for this session has expired. The minister seeks a final comment?

Mr BUTLER: Not a final comment, Madam Acting Deputy Speaker; this is a matter that was raised at the beginning of the consideration of the Health and Ageing portfolio, which I understand has been the subject of discussion with the opposition, which is for some reordering of the proposed expenditures. I suggest that the order for the consideration of the
proposed expenditures agreed to by the House previously be varied by considering the proposed expenditure for the following portfolios after the Attorney General's portfolio this afternoon: firstly, the Foreign Affairs segment of the Foreign Affairs and Trade portfolio; secondly, the workplace relations and BER segment of the Education, Employment and Workplace Relations portfolio; and then the tertiary education and skills and school education, early childhood and youth segments of the Education, Employment and Workplace Relations portfolio.

The DEPUTY SPEAKER: Is the suggestion of the minister agreed to? There being no objection, it is so ordered.

Proposed expenditure agreed to.

Immigration and Citizenship Portfolio

Proposed expenditure, $2,591,562,000

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:32): It has been my practice for some time to make a brief opening statement at these hearings. On budget day I released this year's immigration program. It is appropriate that I talk a little bit about that because the most important part, in many senses, of an immigration minister's role is to set the immigration program for each year. We have taken the decision to increase the immigration program this year to 185,000 places, with 16,000 places specifically for regional Australia. Over two-thirds of the program will be for skilled migrants to help fill critical skill needs. It is well known that the Australian economy has emerged very strongly from the global financial crisis, and as the mining boom mark 2 is driving record investment across Australia it will present unprecedented opportunities for Australia. But it is important that we indicate that we want our migration program to deal with not only the emerging pressures but the existing and re-emerging pressures for workforce capacity. This is not just a matter for the resources sector, although the resources sector feels it particularly acutely, but a matter across the economy. I know that I regularly have representations from the hospitality field, for example, and from the retail sector generally, about skills gaps and about labour shortages. So the increases in the immigration program that I announced on budget day are very important. They are prudent, they are responsible and they are necessary. It has been particularly important to make sure that they are focused on the areas of greatest need. Those areas are regional Australia, whether in Western Australia, Queensland or elsewhere. There has been a particular need to fill labour shortages and skills gaps in regional Australia. The allocation of 16,000 places as an indication, subject to demand, for regional Australia is very important.

Also important are the regional migration agreements which I announced on budget day. Regional migration agreements are a first; they are an important opportunity for local councils, regional development organisations, chambers of commerce and unions to come together to assess the labour needs in their particular region and to make it easier for businesses in that region to develop further agreements and bring in temporary workers under those agreements. Also important are the enterprise migration agreements, which are very much focused at megaprojects. The thresholds that we have set in terms of enterprise migration agreements mean that a relatively small, but nevertheless significant, number of projects across the country—perhaps 14 or so—will qualify for treatment as a megaproject in the resources sector, which will make it significantly easier for those projects to attract the type of temporary migrants that they need. There will be close consultation with all the
relevant affected parties, including trade unions—that is something that is appropriate—to make sure that we set the appropriate standards. In particular, we will set standards in relation to the needs for domestic training. It will be a very clear requirement of having an enterprise migration agreement that there be an opportunity for domestic training in the areas of labour shortage for which migrants are being sought. It will not be appropriate to have a general program, but people will need to show us how they are engaging in domestic training, making it possible for us to justify entering into an enterprise migration agreement.

There are other measures announced on budget day, including the 457 processing centre in Brisbane, which will further speed up processing. I am very pleased with the processing regime for 457 visas. There has been a considerable improvement under this government in the amount of time it takes to process 457 visas, but we can always do better. The new $10 million centre in Brisbane will make substantial progress.

Mr Morrison interjecting—

Mr BOWEN: I see the member for Cook scoffs. I am more than happy to compare our record with theirs when it comes to 457 visa processing. The figures speak for themselves: it is considerably quicker to get a 457 visa under this government than it was under the previous government. I am more than happy, if the honourable member for Cook chooses to ask me a question about that, to answer it. That is my opening statement, and I look forward to fielding questions from honourable members.

Mr MORRISON (Cook) (11:37): The coalition welcomes the increased skilled migration numbers that are in the budget. The coalition significantly increased skilled migration when we were in government, so any increase in skilled migration is also always welcome. But where I want to focus today is on a matter that the minister has not focused on in his opening statement. I would have thought he might have, because he is, I am sure, spending quite a bit of time trying to land a deal in Malaysia which, almost seven weeks later, has not yet been completed. My questions relate to that arrangement, and specifically to the funds that have been set aside in the budget. I refer to page 17 of the portfolio additional statements regarding administered expenses, and the item 'Regional Cooperation Framework—Transfer of Irregular Maritime Arrivals to Malaysia', which provides for $65.7 million to be spent over four years in output class 4.3. Can the minister provide a breakdown of the amounts to be paid to the UNHCR, the IOM, any other NGOs and the Malaysian government and any agencies of that government, as well as the purpose of these payments—in other words, what are these payments paying for?

Secondly, what is the per capita payment being made for each of the 800 persons to be transferred to Malaysia to these various agencies, and are the payments for each person being made on a one-off basis upon their transfer or annually over a period of years? If the latter, how many years? Are the payments being made for those transferred intended to cover support for the entire duration of their stay in Malaysia or for a fixed period? If not for a fixed period, what is the estimated length of stay for all of those who are transferred to Malaysia?

What amounts have been set aside for any capital building or refurbishment works for facilities in Malaysia to accommodate people transferred to Malaysia under the deal, and where are those facilities? What is the nature of the works and how much will those works cost?
Can the minister advise whether within this funding envelope funding has been set aside for the training of the approximately half a million RELA members in Malaysia—the paramilitary civil volunteer corps formed by the Malaysia government—who are charged with enforcing illegal immigration in Malaysia, who have the power to search without a warrant, who can carry arms, who are paid on arrest and who have the ability to inflict all sorts of punishments? Has the minister provided in that funding envelope any package for training of those approximately half a million individuals to ensure that they do not abuse the human rights and liberties of any of the 800 people transferred to Malaysia?

Can the minister provide a breakdown of the $65.7 million to be paid to support those transferred to Malaysia, specifically on health, education, accommodation, meals, transfers, including airfares, immigration processing—I should say refugee status assessment processing, but immigration processing to the extent that is required for their entry into Malaysia—and legal support? Will the $65.7 million spent by the agencies receiving these funds be paid directly to service providers in areas such as health, education, accommodation and meals on a consumption basis or is it a fixed payment to the provider of those services with no reference to whether those services are actually used? How much of the $65.7 million will be spent by the agencies receiving these payments on administration?

Finally, what audit processes have been put in place to monitor and report on the disbursement of funds in Malaysia provided under this arrangement to support those transferred to Malaysia? How will this government be reporting on the disbursement of those funds to this parliament? In particular, will they be subject to scrutiny by the Auditor-General? If so, when?

These questions go to how the money that has been set aside will be spent—not in generalities but in specifics. Who gets the money? What is it for? How will it be spent? How will it be audited? Will it support those 800 who are sent there on an ongoing basis or will it just be one lump, up-front payment and after that they will be on their own? These are the questions that I think it is necessary to answer. They involve the specifics of this arrangement so Australians can understand what exactly it is that the government is proposing with this arrangement. I look forward to the minister's answers.

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:42): At the outset, I welcome the shadow minister's support for the strengthening of the skilled migration program. It is the first time he has indicated that. It has been a little over a month since the budget and it is the first time the shadow minister for immigration has talked about the immigration program. Call me old-fashioned, but I tend to think that the shadow minister for immigration should have a position on the immigration program and I welcome the fact that we now have one. That is a very good thing. I know he finds it difficult to complete a sentence without the word 'boat' in it, but I think he managed to get through an entire set of questions without mentioning that word, which is a major achievement for the member for Cook. I welcome that and I welcome the fact that he actually talked about skilled migration.

In relation to the honourable member's questions, as the honourable member is well aware, the government has announced an in-principle agreement with Malaysia. The government has announced a commitment to enter into a bilateral arrangement at the prime ministerial level. There have, of course, been intensive discussions prior to that announcement and after that
announcement about the implementation of the various matters which the honourable member refers to.

I can say to the honourable member that the costs outlined do go to the transfer costs. The Australian government will of course cover the costs of transferring people from Australia to Malaysia. We will also be working with the UNHCR and the International Organisation for Migration as well as the Malaysian government on appropriate care for people as they get transferred into Malaysia. That does not mean, of course, that the Australian government would have some ongoing role—he mentioned meals et cetera—over a long period of time. That would clearly not be the case.

In relation to the honourable member's question about the Auditor-General, the Auditor-General is of course welcome to examine all matters in relation to government expenditure, as the honourable member well knows. I dare say the Auditor-General may well look at this matter as the agreement gets implemented, which I would welcome. Further details will be released, as is appropriate, once the arrangement and the operational guidelines and documents are released by the Australian government and the Malaysian government in consultation with the UNHCR and the International Organisation for Migration.

Ms GRIERSON (Newcastle) (11:44): I rise to draw attention to the appropriations, particularly in the Immigration and Citizenship area. In doing so, I think I speak for all members of parliament in saying how important the Department of Immigration and Citizenship is to us in our daily dealings with our constituents. I take this opportunity to draw to the attention of the Minister for Immigration and Citizenship the wonderful work of Ralph Harwood, who is our ministerial contact in the New South Wales parliamentary and ministerial liaison section in the DIAC office in Parramatta. I praise Ralph particularly for his professional expertise, his timely, accurate and detailed advice and for the fact that he is always willing to canvass all options with my staff and me so that we can give the best advice to the many people needing assistance.

In my electorate a lot of humanitarian services contracts have been delivered. That has not been an easy ride. Settling almost 1,000 African refugees in an electorate like Newcastle has been a challenging task and one that has been well embraced by the community—but it has not been without problems. The minister is aware that earlier this year, after the Social Justice Council of the Catholic diocese of Maitland-Newcastle approached me and brought to my attention some serious matters regarding the delivery of those contracts, I asked the department to investigate those concerns through the minister. However, it was not until I actually sat with the Rwandan and Congolese families who were newly arrived in my electorate—I sat with them for 2½ hours; it was a devastating 2½ hours—that I heard of their distress, saw their depression, saw their destroyed morale, saw their damaged confidence and saw that their belief in the strength and greatness of this country was at risk. I brought the matter to the attention of the minister, who took very strong, direct and immediate action. It has been recorded in the parliament that the minister instigated an independent inquiry conducted by Ernst and Young. I would like the minister to detail for me how that has progressed and how it will deliver settlement services that we can have confidence in, that are value for money and that absolutely marry with the outcomes and expectations that a good government would have.
Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:47): I thank the honourable member for Newcastle. She raises a very important matter, which I would have thought would be important to members on both sides of the House. I place on record, as I have previously, my thanks to the member for Newcastle for the way that she has handled these matters. She rang me, as I recall, in early April to raise with me directly her concerns about settlement services in Newcastle. I asked her to put her concerns in writing, which she did the next day. I received those the next day. Within a week we had instigated an independent review for which Ernst and Young was engaged. As I have said previously, the Ernst and Young report does not make for pretty reading. We have let people down. We have settled refugees in Australia but have not supplied them with the support that they need. That is a cause of great regret for the government, for me and, I know, for the member for Newcastle. It is important that we recognise and acknowledge that, and take steps to make sure it does not happen again.

In relation to the matters in Newcastle, it is important to note—I do not do this by way of excuse—that they occurred under a contract which is not currently in force. They occurred under a contract which was entered into in 2005 and which was replaced early this year. The contract management provisions and the terms of the contract have been significantly improved since then, which I am pleased about, but I am not yet satisfied that all action has been taken to ensure that what happened in Newcastle is not repeated across the board. I am satisfied that it is occurring, but there is more work to do.

Departmental officers have now completed property inspections of all short- and long-term properties in Newcastle. The inspections found that most clients in long-term accommodation were well settled and living in well-maintained properties. We have moved people out of inappropriate properties. There have been some instances where we offered to move people, but the families, because they have been to some degree settled, have requested to stay there and, in those instances, we have taken measures to ensure that those properties are safe and improved as much as they can be while they are being occupied. I have commissioned Mr David Richmond, who is well known to many honourable members, who played an integral role in contract management in the Sydney Olympics, to engage a review of contract management within my department and ensure that all necessary measures are in place. He has begun his inquiry. He has had individual meetings with senior DIAC executives, and key stakeholders are further being scheduled. I envisage him reporting to me over coming months about how my department can improve its contract management—because it clearly needed to be improved—resulting from this inquiry.

In addition, the department has engaged a firm to undertake a forensic audit of the housing provider which provided the services in Newcastle under the former contract. That company no longer provides services in Newcastle, although it does provide services elsewhere in Australia under contract, so it is important that that forensic audit take place. I am advised that that process has begun. In addition, I put on record that we will reserve the right to take further action depending on the results of that forensic audit. Some matters have been referred to New South Wales Police for investigation of potential criminal conduct. I have no further update on that; that is now a matter for the police. If I were in a position to update the House further I would, and if I am in a position to update the House further I will, but I am not in a position to do that at the moment because the police inquiry is underway, as I understand it.
These are serious matters. This is a matter that I have focused on and will continue to focus on. We have also instigated an audit of all property across the country that we resettle refugees in, and that will take some time. It is a large task but it is a necessary task, because I do not want to receive another call from another member on either side of the House bringing to my attention matters such as the member for Newcastle brought to my attention. I want to make sure that we know about it straightaway and that we are dealing with it in an appropriate manner, and I am confident that that will be the case. It is important that when we settle refugees we settle them well. Australia has a well-regarded refugee settlement program. The United Nations High Commissioner for Refugees has said it is the best in the world, and I take that as a very good thing. But it is also important that, where errors are brought to our attention, we deal with those, and that is exactly what we are doing.

Mr MORRISON (Cook) (11:52): I appreciate that the Minister for Immigration and Citizenship was able to give the last member a full and detailed response to her question, and I hope that the minister will now give me a full and detailed response to the questions that I pose. I ask the minister, if he does not know the answers to these questions, if he would be able to take them on notice, including those that I asked when I last got to my feet. I seek the commitment from the minister in his response that he will take each of these on notice if he is unable to answer them today.

But I just want to confirm that the minister today, as we debate these matters in detail here, is unable to advise us that in framing the budget for this year he has allocated $65.7 million as an administered expense in the budget, and he is unable to tell us who it will be paid to. Will it be paid to the UNHCR? Will it be paid to the IOM or any other government agency or the government of Malaysia? It is a fairly straightforward question. Is the payment based on a per capita figure for each of the 800 transferred, and, if so, what is that figure? That would seem to be a fairly basic item to determine what the average total cost will be as it has been placed in the arrangement. He should know whether it includes training for those who enforce immigration law in Malaysia. He avoided that completely. He is unable to provide a breakdown of how this money will be spent on meals and accommodation and over what period of time. So how he comes up with this figure I do not know, and I think it is important that parliament should be told what is in this figure and how it has been arrived at. He is unable to tell us, for example, whether, for those agencies that receive funds, they are paying it out on a fee-for-service basis or as an upfront payment.

These are all matters that I would have thought would have been important in framing the budget position. And he is unable to tell us, about the facility which was reported in the Daily Telegraph—and I assume the source came from someone close to the government, if not the minister's own office—that was being developed in Malaysia, whether that report is accurate and what funds are being put in place to support the redevelopment of that facility. Clearly these matters must be under discussion, and clearly they must have been thought of before the minister put this money in the budget. So I ask the minister if he is able to shed some light on those matters today. I would welcome that, but, if he is unable to do that, I am disappointed, I am surprised and I hope that he will attend to getting those responses to us as quickly as possible. I will add a few more to the list. On page 18 of the portfolio additional statements, it states that around $10 million has been allocated for departmental expenses in relation to the Malaysian agreement. Can the minister provide us with a breakdown of staff costs; staff
numbers involved on a full-time equivalent basis; accommodation costs that are included in that budget; costs for travel, training and contractors; and any other relevant line items that go to the composition of that figure over the forward estimates?

Could I also ask the minister about a separate matter. In the budget, $130 million was allocated for a phantom regional processing centre, because at estimates the department was unable to say where this was or what it was. It was a phantom processing centre. Can the minister advise whether he now knows where that centre that the government have budgeted $130 million for will be? Does he agree with the foreign minister that current discussions with Papua New Guinea are pointless because they are focused on other issues and, if that is the case and the department has already confirmed that it is not currently talking to any other countries at all about a regional processing centre, whether the 275 people, who have arrived since 7 May, will be transferred to another country, if indeed they are unable to be transferred to Malaysia?

The minister is always very clear about what he says on these matters. He is very careful with his language and he, unlike the Prime Minister, made it clear in a statement on 7 May that only those persons who arrived after the agreement had been finalised would be transferred to Malaysia. Those 275 people are now on our shores, on Christmas Island. Papua New Guinea is not going to be opened anytime soon, unless the minister wants to share something with us today. The Malaysian agreement, referred to in his own press statement and his own statement on 7 May, indicated that they could not be transferred there because it would be prior to the agreement. Where are these people going to go? Where is this regional processing centre going to be? And, if he is unable to answer it, I suggest he pick up the phone to the President of Nauru.

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (11:57): I can confirm that all the costings in relation to the agreement with Malaysia have been very thoroughly prepared in consultation with not only my department but the department of finance. They have been based on estimates of the costs of transferring 800 people. It may not be that we transfer 800 people to Malaysia; it may be that fewer than that arrive, in which case we would not transfer 800 people to Malaysia. But it is the case that there will be payments to organisations, such as the International Organisation for Migration, and that if we transferred fewer than 800 people then the full costs outlined would not be accrued.

I can confirm to the honourable member and to the House that those costs are based on the transfer of 800 people. I think that therefore answers the honourable member's question as to whether it is on a per capita basis or an upfront basis. It will depend on the number of people transferred. Of course, the payments will be in relation to people actually transferred and the costs are borne by organisations such as the United Nations High Commissioner for Refugees and, particularly, the International Organisation for Migration.

In relation to the facility that the honourable member refers to, we will be saying more about that when we announce further details. It is the case, as I have said previously—and the Malaysian government has confirmed this—that people will not be detained in Malaysia for any long period, that they will be held in a facility that is not an existing detention facility. Of course, that would be a facility currently in the ownership or, at least, in the care and control of the Malaysian government. We will be cooperating with the Malaysian government to ensure appropriate facilities are in place.
I can say to the honourable member in relation to his question about RELA that RELA is, as the honourable member correctly points out, a non-government organisation in Malaysia but one which does have certain powers. As I have previously said, repeatedly, that people transferred from Australia to Malaysia will not be treated as illegal migrants under the purposes of Malaysian law, but rather as people transferred by agreement between two sovereign governments, Australia and Malaysia. And so, of course, the Malaysian government will be putting measures in place to ensure that they are dealt with appropriately. The honourable member referred to Papua New Guinea and operational costs. Can I say that this government, when it enters into discussions with another government, makes prudent allocations for operational costs. The honourable member opposite talks about Nauru. I would be interested in what his allocation for operational costs for Nauru are. I would be interested to see the honourable member—he will get five minutes—outline what his prudent allocation for the operational cost of Nauru would be. Our prudent allocation for the operational cost of a regional processing centre is in the vicinity of $130 million. He says it would be a fraction of $130 million for a centre which would presumably be for 1,500 people. I know why he can say it will be a fraction of $130 million. It is because under the previous government they hid the cost. They spread the cost right across the government—they hid it in the overseas development aid budget; they hid it in the Defence budget—because they were so ashamed of the operational cost of Nauru.

Mr Morrison interjecting—

Mr BOWEN: We have made a clear allocation in the budget for operational cost. It is a prudent allocation for a regional processing centre should one proceed. That is the prudent thing for this government to do, the responsible and sensible thing for this government to do, while the opposition engages in its short-term slogans and refuses to even pretend that it will have any operational costs.

Mr Morrison interjecting—

The DEPUTY SPEAKER: Order! The honourable member for Cook will cease interjecting.

Mr BOWEN: The honourable member claims the capital costs will be $10 million. I would like to see him do that; and that is even before we get to operational costs. I would like to see the honourable member develop and implement an offshore processing centre in Nauru at $10 million total cost, as he claims he can do.

Mr Morrison: Before the minister concludes his remarks, can he confirm that he is prepared to take the matters I raised with him on notice?

The DEPUTY SPEAKER: Is the minister prepared to take the question on notice?

Mr BOWEN: I am fully prepared to report back to the House on all matters concerning the operational details for the Malaysian arrangement, when those are out.

Mr HUSIC (Chifley) (12:01): I will focus my questions on the regional skills measures given that one in three people live outside our major capital cities, two-thirds of export earnings are generated in the regions and there is no doubt that strong regional economies underpin us having a strong national economy. Different regions face different pressures and opportunities, and one of the issues facing regions in being able to attract and then hold onto
skilled people is ensuring that the right skills and attributes are there to strengthen and broaden our economic base and particularly that of regional Australia.

The migration program we have in this country has played a critical role in our economic growth. It will continue to do so and it will continue to support the growth of regions. As a representative of a Western Sydney seat, it is critical that there is balanced growth within cities and regions to ensure that the pressure on cities is reduced. Skilled migrants who settle in regional Australia will be important in supporting the viability of regional enterprises that operate there. This in turn will create and sustain jobs for Australians in the regions and contribute to social and cultural diversity across the country.

The OECD has recently noted that instead of simply reacting to existing problems, regional policies around the world have become more proactive and forward-looking. I am interested in finding out from the Minister for Immigration and Citizenship how the skilled migration policies announced in the budget will support the growth of regions, support entrepreneurialism within the regions and support diversity of social and economic growth outside major cities.

Mr Bowen (McMahon—Minister for Immigration and Citizenship) (12:03): I thank the honourable member for Chifley for his very important question. As the honourable member correctly points out, ensuring that we have migrants moving to regions where there is demand is very important, not only economically but also socially. There are many regions around the nation which are crying out for more people to live in them—both migrants from overseas and people moving around Australia. That was the focus of our announcements on budget day in relation to regional migration, particularly skilled migration but also humanitarian migration. It important that we have humanitarian migrants settling in the regions. That goes to the question of the honourable member for Newcastle in ensuring we have adequate support in place.

We have made good progress on this under governments of both persuasions. We have seen a fourfold increase in the number of skilled migrants settling in regional Australia over the last decade, under governments of both persuasions. That is very good thing because it is good for the regions, it is good for capital cities in terms of dealing with their congestion pressures—concerns which the honourable member, as a fellow Western Sydney MP, shares with me—and it ensures that we have the appropriate measures in place.

We announced a number of measures on budget day on regional migration. We made an allocation for regional skilled migration of 16,000 places. That will be dependent on demand, but that is an indication of what we feel would be appropriate and what we would be prepared to accommodate should that demand be there. I hope and expect that demand will be there. There are a number of other measures which we have put in place. The regional migration agreements will bring together employers, local and state governments, regional development organisations, chambers of commerce and unions. The definition of a region will change across the country, and I am not intending to be prescriptive about it. It may be that, in some cases, a group of local councils commonly regarded as one region will join together to develop a regional migration agreement; in other cases, it may well be that different boundaries apply. We will be taking a flexible approach to applications from organisations—primarily local government, I would envisage—in the definition of a region. That will enable template agreements and clear and easy processing for small businesses, in particular, and

---

MAIN COMMITTEE
larger businesses in those regions to enable them to attract the necessary workers under 457 and other temporary arrangements.

I think that is something that has been welcomed. There has been a lot of interest from local governments around the country. A number have come to see me about how that would work and a number have contacted the Department of Immigration and Citizenship seeking more information, and I look forward to working with local governments and regional development organisations across the country. It is not just a matter of rural areas; as the honourable member for Chifley correctly points out, regions can have a broad definition. We will take a flexible approach to that. All of that complements the other measures taken in the budget by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations for a very significant investment in skills training. A $3 billion package was announced in the budget.

We recognise that training takes time and that temporary migration and permanent migration, with our significant increase in skilled migration, will play a role in that. I think that has been widely welcomed. For example, Business Council of Australia Chief Executive Jennifer Westacott said:

In the area of skills the BCA called for a three-pronged strategy built around improving the education and training of Australian workers, maintenance of the permanent skilled migration program and new initiatives in the area of temporary migration. The skills package included in the Budget comprehensively addresses all of these areas.

I welcome the endorsement of the Business Council of Australia and others and I look forward to implementing those regional skilled migration agreements and other regional measures that we announced on budget day.

Mr BRIGGS (Mayo) (12:07): I rise to ask the Minister for Immigration and Citizenship some questions relating to the Inverbrackie detention facility in my electorate of Mayo. I am sure the minister will be surprised that I have risen to ask him these questions. This is the first budget post the announcement that the minister made when he ambushed my community in October last year—the day after the Prime Minister visited for a photo opportunity. He made his announcement the next day here, in the confines of Parliament House, rather than in the Adelaide Hills, just 17 kilometres from Woodside, where she was the day before. The announcement followed an election where it was promised there would be no more onshore detention processing facilities.

Putting those facts on the table, I seek the minister's indulgence for me to ask a few questions. If he cannot answer them here, would he be so kind as to take them on notice, as he did with questions by the member for Cook. My questions include these. What is the total cost of the establishment of the Inverbrackie detention facility, including a breakdown of how much per property the government has spent on upgrading the facility prior to its opening in late December? What is the total recurrent spending over the forward estimates for the facility, including the costs of transport, the use of local health services and educational facilities and payments to the state government? In relation to those issues, could the minister outline to the House whether the state government agreement has been signed yet regarding the children from Inverbrackie attending local schools?

The minister was gracious enough, it must be acknowledged, to come along to a public meeting at Lobethal, in the Adelaide Hills, in November last year, when there was outrage in
Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (12:11): I am happy to take those questions. In relation to the total cost of the Inverbrackie facility, it is completely in line with the previous announcement. Yes, there were some remedial works necessary for some of the buildings, as you would expect with buildings which have not been occupied for some time. That was built into the original costing. So the total funding envelope is no different to the total funding envelope which has previously been announced.

In relation to his questions about significant economic benefit, I will take some of those details on notice but there has been significant economic benefit to the local area. As he correctly points out, a local business won the grocery contract, which is a substantial one and one that I think has been well received. A substantial number of Adelaide Hills residents have been employed at the centre. Again, I cannot recall the exact number off the top of my head, but it is a substantial number. I will take that on notice and report back to him in relation to the number of Adelaide Hills employees, but we certainly encourage Serco to employ locals wherever possible and Serco does take that approach. That has certainly been the case in relation to the Inverbrackie facility.

In relation to his questions about bushfire, there is a bushfire management plan in place. That was put in place immediately, as I outlined at a public meeting which he and I attended. That means that Serco and the department have a plan in place for managing what could be a very serious bushfire incident, and that includes evacuation plans et cetera.

In relation to the question of education, children who are resident at Inverbrackie have been attending schools from the beginning of the operation of the Inverbrackie facility. I am advised that an MOU is still being discussed with the state government, but the fundamental issue is that people are getting education. People are attending local schools, and that is working very well.
Mr Briggs interjecting—

Mr BOWEN: If the honourable member has a particular concern he wishes to raise, I am more than happy to hear it. But I am not aware of any particular concerns that have been raised by local schools or local principals in relation to those questions. In relation to other questions raised and some of the details about the economic benefit, I am more than happy to report back to the honourable member in the spirit of goodwill which I have always attempted to give the local member, the honourable member for Mayo. As I say about the honourable member for Mayo, he holds an important role as chairman of the waste watch committee. It is a fine institution that has in the past played an important role in keeping governments to account, although it has gone downhill on his watch.

Ms RISHWORTH (Kingston) (12:13): I rise today to ask the minister some questions about the regional cooperation framework. But in particular I would like to commend the minister for pursuing a regional cooperation framework, along with the Prime Minister. As we know, and unlike what the opposition would perhaps have us believe, irregular migration and asylum seekers moving around the region is not just an issue for Australia. It is an issue across the countries in our region, and that is why it is so important that we work with other countries, not just in our own little bubble. We must work together because—and I think the minister has said this many times, as has the Prime Minister—we do not want people getting on boats, risking their lives, to end up with tragedies such as the one on Christmas Island. That is why the Prime Minister and minister have undertaken some very proactive arrangements that were not even thought of by the previous government.

Mr Briggs interjecting—

Mr Morrison interjecting—

Ms RISHWORTH: Quite frankly, the previous government did not break the people-smuggling model. With their smoke and mirrors, they would like us to think that, but we know that there was not international engagement or engagement with countries in our region. This is a very important step that I commend the minister for.

In the 2011-12 budget, there were a number of initiatives to improve regional cooperation and capacity building as well as support the government's announcement of the arrangement with Malaysia, which is very innovative. It is an arrangement that the UNHCR is looking to work with us on. It is very cooperative and engaged in this process, which is something that cannot be said about the coalition's plans for Nauru. In fact, the UNHCR indicated that they believed that that was a very poor choice.

This is a very important agreement, so my question to the minister is: can the minister outline to the Main Committee how the regional cooperation framework first gained credibility in the region, what role did the Bali process play in formulating the regional cooperation framework and what relationship does that regional cooperation framework and the Bali process have to (a) the transfer agreement and (b) the regional assessment centres?

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (12:16): I thank the honourable member for Kingston for her question and for what is a very genuine and real interest in the issue, which she has discussed with me on many occasions. She is clearly very aware of the complexities of dealing with this on a regional basis but is very supportive of the progress that has been made.
The honourable member asked about the development of the regional cooperation framework. Earlier this year, the Minister for Foreign Affairs and I attended the Bali ministerial meeting. Officials who have been involved in these meetings for many years, since their instigation, said to me that more progress had been made at that meeting than at all the previous meetings combined in terms of reaching an agreement on a way forward for a regional framework. All 44 nations participating in that conference agreed with a regional framework which outlined that this is a regional issue requiring a regional response and outlined the possibility of bilateral agreements within the regional framework. The Bali communique, for example, indicated the possibility of transfer arrangements, which is one that this government has pursued with Malaysia in consultation with the UNHCR.

The UNHCR are very important in these matters because they are, in many respects, the guardians of the appropriate way of dealing with refugees and asylum seekers around the world. So I have been very keen, as has the Malaysian government, to ensure participation and consultation with the United Nations High Commissioner for Refugees. Those opposite have claimed that the UNHCR endorses their approach, and that has been a false claim. We have seen the Deputy Leader of the Opposition claim that, we have seen senators claim that and we have seen the UNHCR have to come out and repudiate that, which I think is very unfortunate. I am more than happy for a robust debate around these issues, but it must be based on fact. When one side of the parliament claims that the UNHCR—

*Mr Morrison interjecting—*

**The DEPUTY SPEAKER (Mr S Georganas):** Order! The minister will resume his seat. Members on both sides: the interjections are causing a ruckus and ensuring that we are not getting a debate. There is ample opportunity in this place. You get five minutes and there are turns going around for everyone. So I would appreciate people not interjecting and allowing the speaker who is on his feet to finish his answer, and then there will be ample opportunity for everyone to debate.

**Mr BOWEN:** I was just making the point that claiming the UNHCR endorses your approach does not mean that the UNHCR endorses your approach. Just like saying, 'We'll stop the boats,' does not mean the boats will stop. You actually have to have a mechanism to do it.

The benefit of the regional framework is that we can engage with partners across the region to deal with problems in not only destination countries such as Australia but in transit countries. Malaysia is a transit country and a destination country. Malaysia is the country in which most people start their boat journey to Australia. Most asylum seekers who come to Australia from the Middle East fly to Malaysia, get on a boat, take that boat to Indonesia and take another boat from Indonesia to Australia. The whole fundamental underpinning of the Malaysian arrangement is that you do not achieve the outcome, because you return to where you began the boat journey. There is no point undertaking a boat journey, a dangerous boat journey, an expensive boat journey, because you get returned to where you began that boat journey.

We are also very keen to use this as an opportunity to expand our engagement in the region, work with countries like Malaysia on protection outcomes and ensure that we are working together and providing every assistance to destination and transit countries in our region and ensuring that we can deal with this matter in a holistic way. That is why I think
organisations like the UNHCR have seen some benefit in this, not only the increase in humanitarian intake, which is very important for the government and very important for me personally that Australia should play more of a role in resettling genuine refugees across the region. I am very proud of the fact that under this arrangement, our humanitarian intake returns to its highest level since Labor was last in office in 1996—higher than at any point under the previous government. That is a very good thing and something that we should be proud of.

I know the honourable member complains that five for one is too many. Five to one is a very good outcome because it means that Australia is resettling more people who have been waiting a very long time in difficult circumstances and who do not have the money or the inclination to get on a boat. They should not be forgotten in this debate. These are the forgotten people of this debate, and the opposition can claim that taking five to one is too many. The Leader of the Opposition said yesterday that the fundamental problem with this agreement is that Australia was taking too many refugees. I have a fundamental problem with the Leader of the Opposition's approach because I am very proud of the fact we are taking more genuine refugees. I think that is a very good thing. I think it is a good thing that we are working with a country like Malaysia to improve protection outcomes at the same time as providing a very significant disincentive to get on a boat and it could only be possible through genuine regional engagement, engagement through the Bali process, engagement with the United Nations High Commissioner for Refugees—something the other side, when they were in office, never got around to doing.

Ms GAMBARO (Brisbane) (12:21): I welcome the opportunity to ask the minister a few questions. Hopefully, he can answer them for me or take them on notice. Minister, can you confirm that all children transferred to Malaysia will be sent to school for the entire duration of their stay? What is the annual average resettlement cost for each of the additional 4,000 refugees to be accepted under the Malaysian agreement to the Department of Immigration and Citizenship? And what is the annual estimated additional cost in Centrelink payments and other costs to resettle an additional 4,000 refugees?

I would like to ask some settlement questions. The contract with Navitas was entered into in the year 2005. When was the new Navitas contract awarded? What processes were in place to check the services being provided by Navitas to the new entrants? What postevaluation follow-ups occurred prior to the new Navitas contracts being awarded to provide settlement services? What was the total value of the contract with Navitas? What services were they contracted to provide? What were the agreed milestones in the settlement services funding agreement—did they achieve these prior to the new contracts being awarded? And what reports did Navitas provide the department during the life of their previous contract? The DIAC guidelines stipulate a three-, six- and a 12-month reporting period for such contracts. Are you able to provide these reports from Navitas?

The Navitas contract in the Hunter region: what was the actual dollar value of the contract to cover areas such as housing, health, schooling and employment? How many employees of Navitas have been investigated by the police for fraud after the allegations of money scamming from Congolese people were reported earlier this year? Has the department received complaints from members of the community in relation to the settlement services provided in the Newcastle-Hunter area? How many complaints did the department receive?
Will you make public the results of both the departmental review and the other review that you have undertaken, and will those reports be made available to the parliament?

Just another question on settlement services, particularly with regard to Western Australia. Earlier this year, there were reports of local parishioners being asked to provide rental properties for humanitarian settlement in the community. Can you give us an update on how many community placements have occurred in Western Australia, how that particular program is going? Also, how you expect to accommodate the community humanitarian program, considering there are considerable housing shortages?

There was another report, relating to settlement outcomes of new arrivals, also released on the eve of the royal wedding. That report found that only 40 per cent of humanitarian entrants had a job after five years. Why does the department think that this is so, and what strategies are being considered to improve this number? What employment prospects and employment pathways does the department provide?

Mr Bowen (McMahon—Minister for Immigration and Citizenship) (12:25): There were a number of questions incorporated in that contribution, and I will do my best to answer them, although there are some that I will take on notice. In relation to the arrangement with Malaysia, the costs of resettlement were outlined in the announcement. That does include, under the normal arrangements, all the costs that go to resettlement, including support through other government agencies. That has been factored into the costings, and the fact that we are resettling 4,000 people enables a per capita cost to be calculated from that.

In relation to Navitas, that contract was entered into in April this year, as I have previously announced. It is important that that Navitas contract in the Newcastle region is a different one to the previous one and involves a different housing provider. As I understand it, Navitas itself is doing the housing, as opposed to Resolve FM, which previously undertook the housing in Newcastle.

The honourable member asked whether I can release the three-, six- and 12-month reports. I will need to take that on notice to consider whether that is commercial-in-confidence. I will take advice on that. If it is possible to release them then I will, but I will take advice on whether it is prudent, appropriate and legal.

In relation to the other reviews, I will take on notice whether the forensic audit will be released. That is a matter which may well have some commercial-in-confidence elements to it, but I would have thought that there should be some public commentary on its results. As to whether the full report is released, that is something that I will consider once I have received it and once I have received the appropriate legal advice.

The honourable member talked about the 'other review'. I assume she was referring to the Richmond review of contract management. Again, I take the view that I will make public commentary about that and will release what is prudent, appropriate and responsible to do in the interests of transparency.

The honourable member asked me how many employees of Navitas have been referred to the New South Wales police. I must express some caution here. I have not indicated which company have had employees referred to the New South Wales police. I have indicated that there have been referrals to the New South Wales police. I would caution the House that we need to be careful about making broad and sweeping statements about who has been referred
to the New South Wales police. It is a small number, but nevertheless they are obviously very serious incidents. Not all of them have necessarily been recent. Some of them were over a period of years some years ago, but nevertheless they are very serious matters. As I said to the House before, I am not in a position to update the House on the results of that police investigation. If I was advised by the New South Wales police then I would take steps to make that public, but it is now a matter for the New South Wales police as to how they deal with it.

So there are a number of matters there which I will take notice, and I will report back.

Mr Morrison: Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Mr S Georganas): Is the member for McMahon willing to give way?

Mr BOWEN: Yes.

Mr Morrison: I just want to reinforce, before the minister finishes his statements, that the question he has glossed over is: can the minister confirm that all children transferred to Malaysia will be sent to school for the entire duration of their stay? I would not want him to miss that one.

Mr BOWEN: I can confirm that the government has been in discussions with the Malaysian government and the UNHCR about appropriate arrangements.

In relation to the honourable member's question about community detention, I can provide an update on that. I cannot provide an update in relation to the numbers in Western Australia. I will take that on notice. I have the national figures in front of me. Since the announcement made last October by the Prime Minister and me that we would move the majority of children and families into the community by the end of this month, I have approved community detention placements for 1,309 people. This includes 631 adults and 678 children, of whom 432 are accompanied minors and 246 are unaccompanied minors. Of the 1,309 people approved for community detention, of course, some have subsequently been approved for a permanent visa, so they now no longer count in terms of the total for which a majority should be in the community. Of those, there are 249 people who have been granted a permanent visa, including 100 adults and 149 children. There are 707 people currently residing in the community and there are 352 people being moved into the community in coming days, after my approval of their being moved into the community. This has been quite an undertaking, but I am very pleased and proud of the fact that we will meet our commitment to move the majority of children into the community by the end of this month. I would like to thank the Red Cross, Life Without Barriers and other organisations, including church groups who have been providing accommodation. There is a former monastery not far from here, for example, which is being used to accommodate children, and that is a very good thing. I thank and congratulate all the organisations who have been working very proactively with the government to meet that commitment.

Proposed expenditure agreed to.
Mr BALDWIN (Paterson) (12:31): From the outset—through you, Minister—can I pass on my congratulations for what I thought was an outstanding summit last week in Cairns for the China-Australia Summit. However, there are more pressing matters that I need to deal with. Minister, I refer you to your government's decision to cut funding for Tourism Australia by $16.2 million in real terms. Minister, how will cutting funding for Tourism Australia help tourism operators facing a high Australian dollar, less flexible wages and a crippling carbon tax? Will the minister explain why he supports the government spending double the annual budget of Tourism Australia on providing pensioners with overpriced set-top boxes? Minister, do you consider the government's overpriced set-top box giveaway to be more important than bringing tourists to Australia? I refer the minister to the government's decision to cut funding for the Tourist Accommodation Survey. Will the minister explain how cutting the funding for tourism research will help hotel operators place their investment decisions?

I refer the minister to his answer to question in writing No. 58, where on 25 November 2010 the minister said there were nil corporate costs savings identified but not yet implemented in Tourism Australia. Minister, therefore, if there are no corporate cost savings in Tourism Australia, what marketing programs will Tourism Australia cut to meet its $6.2 million efficiency dividend? I refer the minister to his press release of 30 April 2010, where he detailed seven measures he was committed to implementing by 30 October this year. Minister, given that your department told the most recent Senate estimates that not a single one of your seven priority measures had been successfully implemented yet, how are you going to implement them with just 77 days to go? I should remind the minister that in the next 77 days, in order to meet the commitments he outlined in his press release, he needs to have chefs included in the skilled occupation migration list, implement national uniformity through responsible service of alcohol, seek the inclusion of tourism in the Commonwealth Enterprise Connect program, undertake destination management pilot projects—plural—to identify the gaps in research and dissemination, restructure the National Tourism and Aviation Advisory Committee, release the study of economic impacts of the carbon tax on tourism, and enhance Indigenous employment by scoping out opportunities for inclusion of tourism in existing government programs. I should note that, on the last point, the minister's department told Senate estimates: 'We are pretty light on in that area at the moment.' Does the minister agree with his department's assessment? Minister, it is going to be a very busy 77 days for you—or will you break your word again?

I refer the minister to the government's election commitments to deliver $40 million for the government's TQUAL Grants program, and $6 million for the National Long-Term Tourism Strategy. Will the minister confirm that after the election the government decided to deliver just half of these commitments in the current parliamentary term? I refer the minister to the government's decision to increase the passenger movement charge by 24 per cent, and note that the revenue from the passenger movement charge for the first time will exceed $800 million per annum, an increase from just over $400 million per annum when you were first elected to government. I note that the minister said when he was the shadow minister that the passenger movement charge was 'ripping off the travelling public', and then in his first budget as minister he wacked it up by 24 per cent. What kind of rip-off is that, Minister?
Will the minister explain to tourism operators why, at the very time the Gillard government are increasing tourism taxes to record levels, they are cutting back on passenger facilitation services at international airports by $34 million? Will the minister confirm that the government's decision will mean an additional 26-minute wait in the queue for Customs service for our international tourists when they arrive? Minister, what sort of welcome mat do you consider this to be for those coming to Australia?

Minister, I also want to place on the record, for future reference, that you have two of the largest income-producing portfolios for this nation: tourism, and resources and energy. Why are you allocated only 30 minutes in total for these two very large portfolios? Minister, if you cannot answer these questions here today, I ask you to respond in writing. If they are not responded to today or shortly, I will give you notice that they will be placed on the Notice Paper to make sure that we get an answer.

Mr IAN MACFARLANE (Groom) (12:36): I fear that this—
Honourable members interjecting—
Mr IAN MACFARLANE: Are we going to have some order, Mr Deputy Speaker, or are we going to allow the minister to run the show?

The DEPUTY SPEAKER (Mr Murphy) (12:36): The member for Groom has the call.

Mr IAN MACFARLANE: Thank you, Mr Deputy Speaker. I am concerned about this process.
Honourable members interjecting—
Mr IAN MACFARLANE: Mr Deputy Speaker, for about the fifth time: I am concerned that this process will allow the minister to pick and choose his way through these questions. I will put them in no particular order, because I fear I am going to get answers in no particular order as well.

Mr Martin Ferguson: I learned off you, Ian!

Mr IAN MACFARLANE: We did not have this process, Martin, so you did not learn this off me, mate. Could I ask the minister: on what or whose price and volume assumptions were the MRRT figures in the budget derived? Secondly, can I ask the minister about the breakup between large companies—and I am talking BHP, Rio and Xstrata in particular—and the midcaps and juniors as to how the MRRT will be paid. Does he agree with the economic modelling that shows that large mining companies with multiple projects will not pay MRRT for perhaps, in some cases, 15 to 20 years?

On the issue of the carbon tax, can I ask the minister, in light of his statement yesterday that, ‘No-one can rule out a mine or two closing’—and that is the exact quote, Martin, you do not have to check it—whether any of the following mines are the mines he was referring to when he said that one or two mines would shut: Helensburgh, mines in the Lake Macquarie area, the Anglo American Capco mine in central Queensland, the Anglo American Murrumba North mine in central Queensland, the BHP mine at Broadmeadows, the Peabody Pacific mine at North Goonyella, the Vale mine at Carborough Downs and the Xstrata mines at Newlands and Oaky Creek. Can the minister outline what drop in net present value is being experienced by coal mining projects proposed for Queensland and New South Wales in regard to the implementation of carbon tax moving to a carbon trading scheme?
Mr HUSIC (Chifley) (12:39): For some time there has been concern in the community about what we will do to ensure that the wealth generated by the mining sector will be distributed through the community to provide us with long-term benefit. In terms of the minerals resource rent tax, there have been different models floated—for example, the idea of putting forward this sovereign wealth fund as a way of locking up the wealth that is generated through the mining boom, as opposed to what we are planning to do through the MRRT, particularly in terms of what we will be able to with respect to funding the increase of the SGC from nine to 12 per cent. This will provide an even greater pool of investment funds for business to tap into and a long-term basis for wealth generation through higher returns. This will ensure that people who retire in the years to come, and the generations that follow us, will be able to have a sustainable income in the years to come. Small businesses will be able to tap into asset write-offs through what we are flagging. I note in particular that a small business owner in my electorate told me the breakdown of his refrigeration equipment would impact on him severely and he would have to take a dent in his cash-flow to replace it. These are some of the things we can fund through the MRRT that we would not be able to do through a sovereign wealth fund. This model will provide something sustainable for the future of this country, and I see that we are now close to being able to bring it to fruition. But, even at this late stage, there are people speculating in the media about the design of the MRRT. Minister, even in the last 24 hours people have been making comment on the design of the tax. I am wondering whether you are able to update us on some of the comments and opinions that have been advanced on what I think will fundamentally be a key economic reform for this country.

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (12:41): A range of questions have been raised by those who are participating in this debate and I will seek to cover some of them. Obviously time is not of a long duration because we adopted the same approach to the House of Representatives committee stage processes for the budget as was the longstanding practice of the previous Howard government over almost 13 years. So if the shadow minister has some complaints he ought to take them up with the former Prime Minister of Australia, John Howard.

Putting that aside, I am disappointed that the member for Paterson, having made a long-winded contribution of no substance, could not stay in the chamber, because perhaps he could have learnt something about the challenges the tourism sector in Australia is facing at the moment. Let us be very frank, the Australian economy is going through a process of change at the moment because of the pressure of the mining and petroleum sector and the strength of the Australian dollar. This is reflected in the challenges I confront as Minister for Tourism, and it is also reflected in, for example, the challenges facing the manufacturing industry, for which Senator Kim Carr has responsibility.

Putting aside the endeavours by the member for Paterson to undermine, there is terrific activity in the tourism sector at the moment to survive with respect to both international and domestic visitation. The tourism industry is, to some extent, holding its own in very difficult times. Earlier today the member for Paterson asked me for a briefing—and I am surprised he has asked for that so late after the budget—on the activities of the department, budget initiatives and Tourism Australia. I have already spoken to my staff today about arranging that briefing, and we will seek to meet his convenience. Perhaps prior to this process next year
he might seek a similar meeting. If he had done that this year, we would not have had the waste of time of his long-winded intervention of no substance earlier today.

I will now go to the latest tourism forecast, released on 26 May, which should answer some of the issues on tourism. I note that, despite oil prices, natural disasters and the high Australian dollar, Australian tourism is actually demonstrating resilience, which is very important to the member for Groom’s home state of Queensland given the recent natural disasters, including the impact in his own electorate. Tourism consumption, interestingly, is forecast to increase by 0.4 per cent to $98.4 billion, with inbound visitation forecast to increase 3.1 per cent to 6.1 million in 2011. The committee also forecast that the modest growth in domestic tourism shown in 2010 will continue through 2011. I really hope for the sake of this industry that it actually does occur, because this industry employs, directly and indirectly, just under one million Australians. Domestic nights—and this is a factual report—are forecast to fall by 0.3 per cent to 259 million nights in 2011. Spending, importantly, is forecast to decline by 0.7 per cent due to the impacts of floods, cyclones, the high Australian dollar and, of course, because of the nature of the times, the somewhat close-fisted consumers. Domestic trips, however, remain resilient and are forecast to increase by 0.5 per cent in 2011. Consistent with other growing economies, including China and India—and I appreciate the positive feedback from the member for Paterson about the positive outcomes in Cairns last week in terms of the first ever Australia-China Tourism Summit—China is our real growth opportunity, with currently 470,000 tourists, at a value of about $3.6 billion, expected to double by 2020 and, from a tourism perspective, earnings for Australia, just out of China, of about $6 billion to $7 billion. These economies are very important to us.

I simply say, I suppose, in a very honest way to the member for Paterson that there has been no endeavour to wind back the capacity of Tourism Australia, TQUAL, or our commitment to implementing long-term tourism strategies because we know we have to work with the tourism industry. It is resilient and it is doing its best to actually survive in these difficult times.

I now go to, I suppose, a more considered intervention from the member for Groom. Perhaps he ought undertake a tutorial with the member for Paterson as to what these processes are really about rather than make inane interventions of no consequence or which do not contribute in the long term to the operation and quality of this parliament.

Mr Husic interjecting—

Mr MARTIN FERGUSON: The member for Chifley correctly raises the issue of the coal industry. (Extension of time granted). I had ministerial responsibility for resources and energy in December 2007. If I had been asked to give an undertaking that no mine would close on my watch, then I would not have given that undertaking and nor would I give a similar undertaking now, with or without a carbon tax. I will give you a few examples why. I actually took phone calls during the global financial crisis from a range of mining companies in Australia, including from a range of coalmining companies, which, because of the impact of the global financial crisis decided, for whatever reason, to actually close coalmines in Australia. I also recall actually going to Ravensthorpe, in Western Australia, in partnership with BHP and having the opportunity to be part of the opening of a huge investment by BHP in the new nickel mine operation in Western Australia. Within the space of 12 months it was closed.
Mr Ian Macfarlane: Mr Deputy Speaker, I rise on a point of order. I remind the minister that the question related specifically to high-gas coalmines. Whilst I know he has an enormous understanding of the industry, I would like him to answer the question specifically asked.

Mr MARTIN FERGUSON: If the member for Groom would only be patient. As I was indicating, if he were sitting where I am sitting at the moment, he could not give the Australian community an undertaking that all existing mines will remain in operation, with or without a carbon tax. I can say to the Australian community that I am confident that the coalmining industry in Australia has expanded and will continue to expand and that we will create a wealth of job opportunities as a result of that expansion over the foreseeable future. Let us deal with a few hard facts in terms of mining industry employment in Australia at the moment. Mining investment has skyrocketed, including the coal industry, from $35 billion last year to $51 billion this year, to an expected $83 billion in 2011-12.

Mr Ian Macfarlane interjecting—

The DEPUTY SPEAKER (Mr Murphy): The member for Groom will resume his seat. I call the minister.

Mr MARTIN FERGUSON: This is a tutorial.

Mr Ian Macfarlane interjecting—

The DEPUTY SPEAKER: The minister will not respond to the interjections from the member for Groom.

Mr MARTIN FERGUSON: That is 23,300 mining jobs over the last 12 months, compared to 2.1 per cent for the whole economy—12.8 per cent, because of our success in attracting additional investment in Australia, be it in petroleum, iron ore, coalmining or whatever. I acknowledge that, in terms of the future of the coalmining industry, which goes to the heart of the question posed by the member for Groom, exploration expenditure for coal is estimated to increase by 12 per cent, to around $360 million in 2010-11.

Mr Ian Macfarlane interjecting—

Mr MARTIN FERGUSON: You should ask that question of me in question time. I would like to put it all on the record. In the six months to April 2011—I am waiting for the question on this in question time—we have seen three major coal projects completed, with a combined total capital expenditure of $1.5 billion. Jobs, jobs, jobs—that's what I like! And I know that is what the member for Groom likes. There is a range of other potential investments in this very important sector of the Australian economy, though its production has been seriously hindered over the last six months because of the serious floods and the cyclone in Queensland. But it will fast recover from those events.

But, being very serious, the member for Groom and I know that the coalmining sector has got some gaseous mines. He was the one, in November 2009, because he was one of the principal architects of the CPRS, who basically said—when we offered an assistance package to the tune of $1.3 billion, in terms of the future of the coalmining industry and its capacity to remain in existence—as to the result of that package, which I am seeking to adhere to very strictly in terms of the current negotiations, that that was the best thing since sliced bread for the future of the coalmining industry in Australia. I might also say that he made some very glowing statements along similar lines as to the future of the electricity industry in Australia.
When it comes to the potential loss of coalmining jobs in Australia, I remind the member for Groom that direct action is about very much reducing coalmining employment in the Latrobe Valley in Victoria. His direct action plan is directly focused on reducing employment opportunities in coalmining in Australia. He should not forget that. It is a plan specifically targeted at taking away coalmining jobs in Victoria, in an area that needs assistance in terms of the transition that has to occur.

The DEPUTY SPEAKER (Mr Murphy): The member's time has expired. The question is that the proposed expenditure be agreed to. I call the member for Groom.

Mr Ian Macfarlane: Mr Deputy Speaker, I am enjoying this so much, even though he is providing no information, that I move an extension of time.

The DEPUTY SPEAKER: The question is that the proposed expenditure be agreed to. I call the minister.

Mr MARTIN FERGUSON: He raised broader questions, not only going to the huge opportunities from coalmining in Australia but also the potential operation of the MRRT. I hope he took the opportunity to actually attend these proceedings when the Assistant Treasurer was in appearance, because obviously responsibility for all the tax issues and the modelling associated with the MRRT rests in that portfolio. So, if he has not had the opportunity, he should seek—

Mr Ian Macfarlane: That's Joe's job.

Mr MARTIN FERGUSON: He should seek to have that discussion with the Treasurer. But, more seriously, in terms of who pays what taxation: I simply say that the mining industry wanted a profits based tax. Yes, it has been complicated—trying to get to this point where we can land this outcome. Industry will only pay taxation at a federal level in terms of when they are receiving super profits.

As the member for Groom has raised the interventions of his very good friend Andrew Forrest yesterday, let me deal with some of those issues. It is appropriate that this is put on the record—despite what I thought was a xenophobic attack on key investors from overseas during the course of his visit to Canberra yesterday. I remind the House that we are a nation built on the back of foreign investment. And if foreign investment, in the form of Hunan, to the value of about 17 per cent, in Fortescue Metals is appropriate, then it is also appropriate that it occurs with respect to other mining and petroleum companies in Australia. I only wish I could attract some similar investment in new hotels and accommodation opportunities in the tourism sector at the moment. I will never shy away from defending the right of Australia to chase foreign investment, and I think the opposition should also stand up to Mr Forrest over his xenophobic attack on non-Australian-based companies yesterday, because where would we be as to the strength of our economy without foreign investment? I await the member for Groom's intervention—his response—which I think should be dignified, in the same way as I made a dignified response to Mr Forrest yesterday.

Let us go to the issue of Mr Forrest. The draft MRRT legislation implements the heads of agreement and the PTG report's recommendation, consistent with the government's undertakings with industry. The government will not breach its commitment on the heads of agreement or the PTG report on key design features of the tax. Fortescue and all companies are able to have input into the legislative consultation process and the details of those reforms.
The starting base is an issue we raise. It is an important feature of the MRRT to recognise the market value of past investments irrespective of which company made those investments. All companies with assets in place as at 10 May are eligible for a starting base to recognise past investment. There is no exception in terms of the particular application to FMG.

I also note that on 29 June last year Mr Forrest asked for doubling the recognition of past capital. No deduction is provided for interest expense against MRRT liability because that would undermine the purpose of a rent tax on the value of the resource. Further, the uplift rate is provided on losses effectively market to debt cost deductible. Providing a deduction of interest would engage companies using debt-to-finance projects. Deduction of interest is allowed under company taxation.

Mr Forrest's third issue goes to a technical issue he can make in a submission to the Treasury so as to clarify, as I encouraged him to do yesterday.

On the range of issues raised in terms of the public consultation process on the MRRT, I simply want to say—

Mr Ian Macfarlane: I didn't ask that question.

Mr MARTIN FERGUSON: You made an intervention and I thought it was appropriate that I responded in a factual way. I challenge the coalition to make sure very publicly that it does not support Mr Forrest's xenophobic attacks on foreign investment and the rest of the petroleum and mining industry in Australia. It is un-Australian because we depend on that foreign investment for the purposes of our economic future.

The question of savings in Australia was also raised as part of the MRRT. I remind the House that a lot of sectors in Australia are doing it tough. The proceeds of the MRRT are going to be well invested. Cuts in company taxation will support small business to actually purchase new capital equipment and I might say encouragement of superannuation savings—

(Time expired)

Mr IAN MACFARLANE (Groom) (12:56): I have one last question and I hope it does not end up in a tutorial. I remind the minister that during my time in his portfolio I was one of the greatest exponents of foreign investment in Australia and in fact spent a great deal of time travelling explaining to particularly our friends to the north how welcome they were in Australia. I continue to do that, can I say.

Minister, in regard to the carbon capture and storage flagship program where the government is following the coalition's lead of reducing the allocation there and asking the coal industry to increase their contribution to that program, what projects do you expect to see from that program in the next three years and at what stage does the government decide whether or not this is a program that they wish to continue with?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (12:57): I thank the member for Groom for the question. I acknowledge that he has appropriately indicated to Mr Forrest that he totally disagrees with his intervention yesterday in terms of foreign investment. I challenge him to actually make a request to the Leader of the Opposition to make the same position very publicly clear, because I think it is very important to the future of Australia from an investment point of view. On both sides of politics we need to very clearly say that foreign investment is welcome in Australia, unlike the view of Mr Forrest.
The issue of clean energy carbon capture and storage is an important component of it. Up until budget difficulties on the other side of the House in the lead-up to last election I might say that the member for Groom was a very strong supporter of carbon capture and storage technology opportunities. Last Saturday in Perth, in partnership with the West Australian Minister for Minerals and Petroleum, I announced the first commitment in terms of the Collie hub. We put $53 million on the table to take that project forward. It is aimed at trying to assess appropriate storage capacity for the purpose of storing industrial CO₂. That was very much welcomed by industry and very much welcomed by the Western Australian government. To be fair, when you look back over the history of adopting this program one would not have thought that the Collie hub would have come through as the first investment from a Commonwealth perspective. Beyond the Collie hub and if that actually succeeds we will potentially make a contribution to the tune of about $330 million. We are in ongoing discussions with the Queensland and Victorian governments. I also note, and this is reflected in the budget papers, that we have made an amount of money available nationally to work in partnership with state and territory governments and the private sector to assess storage capacity around Australia, because the key to carbon capture and storage is proper assessment of storage capacity. That is pretty important. My own assessment is that there is good potential storage capacity in Queensland, and Victoria is obviously well placed because of its proximity to Bass Strait. Victoria is also well placed, from a commercial point of view, because it does not have long pipeline distances, which add to cost. We will continue to work through our processes to try to shore up projects in Queensland and New South Wales. I hope that we succeed, because we are a nation that very much depends on fossil fuels. Clearly, there are difficulties with legacy power stations in Victoria. Both sides of politics appreciate the difficulties involved with power stations such as Hazelwood, which is a very high emitter. Whilst there are different approaches to making that transition, one way or another we have to front up to it.

We have to try to make a breakthrough on clean energy, be it carbon capture and storage, solar thermal, geothermal or whatever. But it is about reliable baseload power. I hope the breakthrough comes sooner rather than later, because, while Australia has been historically energy secure because of its energy resources, the complication now is that we have to put technology in place which reduces CO₂ emissions. We should not forget that we will have the biggest commercial deployment of carbon capture and storage on the Gorgon LNG project, which hopefully will produce gas for export purposes in 2014-15 or a little bit later. Carbon capture and storage is not an unproven technology. The real issue is how you reduce the cost of commercial deployment. I remain committed to trying to test this technology in the same way that I remain committed to pursuing a breakthrough on solar thermal, geothermal or whatever, as I am expected to be. We as a nation have to invest in R&D, because we have a responsibility in terms of our domestic emissions and our future export opportunities. We are getting wealth out of our energy sector; hence we have to invest in R&D and pursue the clean energy strategy.

The debate about climate change, from our point of view, is about a market driven system. We have a difference between the major players with respect to how you determine a price on carbon. We both support a renewable energy target of 20 per cent. Under it all, both sides support the need to invest in clean energy technology. There is somewhat of a difference at the moment on carbon capture and storage, but we should not give up on it as a nation, nor
should the global community. As the International Energy Agency says, fossil fuels are going
to continue to be a very important part of our international energy mix. Hence our
responsibility as a major exporter to invest in R&D and innovation. If the shadow minister,
Mr Macfarlane, is looking for any further briefings on this or any other program, his staff
have only to contact my office and they will be facilitated, as they have been previously.

Proposed expenditure agreed to.

Proceedings suspended from 13:03 to 16:00

Attorney-General’s Portfolio

Mr KEENAN (Stirling) (16:00): I wish to ask the Attorney a question regarding the
deferral of expenditure of the confiscated assets account which has been detailed in this year’s
budget. I want to refer him to the case of David Hicks, who has published his memoir
Guantanamo: My Journey, which, staggeringly to me, has sold a reasonable number of
copies. Therefore it would stand to reason that he would have made a significant amount of
money. I have heard estimates that he might have stood to have earned of up to $350,000
under the initial print run of this book. I want to refer the Attorney to part 2-5 of the Proceeds
of Crime Act which provides for the making of a literary proceeds order where a person has
committed an indictable offence against either Australian or foreign law and the court is
satisfied that the person has derived literary proceeds in relation to the offence.

The offence to which Mr Hicks has pleaded guilty under the Military Commissions Act
clearly falls within a definition of a foreign indictable offence under the Proceeds of Crime
Act. I therefore would like to ask the Attorney why the government has not referred this case
for investigation under the Proceeds of Crime Act; and would he like to comment about
whether he believes it is appropriate for a man who has admitted support of a terrorist
organisation, in this case Lashkar-e-Taiba, and admitted committing offences in relation to his
involvement with that organisation—an organisation, I might add, that has literally killed
hundreds of people, including two Australians—to make money out of his crimes?

Mr McCLELLAND (Barton—Attorney-General) (16:02): I specifically will not advance
my opinion on the matter of David Hicks. I advise the honourable shadow minister and the
Main Committee that the Australian Federal Police have conducted an investigation in respect
of this matter. I am on the public record as indicating a brief had been provided to the
Director of Public Prosecutions. I think the Director of Public Prosecutions in responding to a
question from Senator Brandis, the shadow Attorney-General, in Senate estimates concluded
by saying: 'Watch this space.'

In those circumstances, given that these matters may well be considered by a court, it
would be potentially prejudicial if I advanced my own personal opinion on those matters.
Firstly, I think it is required by law that the matters are investigated by the AFP and the final
decision made by the Director of Public Prosecutions. In terms of deferring the amounts from
the proceeds of crime of, I think, $8 million, can I indicate that, as a result of steps that have
been taken by the government—including, to his credit, the Minister for Home Affairs—and
the establishment of the Criminal Assets Confiscation Taskforce, there are already very
significant advances in the amount of proceeds of crime recovered. For instance, in the year
2009-10—that is the financial year 2009 and 2010—there were about $18 million of funds
that were restrained since the establishment of the task force, which commenced in January of this year. There has already been over $40 million in assets restrained. That task force is not as yet fully up and running. In particular, we will be taking steps to ensure that the task force has its own legal representation, which will significantly give it that additional firepower. We are very optimistic that the proceeds that will be restrained through the task force will be very significant, and that is a very, very significant impediment to crime, because, as you know, crime is undertaken by weighing the risk against the gain. If we attack the gain, we take away a significant incentive for crime to occur.

Mr Hayes (Fowler—Government Whip) (16:05): As you are aware, I have had a long interest in law enforcement and, more recently, I have been involved with the Australian Commission for Law Enforcement Integrity, as well as the Parliamentary Joint Committee on Law Enforcement. One of the things that I have come to understand over many years is that not having a significant terrorist action in this country is not simply good luck; it is a product of good management. I understand, particularly because of my involvement with the Australian Federal Police, the amount of intelligence gathering that takes place, which has paid great dividends in protecting this nation. But, Attorney, there is one thing that does cause me some concern. That is in relation to managing the possible risk of chemicals that could be used by terrorists in respect to manufacturing security issues within this country. I know that a lot has escaped from science fiction theatres in terms of binary fluids and all the rest of it, but what we do know now is that the extent to which terrorists use chemicals for the manufacture of explosives and toxic weapons is beyond doubt. Could you explain what the government is doing to manage the risk posed by terrorists using chemicals of security concern.

Mr McClelland (Barton—Attorney-General) (16:07): I thank the honourable member for his question and I note his longstanding interest in matters of security generally, certainly in policing. In 2008 the Commonwealth government and the state and territory governments around Australia reached an agreement to properly assess, monitor and control chemicals of security concern. There is no doubt that chemicals continue to be sought by terrorists to conduct attacks with the potential to cause significant harm to Australians and Australian interests. There have been a number of attacks over the past few years and in the recent budget the government allocated $10 million over four years to continue the important work of managing that risk.

The Australian government is actively working with the states and territories, as I have indicated, to reduce the risks from chemicals of security concern. My department has already assessed the security risks of several of the highest threat chemicals and will continue to assess further chemicals of potential interest to terrorists. I and the Minister for Home Affairs were provided with a demonstration where readily available chemicals were mixed with readily available supermarket materials to produce a highly explosive device. So these are very, very serious.

As I have said, work is underway with the states and territories, and also industry, which I should acknowledge here is being tremendously cooperative, to identify measures to treat the risk identified from some of these chemicals. Governments will continue to consult widely to decide how best to treat identified risks from chemicals of security concerns. That 2008 agreement I referred to was to establish a chemical security management framework which outlines the agreed approach by all levels of government.
The chemicals security area in the Attorney-General’s Department is responsible for coordinating the implementation of that national framework, and the department is progressing that work by developing chemicals security policy and supporting industry reference in government advisory groups raising community and industry awareness of the risks posed by chemicals of security concern and mapping supply chains for identified chemicals for security concern and assessing the risk of each such supply node. In accordance with that Council of Australian Governments report, initial priority has been given to precursors to homemade explosives and chemicals transported and/or stored in bulk. Security risk assessments have been finalised for hydrogen peroxide, nitric acid, sodium chlorate, potassium chlorate, sodium perchlorate, potassium perchlorate, ammonium perchlorate, sodium nitrate, potassium nitrate, nitromethane and sodium azide. The public awareness campaign aims to inform and build vigilance across the target audience to assist jurisdictional police and security agencies in deterring and also detecting the potential use of these chemicals. It is intended to be a low-key but informative campaign with a focus on educating and fostering relationships with industry to assist them in strengthening their security arrangements and communicating broadly with the community.

The Australian governments have agreed to the publication of the list of identified chemicals of security concern. That list, developed by Australian governments in consultation with industry and informed by data from the Australian intelligence community, represents those chemicals that can be used by terrorists to produce an improvised explosive device or toxic weapon. Publishing this list is aimed at helping industry and the community to be more informed and vigilant. If any person has a security concern about the inappropriate use of chemicals, they should call the National Security Hotline on 1800123400 to report their concern.

Mr KEENAN (Stirling) (16:11): I know it is a longstanding practice for people to ask ministers these Dorothy Dixers—I am not having a go at these two particular ministers, because I know it has been happening in here for a long time—but it does strike me as passing strange that these two Commonwealth ministers cannot answer questions for an hour without us having to go through this rather elaborate farce. This is not a practice that I will be pursuing should the government change and I get the opportunity to serve in that capacity.

I think my question is probably best addressed to the Minister for Home Affairs. I want to ask specifically about arrangements in relation to the Malaysian people swap deal, if it does go ahead, and the role the AFP might play in making sure that there is security on flights from Christmas Island to Kuala Lumpur or some other point within Malaysia. I want to see whether the minister can explain what actions would be taken or what protocols would be put in place if detainees refuse to get on the plane or stage a protest in response to being sent to Malaysia.

I also want to remind the minister about the events surrounding the Oceanic Viking.

Mr Brendan O'Connor: Don't remind me!

Mr KEENAN: It is interesting that the minister does not need reminding! As members will recall, the asylum seekers refused to take instructions from the Customs officers who were in charge of that vessel. What transpired was a stand-off, with the Indonesian authorities refusing to act and the Australian authorities refusing to act. Clearly it would be a deeply unsatisfactory situation if that were to happen again in relation to a flight from Christmas Island to Kuala Lumpur when detainees are either embarking or disembarking.
Minister, how many AFP officers will the government allocate for the transfer of asylum seekers on those flights? Who will be responsible for security on those flights? Presumably it will be officers of the AFP. When will Malaysian authorities take responsibility for security? At what stage will the Australian Federal Police hand over to their Malaysians counterparts? Presumably, it will be once the planes have landed in Malaysia. If there is a stand-off on a plane and asylum seekers refuse to disembark, whose responsibility will it be to end that stand-off? Will it be the responsibility of the Australian Federal Police—if they are the ones accompanying the asylum seekers—or will it be the Malaysian authorities because this will be occurring on their soil? And I want to know what guarantees the Malaysians authorities will give that they will treat detainees in a humane manner in these circumstances. I think that just about covers it. Essentially, I want to know at what stage the Malaysians will take over and what guarantees we have about their behaviour in these circumstances.

Mr BRENDAN O'CONNOR (Gorton—Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice) (16:15): I thank the member for Stirling for his question. I am not sure I agree that it is farcical for government members of parliament to be able to ask ministers questions. Indeed, some would argue that government members ask much more rigorous questions than shadow ministers. His question sounded like a Dorothy Dixer to me, and I appreciate the shadow minister asking it, because it is an important question.

On 7 May, the Prime Minister of Australia and the Prime Minister of Malaysia announced the fundamentals of an agreement to ensure that we undermine the model that is being sold by people-smugglers to lure people onto unseaworthy vessels for perilous journeys which, in some cases, lead to maritime tragedies. We do not want to see that happen again, and that is why we are dedicated to ensuring that we realise and finalise this agreement. The Minister for Immigration and Citizenship is leading the government's negotiations to resolve that with Minister Hishammuddin from Malaysia.

In relation to the operational side of this agreement, this country and, indeed, the Howard government has had some experience in transferring refugees to particular places, including Nauru and Manus Island. It would not be the first time we would be facilitating the passage of people offshore, so there is some precedent and convention that our law enforcement and other agencies can consider when they determine the way in which the operational dimension of this agreement will be handled. I am well aware that we need to clearly delineate between agencies' work, and I mention a number of agencies in that regard: the Department of Immigration and Citizenship and the Australian Customs and Border Protection Service, with their role around asylum seekers aboard vessels, and the Australian Federal Police and the role they play. I accept it is important that we clearly define and delineate the respective roles of our agencies vis a vis the role of agencies in Malaysia.

The shadow minister can be assured that there is a good relationship between the Australian Federal Police and the Royal Malaysia Police. We work hand in hand with that country to fight transnational crime, as we do with other countries in the region. With respect to this agreement, we will make sure that there is clear demarcation between the roles of both of the law enforcement agencies and the other agencies of each country so that we are prepared for any eventuality. We would not want to see people in any way unduly affected by this transfer of people seeking asylum to Malaysia. We want to do that in a professional way
and I have great confidence that the Australian Federal Police and their counterpart in Malaysia will be able to carry this out. I think it is important that these matters are finalised. I can assure the shadow minister that they will be finalised and articulated by the government upon agreement being reached between our two countries, and I am very happy to indicate to him that this work is being undertaken. It is not finalised, but the work continues. There is engagement between our agencies here and those in Malaysia.

Insofar as the role of the AFP is concerned, I assure him that, when the agreement is struck with the details incorporated, the responsibilities of the Australian Federal Police will be very clear. They will of course have a significant role in this agreement. The Commissioner of the Australian Federal Police is well aware of that and he will ensure that his role is outlined, as indeed will the Customs and Border Protection Service and the Department of Immigration and Citizenship. I am confident that the law enforcement and other agencies in Malaysia will have done the same. We want to make sure we do everything we can to prevent any incident occurring that might cause anxiety or concern for those people we will be transferring. I am confident that all of those matters will be determined and a date will be announced when the two countries reach an agreement with all the details enclosed.

Mr MITCHELL (McEwen) (16:20): My question is to the Attorney-General. Recently I was pleased to join you at the youth centre at Hume City Council in Melbourne, Victoria, to discuss a groundbreaking local project being developed to help mentor young people away from extremist ideologies. The Hume Anti-Violent Extremism Youth project, or the HAVEY project, is one of the inaugural recipients of a community grant under the Australian government's Building Community Resilience Youth Mentoring Grants Program. The Australian government provided the Hume City Council with a $200,000 grant to run the HAVEY project, which will focus on supporting young people through individual and group mentoring. The project will comprise of: mentoring by cultural leaders, youth workers and police youth liaison officers; training sessions on topics such as social connectedness, discrimination, advocacy and developing positive relationships; promotion of cross-cultural understanding between young people from different ethnic groups; and participation in community events and recreational activities.

We know that this program is working extremely well. At the time we were there it was great to have young people there and some of their mentors involved. We were all very keen on what the government was doing and we were shown results from the trial. Could the Attorney-General please explain what other initiatives the government has funded in order to counter violence and extremism as part of the government's all-hazards approach to national security?

Mr McCLELLAND (Barton—Attorney-General) (16:21): I thank the honourable member for the question. Certainly he agrees it was very uplifting to see the program in operation. The Building Community Resilience Youth Mentoring Grants Program is part of the government's $9.7 million investment in the counter-radicalisation initiatives. Of that $9.7 million over four years, about $2.6 million has been allocated for 2011-12. The program funds activities to directly support young people in moving away from intolerant and radical ideologies and encourage positive participation in the community. We received some 98 applications for the program, and that reflects a strong interest in the communities to identify localised solutions to address violence and extremism in youth within their own communities.
I am certainly heartened by the result because it signifies the willingness of those communities to be proactive in addressing the serious issue of violent extremism among one of our most vulnerable groups, and that is young people.

The grants program to be piloted in New South Wales and Victoria promotes the use of alternative narratives directly to vulnerable youth as well as providing an opportunity to explore pathways other than those leading to violence. Activities suggested through the communities' applications include training for youth to become mentors, leadership training programs, participation through sporting activities and the development and dissemination of counter narratives, as I have mentioned.

We have consulted the New South Wales and Victorian governments and also other federal agencies to ensure these programs complement their existing mentoring programs. I thought I should note some of the organisations that have received funding under the program—the Islamic Women's Welfare Council of Victoria, the Australian Multicultural Foundation, JobQuest, Anglicare, the Spectrum Migrant Resource Centre, New Australian Media and the Hume City Council, which is the subject of the question. I know that the members for Melbourne, Melbourne Ports, Chifley, Greenway, McMahon, Blaxland, Lindsay, Grayndler, Wills, Batman and Calwell share the enthusiasm of the member for McEwen with regard to the potential of these programs. Research shows that a range of personal experiences can make young people more vulnerable to extremist messages and to being victimised by those who would seek to exploit them—for example, issues of discrimination, feelings of prejudice and marginalisation, social isolation and worries about employment and educational opportunities. Through the program in the electorate of McEwen, which was the subject of the question, we want to help young people develop skills to deal with these issues in a positive way, while at the same time reducing the appeal of extremism and radical ideologies. We have a rich and vibrant mix of nationalities in Australia. We all benefit from a more inclusive and resilient community. Projects like this demonstrate the way in which the government can work in partnership with local communities to achieve those goals.

Mr SIMPKINS (Cowan) (16:26): My question is to the Minister for Home Affairs. Since I was in the AFP, and also since I worked on the Olympics in 1999 and 2000, I have had a good appreciation of closed-circuit television. I still remember that day over at Ballajura. My invitation to that event to do with the CCTV was probably lost, but in the future we will see where that all goes. My question to the minister is: will he provide five CCTV portable trailers for deployment within Cowan so that future crime or antisocial hotspots can be targeted, with not less than one CCTV trailer dedicated to the City of Joondalup suburbs of Warwick, Greenwood, Kingsley, Woodvale; two trailers for the south ward of the city of Wanneroo; a trailer for the city of Wanneroo suburbs north of Gnangara Road to Joondalup Drive; and a dedicated CCTV trailer for the City of Swan areas of Ballajura and Malaga?

Mr BRENDAN O’CONNOR (Gorton—Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice) (16:27): I thank the member for his question. I agree with him that closed-circuit television can be very important physical security infrastructure for local communities. That is why the government has been dedicating its resources to provide support in communities in Western Australia and other states around the country. Indeed, I have spent some time in the electorate of the shadow minister, Mr Keenan, talking to the City of Stirling, where there has been some really good work done by
that municipality and work that we have done with it. I also commend the state police of Western Australia.

I see this as a three-way partnership: the federal government providing the resources based on some very strict requirements; getting local governments involved and engaged, because they are closest to the people and deal with the concerns of the community, particularly in relation to public spaces; and seeking the advice of state law enforcement agencies, who understand the crime hotspots, including some of those areas that the member has referred to.

I cannot give an answer now as to whether we can deliver five CCTV cameras to those areas, but I can inform the member that the government takes seriously crime, preventing the likelihood of crime and preventing the fear of crime, which is as much an issue about quality of life as anything else. If members of our communities cannot feel safe in their own streets, in their own public spaces or in their own homes, of course that corrodes their quality of life. For that reason we do everything we can to ensure that we provide support.

The Safer Suburbs Plan is funded under section 298 of the Proceeds of Crime Act 2002. Since December 2007, I can advise the member, over $43 million has been provided—$23 million to support community based crime prevention and drug treatment and diversion programs, and $20 million to government agencies for law enforcement projects. We have a combination of the Proceeds of Crime Act and the Safer Suburbs Plan. They are not huge resources, but the funding has to be based on the merits. I would happily take any submission made by community members from the honourable member's electorate, whether it came from local government or other organisations about the merits of his request. I can assure him that we determine these matters based on the merits of the submissions and the effectiveness of the delivery of the important physical infrastructure that we can install. I should add that it is not just about the installation of physical security infrastructure; it is also about trying to prevent crime. That is why we also dedicate resources to diversionary programs—for example, to stop young people from engaging in antisocial behaviour and to prevent people from falling into improper conduct or perhaps criminal behaviour, which causes problems in the community.

I take the member's question seriously. I am happy to consider any submissions he makes. I should add that it is a dedicated and limited resource, but we always take those types of requests seriously and I understand he has an interest in this matters. As I say, I have dealt with other members in Western Australia and other parts of the country around these initiatives. They are very popular. People see that the federal government is working hand in hand with local government and state police. We will continue to do that because we believe we have a role to play in providing resources to other governments in order to prevent crime and, as I said earlier, prevent the fear of crime.

Mr GEORGANAS (Hindmarsh) (16:31): My question is to the Minister for Home Affairs. We have heard many reports recently of racial vilification in attacks on different schools that are religiously based et cetera, which is very unfortunate. What programs are in place via your portfolio to assist those schools that are most at risk of racial, religious or ethnically motivated vandalism or property crime and harassment? What are we doing to prevent these very unfortunate attacks?

Also, an allocation of funds was made for some CCTV cameras in my electorate of Hindmarsh in the local government area of Glenelg or the Holdfast Bay local council area. I
Mr BRENDAN O'CONNOR (Gorton—Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice) (16:32): I thank the honourable member for his question. He refers to the Secure Schools Program—and what a timely appearance has just been made in the chamber by the member for Melbourne Ports, who was engaged in this very important initiative as well. The Secure Schools Program is about dedicating resources to those schools where there is a relatively high level of threat against students or school communities. The purpose of the Secure Schools initiative is to ensure we provide security wherever possible to mitigate such threats. We seek the advice of our law enforcement and intelligence agencies to make decisions and we engage very fully with the schools' constituencies in order to talk with them about the best way to mitigate these threats.

This initiative has been in place since 2008 and I am glad to inform the honourable member that we continue to dedicate resources to this program. We believe all children in this country have the right to be educated in a safe and secure environment. That is why we have dedicated over the next three years a further $15 million to continue the Secure Schools Program, which I believe illustrates the government's interest in this and concern about providing safety for students, teachers, carers and others who may work within the confines of these schools.

Funding assists schools most at risk of racial, religious or ethnically motivated vandalism, property crimes and harassment to increase security measures to better protect students, teachers and support staff. It is a very important initiative that has been very well received by school communities. I have had the great fortune of visiting a number of schools in four or five states. They have been very appreciative of the government's response to their concerns. We do it in a low-key way. We do not want to attract attention and talk about the particular schools because we think that, paradoxically, that could lead to potential problems for those schools. But I can say it applies to some Jewish schools, some Muslim schools and some government schools that have had some issues. We will continue to dedicate resources based on the relative need, based on the perceived threat as advised by our agencies.

Turning to the second part of the question by the member for Hindmarsh, I can say to him that, as I understand it, the grant that is dedicated to Hindmarsh, to the Glenelg area, will be provided to the council very shortly, within weeks. The installation of CCTV in that precinct will commence very shortly thereafter. I know you have taken a direct interest in this, speaking with not only your council but Neighbourhood Watch. I have had three meetings, I think, with the South Australian police on this issue, so that they could provide us with advice about where the crimes occur and where the more dangerous areas are.

These are public spaces and I know some people have some issues about CCTV. I think those issues are valid, but equally I believe people should not have to be concerned or alarmed about walking the streets, walking in public spaces. I believe that the lighting and CCTV can provide extra assurance. As I say, the fear of crime is a quality-of-life issue. People should not feel that anxious in their neighbourhood. I believe this assists. It is not a panacea, but it certainly does provide assistance for police, for governments and for others to ensure that people feel more secure and indeed are more secure in their communities.
commend the member for Hindmarsh for his advocacy for the initiative and for bringing
together all the constituent parts of the community to talk to me about this issue. I would be
very happy to return when we are looking to install the physical security infrastructure in his
electorate in due course.

**Mr EWEN JONES** (Herbert) (16:37): My question is to the Attorney-General, if the
Attorney-General will just bear with me. It is a bit of a long and winding road, but there is a
question at the end, surrounded by 3,000 other questions. Is the Attorney aware that
Townsville's population of some 180,000 is growing by between two and four per cent per
annum? Would the Attorney agree that, as a city becomes bigger, the need for a stand-alone
Family Court increases with that size? Would the Attorney agree that a Townsville based
Family Court judge would be the best positioned jurist to service North Queensland from
Mackay north out to Mount Isa and on to Darwin? Is the Attorney aware that the current
Family Court judge, Justice Monteith, has been struck with a series of crippling back injuries
requiring multiple operations and long periods of convalescence? He has been struck with
some incredible injuries and he is still on convalescence. Will the Attorney assure the people
of North Queensland that the statistics will not be used in any decision relating to the future of
a Townsville based Family Court? Can he reassure North Queenslanders of the importance of
the position to the residents in Townsville?

**Mr McCLELLAND** (Barton—Attorney-General) (16:38): I thank the honourable
member for his question. I know that the area is a growing area and that, with growing
areas—in particular areas with younger families—there can be a need for family law services.
We have contributed a significant amount of funding generally to family law services and in
particular to a continuation of the former government's program of family relationship
centres. I have visited the centre in Townsville. In the period since we have been in office, the
Attorney-General's contribution to family relationship dispute resolution services has
increased by some $32.96 million, or 25 per cent, and the contribution of FaHCSIA, the
Department of Families, Housing, Community Services and Indigenous Affairs, has increased
by $133.5 million, or 179 per cent, amounting to a total of an additional $166.46 million, or
an 80 per cent increase, for those family relationship service programs around Australia,
including in that region. They have actually resulted in a reduction in filings in the Family
Court by about 18 per cent generally.

But I am aware of the circumstances of Justice Monteith and the court. In fact, I had a
meeting with the Chief Justice to discuss the allocation of court resources generally. The court
allocates its resources within a budget, but obviously there is a discussion between the
government and the court to ensure that services are provided, including services to regional
Australia. I understand that the assistance being provided to the region is being welcomed by
practitioners. Embarrassingly, the name of the judge escapes me, but I understand that he is
doing an outstanding job and being well received by the community up there. Justice
Monteith's circumstances are regrettable. Obviously these things, insofar as they cannot be
helped, are regrettable, but it does place an additional burden on the court. All I can say to the
honourable member is that I note his advocacy on behalf of his constituents. I will revisit that
matter about the services to North Queensland with the court and obtain some additional
information which I can provide to the honourable member.
Mr PERRETT (Moreton) (16:41): My question is to the Attorney-General. Attorney-General, a few days ago it was 19 years since the Mabo decision on 3 June 1992, so here we are in our 20th year since that decision. It was an important decision by the High Court, obviously, but more important than the High Court's decision was the response by the Keating government in turning the court decision into a legislative policy that was rolled out and has changed the lives of many Indigenous people around Australia. I go forward a few years to 13 February 2008, my first day at work in Parliament House. An apology was given by Prime Minister Rudd to the stolen generation, fine words indeed—world-famous words, in fact, that people from all around the world have spoken to me about and that were very significant. But more important than that has been the action since then in engaging with Indigenous people. It is not so much the words but the actions that follow in closing the gap.

I go back to my home town of St George and see many of the Indigenous people that I went to school with. Too many of them have been to prison, have had troubles with the law, have had all sorts of challenges. In my travels around as a union organiser I used to regularly go to Woorabinda, to Wadjia Wadjia High School, a private Aboriginal school, just talking to families and kids. So many of the decisions that would flow later in their lives would come from their sense of safety in their community, from their feeling safe in their bed at night—and sadly, for many folk, it would be actually having a bed or somewhere to sleep that night—or having a house that was a safe place to go to. Attorney-General, could you outline the measures in the budget which will provide assistance for Indigenous Australians, especially in the much-needed area of community safety and justice, because we know that so much about having a safe community and a just community sets up folk for having opportunities later on in life?

Mr McCLELLAND (Barton—Attorney-General) (16:44): I thank the honourable member for his question. Firstly, he referred to the famous Mabo decision and, of course, the native title legislation that arose from that. I have to say that the Federal Court of Australia has been making some real inroads, and I will just take the opportunity to commend them. The government legislated to give the Federal Court of Australia stronger case management powers, and the judges have actively engaged in this process. For instance, two years before these powers were granted in October last year, I think nine claims were resolved. In the year before, 13 claims were resolved. Since those powers were given to the court in October last year, 37 cases have been finalised and there look like being an additional 43 cases by the end of this year. So the court is making some real inroads by cutting through some of the nonsense that can occur in this area to get the parties to focus on the real issues involved in the cases.

But the issues of Indigenous justice are very significant and are indeed, I think, some of the crucial issues confronting the government of Australia of whatever political persuasion. The government has invested a considerable amount of resources in closing the gap—that is, in terms of health, education, employment opportunities and the like—but the reality is that, if communities are not safe, they are not going to prosper, and in fact it will be difficult to get those community workers there in the first place.

The statistics about the involvement of Indigenous adults in the justice system are very concerning, and as a nation we need to do something to turn this around. The statistics are alarming. In 2010, Indigenous adults were 14 times more likely to be imprisoned than non-Indigenous Australians, and they constituted 26 per cent of the prison population. Of those in...
prison, 74 per cent of the Indigenous prison population had a prior imprisonment, compared to 49 per cent of non-Indigenous Australians—in other words, indicating that the period of imprisonment was not effective as a deterrent. And in 2008 Indigenous young people were 29 times more likely to be detained and constituted 50 per cent of the juvenile detention population on any average day, despite constituting a much smaller proportion of the population.

While the states and territories have general responsibility for criminal law enforcement, it is clearly an issue that the Australian government wishes to take a lead on in setting some standards. In the budget there were some specific allocations in the area of Indigenous justice, but the reality is that any amount of resources, if not properly targeted, is not going to address those issues and turn around those alarming statistics. That is why the federal government is working with the state governments on program evaluations to assess whether the diversionary and rehabilitation programs can be improved and to assess which are working and which can be considered best practice. The first stage of the evaluations, including a total of 20 programs, is focusing on four areas: Aboriginal courts and conferencing, offender support and reintegration programs, diversion programs and night and community patrols. That evaluation will be completed by the end of the year. The purpose of the evaluation is to build the evidence base about what actually works to reduce offending and recidivism and improve community safety. Currently, quite frankly, not enough is known about what is really working. To make a real dent in the rate of over-representation of Indigenous Australians within our justice systems, we need to invest in programs that make a difference. The Commonwealth government is working with the state and territory governments to identify those programs so that we can renew and redouble our efforts to turn around those alarming statistics.

Mr KEENAN (Stirling) (16:48): I want to ask the Attorney about ASIO. I note that ASIO received a funding cut in real terms in this budget, but I specifically want to turn his attention to the $6.9 million that was slashed from ASIO for security checks on asylum seekers. I want to find out whether those checks will subsequently be outsourced to another agency or will to continue to be conducted by ASIO. What kind of risk based assessments will be made to determine whether a security check is undertaken or whether everybody will receive a security check—and, when I say 'everybody', I mean on an individual basis? And, if that is the case, how many security checks will this equate to? Will ASIO continue to conduct these security checks on an individual basis, or will they look at moving to a model where the security checks are conducted on a regional basis, so that they will just be able to say, 'We've got a dozen people from Helmand Province, and this is the security assessment that we think is appropriate for people coming from that particular province,' as opposed to looking at them all on an individual basis?

Again, I would just note that it is a relatively brief question and if the Attorney could get straight to the point of what I have asked him I would appreciate that.

Mr McCLELLAND (Barton—Attorney-General) (16:50): I thank the honourable member for his question. Firstly, in terms of the savings measures, they do not address the issue of illegal maritime arrivals, which I think was the subject of your question. But I will turn to that process in particular. I indicate that the resources of ASIO have been increased significantly. In fact, from 2001 to the current time ASIO has received an additional $352.4
Wednesday, 15 June 2011  HOUSE OF REPRESENTATIVES  6265

million, and that is a 562 per cent increase. Just in our period in office, since 2007-08, ASIO has received an additional $123.6 million, or a 42.4 per cent increase. In the context of that resourcing, I can tell you the resourcing is justified. I see their work on a daily basis. Of course, it is necessary to persuade the community that their funds are being used appropriately.

The savings measures over the next four years of those amounts will total $20.9 million, but I should add the government will be injecting $122 million by way of capital contribution to their new building. So there is an increase in their overall budget. But, of those savings, $8.8 million over four years will be addressed through risk based reprioritisation of overseas training. There will be $5.3 million over four years for more accurate recoupment security assessments carried out on applications for maritime and airport security identification cards—in other words, increasing the charge. In terms of the issue of security assessments, before I come to the issue of illegal maritime arrivals, there will be savings of $6.9 million over four years achieved through risk based targeting of additional security checking for visa applicants other than unlawful maritime arrivals. I should say unlawful maritime arrivals will also be the subject of mandatory security checks, but that saving measure does not relate to unlawful maritime arrivals.

To address the specific subject matter of the member's question in respect of ASIO's involvement in undertaking security checks on unlawful maritime arrivals, as all members are aware, unlawful maritime arrivals are subject to health, identity and security checks. ASIO has been working with DIAC, the Department of Immigration and Citizenship, to do what it can to speed up the process. That is effectively by undertaking a triaging process. It is a security process that has been designed and is managed by ASIO. ASIO is still involved in all steps of the process. Essentially, it enables ASIO to focus more closely on those cases that require attention, and that is what is occurring.

There has been some reference in the media to ASIO imposing time limits for these assessments to occur. That is not the case. There will be some assessments that can be undertaken quite quickly because the issues are not complex, given the nature of the circumstances, but there will be other circumstances. Given that it is not uncommon for these people to arrive without papers—indeed it is probably more common than not—there can be significant work in undertaking a proper security assessment. ASIO makes no apologies whatsoever for the fact that some of those assessments will take a considerable period of time. While they work hard to undertake those as quickly as possible, the bottom line is that they do not take any shortcuts when it comes to properly evaluating someone's security, and that is entirely appropriate.

Mr DANBY (Melbourne Ports) (16:54): I work on the basis that some things can be true even if the coalition says they are true. Under the previous conservative government, the previous Attorney-General was well known for his requests for members of the public to approach the security hotline—in fact, he was rather mocked over that issue. Nonetheless, I would ask the Attorney-General: what is the government doing to encourage the community to report suspicious behaviour to the National Security Hotline, and what are the issues that are involved from the government's point of view?

Mr McCLELLAND (Barton—Attorney-General) (16:55): I thank the honourable member. For the record, the former government's initiative has unquestionably been a success
and has been continued by the current government. When it comes to national security, law enforcement agencies do rely on the public to report suspicious behaviour. It is often the smallest detail that makes the biggest difference, in that it can often tie pieces of the jigsaw puzzle together. That is why the government continues to support, and raise awareness of, the National Security Hotline. This year the government has allocated $600,000 for continuation of the public information campaign about the hotline.

The government will be funding additional advertising activity via the national security public information campaign during this coming financial year and will again direct people to the number I have referred to previously today: 1800123400. The campaign will focus on metropolitan and regional radio and online advertising. It is worth noting that the Australian National Audit Office recently did a report on the National Security Hotline including on what dividend advertising of that hotline delivers. It found that advertising of the National Security Hotline leads directly to an increase in the total number of calls received and also in the number of calls that are useful to stakeholder agencies—in other words, there is a spike or an increase during those advertising campaigns.

Market research has found that, aside from television, advertising on radio and the internet are the most effective communication channels through which to reach the campaign target audience of Australians—people over 18 years of age. Although the current campaign will not include television advertising, arrangements are in place for a campaign to be launched on air at short notice should the security environment change.

The campaign has been active since 2002. The current phase of the campaign, 'Every detail helps,' highlights that it is often, as I have said, the smallest detail that makes the largest difference. The National Security Hotline statistics indicate that the campaign helps to maintain and increase the volume of information calls. Since 2002, almost 155,000 calls have been received by the hotline. And, in answer to the question from the member for Melbourne Ports, almost half of the calls have provided useful information to Australian and state law enforcement and intelligence agencies. The campaign's activities will, of course, be undertaken in accordance with the Australian government's guidelines on information and advertising. I am pleased that the campaign has attracted bipartisan support, having been endorsed by both sides of parliament—including, obviously, the initiatives of the former government. But I will conclude by commending the member for Melbourne Ports for his contribution to the national security debate and the preparations of this country.

Mr KEENAN (Stirling) (16:59): I will make it brief. I refer the minister to the most recent violent riots on Christmas Island that occurred last week and involved approximately 100 detainees. Will the minister confirm how many AFP officers responded to that particular incident, how many AFP officers were on the island at the time, how many remain on the island, and whether any additional officers were flown in?

Mr BRENDAN O'CONNOR (Gorton—Minister for Privacy and Freedom of Information, Minister for Home Affairs and Minister for Justice) (17:00): I thank the shadow minister for his question. I do not have the specific number. I can inform him that the AFP responded quickly and professionally to the disruption on Christmas Island and I am happy to provide him with the number of officers in relation to the most recent disruption. I am also happy to indicate that the disruption has been quelled.
It has been a concern to us. This is not the first time we have seen disruptions in detention centres. There has been a series of disruptions in recent times—indeed, in June 2000, under the Howard government, 600 broke out of mainland detention centres. These are issues that are quite challenging for law enforcement agencies. The AFP, however, have dealt with these issues very well.

Only recently—I think it was on Sunday—the AFP announced that 18 people will be charged for a series of alleged offences as a result of the disruption that occurred in March. That was a quick response by the AFP to ensure that there are consequences for people breaking state and federal laws. That matter will now be determined, as is proper, by the courts. The AFP are a very professional outfit. They have done great work and shown great judgment in determining exactly how they should respond to these matters, no matter how difficult it has been. I am relieved that there have been so few injuries, despite the breadth of some of these disruptions. I think that is in no small part is due to the professional response of the AFP and officers.

I will provide the specific numbers to the member for Stirling, but I should also indicate that the AFP do have a contingency. There are always people ready to fly to Christmas Island in the event of a need to increase the number of Australian Federal Police officers on the ground there. There are people who are in the position to do so from Perth—the member for Stirling's own home city—and that is to ensure that, if there are any subsequent disruptions, then they will be dealt with appropriately.

I remind the member that these issues are challenging for all governments. We saw 600 people break out of mainland detention centres in June 2000. These are issues that are challenging to law enforcement agencies and to other agencies, including the department of immigration and their contractor Serco. I am very happy that this matter has now been quelled, that the AFP have done their job and that normalcy has resumed on the island. That is a very good thing for the clients, the contractors and the departmental staff who work in the facility.

Propose expenditure agreed to.

Foreign Affairs and Trade Portfolio

Proposed expenditure, $5,838,368,000

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (17:04): My question to the foreign minister relates to the portfolio budget statement at page 25. It refers to the contribution that will come from the Department of Foreign Affairs and Trade budget and go to efforts to counter people smuggling. I ask the foreign minister in relation to Papua New Guinea: what discussions has the minister had with his Papua New Guinea counterparts regarding the reopening of the Manus Island detention centre?

Has the PNG government or any one of its ministers requested that the Australian foreign minister become directly involved in negotiations or travel to Papua New Guinea to discuss that issue? Does the foreign minister accept the statement by the former PNG Prime Minister that the proposal would be made to work if the foreign minister travelled to PNG and took control of negotiations? I note that in media reports a spokesman for the foreign minister said that he has no plans to travel to PNG in the near future. Why not?
Mr RUDD (Griffith—Minister for Foreign Affairs) (17:05): I thank the Deputy Leader of the Opposition for her questions. As I think honourable members would be aware, what we have currently in PNG domestic politics is a high period of fluidity. PNG politics historically has gone through these phases from time to time, but given the long-term illness now of the Chief Minister, Sir Michael Somare, we see a high degree of public debate and public controversy concerning what will happen in the future—in particular, if Sir Michael ceases to continue as Prime Minister of Papua New Guinea, what set of political alternatives would then exist within PNG politics? This also falls within the background of PNG elections being due, I believe, in 2012. Therefore there is a robust and combustible cocktail of events. Therefore I think it is very important that all members understand that, in dealing right now, at this very time, with the Papua New Guinea government, a great deal of care and sensitivity needs to be displayed, given the uncertainties about who will form any successor administration in PNG should Sir Michael step down.

The second point I make in response to the Deputy Leader of the Opposition's questions goes to conversations between me as Minister for Foreign Affairs and the PNG government concerning the question of asylum seekers in general and detention arrangements in particular. These matters were canvassed in the broadest terms in discussions I had with Sir Michael when I visited him prior to his surgery in Singapore. We had an extensive discussion which covered a whole range of internal matters within PNG and a whole range of foreign policy interests where Papua New Guinea and Australia have common concern, as well as this matter, of course. But I emphasise to the honourable member that this conversation was held at a high degree of generality with a view to specific negotiations then occurring in Port Moresby itself. We know that officials from both the Department of Foreign Affairs and Trade and the Department of Immigration and Citizenship have been actively engaged in those discussions.

The third point that was raised by the Deputy Leader of the Opposition goes to any particular request from PNG government ministers for me to visit Papua New Guinea. In response to that: I am unaware of any such request from any of the ministers with whom I am dealing. That, of course, includes both the then foreign minister and the now Acting Prime Minister. I have seen the public statement by the former Prime Minister of Papua New Guinea Rabbie Namaliu suggesting that I visit Papua New Guinea. What I have said on the public record through my office is accurate. I do not have any plans immediately to visit Papua New Guinea, because I am deeply concerned about the current fragile state of domestic political debate within that country. We have to be very mindful of the particular profile which Australia has within that country and therefore acutely mindful of any impact that we would unnecessarily have as they work their way through their own constitutional and political processes. It is for those reasons that in the very immediate future I do not propose to visit. I am always open to the possibility of visiting. I have many friends and longstanding colleagues right across the Papua New Guinea government. I have been engaged with that country for many, many years. But, because of that, I am very mindful of when it is wise to be there and when it may be wise not to be there.

Mr MURPHY (Reid) (17:09): Minister, over the period from January this year to March, there was a set of rolling consular emergencies involving Australians overseas. This seemed to begin with the unrest in Egypt in January and was followed by the unrest in Libya, which
resulted in the closure of our consulate in Tripoli and the evacuation of Australian nationals, including our diplomatic staff. At the same time as the Libya crisis was unfolding, there was an earthquake in Christchurch followed by a tsunami in Japan on 11 March which led to a nuclear situation at Fukushima power plant. Minister, from the inquiries that I received at my electorate office, which were overwhelmingly laudatory in terms of the conduct of your department in those posts, and supported by reports in the electronic and print media, I would be interested to know how the department responded to this unprecedented set of consular emergencies.

Mr Rudd (Griffith—Minister for Foreign Affairs) (17:10): I thank the honourable member for his question, and I know, having dealt with him, that he is acutely engaged as a local member with any of his constituents who end up in trouble around the world. We had a fair bit of that in the last 12 months or so. Also, we have sought through the department and my office to respond as rapidly as possible to any concerns raised by any member of parliament concerning their constituents who find themselves in difficulty abroad.

Beginning with the consular crisis in Egypt, this was a serious challenge for the department. Our embassy in Cairo acquitted itself well. The crisis operations centre on Egypt ran from 28 January to 14 February in support of Australians caught up in that crisis. In the case of Libya, an operations centre ran from 22 February to 7 March. In the case of Christchurch, a centre ran for an extensive period as well. It is important to bear in mind the number of calls for information which the department has had to respond to in this period of time. DFAT's emergency call unit received 26,000 calls from concerned loved ones and made a similar number of calls in seeking to confirm the safety of Australians. Over 400 Australians assisted to depart crisis areas, and that was on chartered flights from Egypt. We provided financial assistance to some 400 other Australians, including to assist them to depart the crisis zone. Over 11,000 Australians or residents were confirmed as safe.

In addition to that we deployed, of course, our own staff. In total, for these various consular crises we have deployed 89 additional DFAT staff from other posts, and this has made it very possible for us to undertake the task with which we had been charged. I also commend the department's increasing use of social media to provide advice to Australians where it has been possible to do so given that—in some cases—namely Egypt—there were interruptions to the ability to deliver social media services.

In answering the honourable member's question, I will underline again what I have said previously in the parliament about the superb quality of our consular operations centre. They are a first-class group of professionals, and at a peak response time you had over 120 people working on the crisis each day, roughly the equivalent of two DFAT divisions. It is worthwhile saying at this point also in response to the honourable member's question that, when we surge for a major consular crisis around the world, what happens is that we actually take people from their regular responsibilities. As a result, you have a skeleton staff dealing with the normal functional and policy responsibilities of the foreign ministry, while everyone basically rallies to the pump to deal with the challenge of the day. When I visited the consular crisis centre myself during the major consular operations in Egypt and elsewhere, including in Japan, I saw staff who were drawn from policy level, the administrative level, the consular level itself and administrative assistants, frankly deployed from hither and thither, from the most senior to the least senior, all staffing the phones in order to do the right thing by
Australians. So I would take this opportunity in this consideration in detail to underline the absolute professionalism of what our consular staff have done.

For the future—and this is where it is important as well for us to bear this in mind—I go back to one of the appropriations that we have sought additional support for in the 2011-12 budget, and that has been provided. That is additional funding of $4 million for the upcoming year to improve our consular services, and we will use those resources to more widely extend our use of social media. Finally, if we look to the year ahead we should be very mindful of the rolling instability in the Middle East, very mindful of developments in Syria, where I am advised we have a number of Australians who are in that country, continued instability on the Arabian Peninsula, most acutely in Yemen, and other parts of the Middle East as well, whereby our capacity to surge would again be put to the test.

Lastly, I say in response to the honourable member's question that the test of us all is this: when a natural disaster, not just a man-made disaster of the type we have seen in the Middle East, hits we have absolutely no warning at all. When a natural disaster hits, the ability to rapidly deploy puts all the department's resources into the field and we need to be constantly in mind of what further supplementation the department needs in order to undertake that in the future given the rising spate of natural disasters right across the East Asian hemisphere.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (17:15): Further to my last question relating to the issue of DFAT's contribution to whole of government efforts to bilaterally and regionally counter people-smuggling, I ask in relation to Malaysia what discussions has the foreign minister had with his Malaysian counterparts regarding the government's plan to send 800 asylum seekers to Malaysia and receive 4,000 in return? In particular, did the foreign minister speak to his Malaysian counterpart at the recent Asia-Europe meeting in Hungary? If so, was the government's proposed immigration deal discussed? If not, why not? Has the Department of Foreign Affairs and Trade provided advice to the minister of reported human rights abuses among asylum seekers and refugees in Malaysia? Is it proposed that Australian high commission staff or other Australian staff will provide ongoing support and oversight under the so-called Malaysian solution to ensure that the human rights of these asylum seekers are upheld? Has the Department of Foreign Affairs and Trade advised the foreign minister that additional resources will be required in the high commission to manage the asylum seeker arrangement, and if so how much? What mechanisms will be put in place for our high commission staff to respond to any reports of any human rights violations?

Just on another topic but in relation to the United Nations Security Council bid, according to information obtained under freedom of information the Department of Foreign Affairs and Trade has recommended that ministerial attendance, and that includes prime ministerial attendance, at multilateral meetings and an active program of visits by special envoys be undertaken. How many multilateral meetings have government ministers attended to discuss Australia's UN Security Council bid? What cost is associated with attendance at these meetings? How many multilateral meetings have special envoys attended to discuss Australia's UN Security Council bid and what is the cost of those meetings? According to the budget papers, the final phase of the UN Security Council bid has only received $10.5 million over two years in additional funding. Can the foreign minister explain whether all costs
associated with this bid have been included in the budget papers, and if not why not? Where would the rest of the funding be coming from?

In relation to the recent announcement on the Global Alliance for Vaccines and Immunisation, was the decision to increase Australia's contribution to the Global Alliance for Vaccines and Immunisation by $150 million approved by the cabinet? Where in the budget papers is this money allocated specifically, or in AusAID's portfolio budget statement is this increase in funding set out?

I have got some time to ask you, Minister, about Fiji. I note in the portfolio budget statement that the government intends to promote and actively support international pressure on Fiji's military regime to return the country to democracy and the rule of law. Can the foreign minister advise where this international pressure will come from given that the United States, Japan and New Zealand have all expressed their concerns and interest in ending the diplomatic stand-off with Fiji?

On the question of travel, can the foreign minister indicate how many Pacific Island countries he has visited since being appointed to the position of foreign minister after the election? Given the importance of the region, I want to ask: is it the case that the foreign minister has only travelled to three of the 10 ASEAN countries since the election?

In relation to PNG, is the foreign minister aware that the Queensland Health Director-General, Michael Reid, has written in a letter that Australian authorities have agreed the package of measures contained in the government's portfolio budget statements has failed in terms of Queensland Health? Can he please explain that concern?

Finally: why has the government closed down tuberculosis clinics in the Torres Strait when an increasing number of PNG nationals and Torres Strait Islanders are seeking medical treatment?

Mr RUDD (Griffith—Minister for Foreign Affairs) (17:20): I thank the Deputy Leader of the Opposition for that happy list. Let me try and deal with it seriatim.

She has dealt with, I think, five sets of topics; one concerning people smuggling; the second concerning the UNSC; the third concerning GAVI, the Global Alliance for Vaccines and Immunisation; the fourth on Fiji; and the fifth, old faithful, my travel.

Ms JULIE BISHOP: And PNG health.

Mr RUDD: Sixthly, PNG health. Firstly, on people smuggling, the Deputy Leader of the Opposition asked specifically about Malaysia. The first thing I would say in response to her question is that the Malaysian government was actively engaged with us—that is, me and the foreign minister of Indonesia, Marty Natalegawa—in the Bali process and the Bali discussions and negotiations that occurred in the conclusion of the regional framework agreement, which we were able to produce as a co-chairman statement in March of this year, I believe—certainly in the first quarter of this year. That was a breakthrough agreement, and the reason it was a breakthrough—I am advised by persons within the UNHCR—is that there are some 13 regional attempts to form a regional framework agreement in other parts of the world at present. Most regions and the countries within them have reached the very practical conclusion that it is not possible to deal with asylum seekers and unauthorised people movements simply by dint of the effort of an individual national jurisdiction; it requires a regional response. That is where we have engaged Malaysia on a whole range of matters,
which were reflected in that outcome. The Deputy Leader of the Opposition would be familiar with the details of that framework agreement.

The deputy leader also asked me a question concerning my specific engagement with the Malaysian foreign minister at the recent meeting of ASEAN held in Budapest. I had a conversation with the Malaysian foreign minister about the negotiations which were underway between Australia and Malaysia. We both concluded that these negotiations were best advanced through our respective immigration ministers or those responsible for that set of portfolio issues. That of course is where the matter lies, between the ministers and the officials. These negotiations are ongoing, which goes to the points she raised at the end of her questions concerning the observation of international legal standards. In the case of how asylum seekers are treated in Malaysia, and any ongoing role for the Australian High Commission in Kuala Lumpur, I would say to the Deputy Leader of the Opposition that these negotiations are ongoing and once they are concluded with a detailed agreement I will be happy to comment further on them.

On the second point she raised, which concerned the UNSC, she asked specifically about the use of special envoys, among other things. On the use of special envoys, my recollection is—and this is not a complete rendition—that we have used so far Tim Fischer, our current ambassador to the Holy See. We recently dispatched Tim—who is doing a first-class job as Australia's ambassador to the Holy See—to the Non-Aligned Movement meeting recently conducted in Bali. I was not able to attend, because parliament was then in session here in Canberra. We are also using a separate special envoy to francophone West Africa where Australia does not have any diplomatic representation. From time to time we have also used Bob McMullan, former parliamentary secretary here in the Australian government with responsibilities for international development assistance, as Australia's representative at a number of development conferences. The most recent one that I recall was the Conference on the Least Developed Countries held in Istanbul in the last couple of weeks. The purpose of special envoys, which has been used by previous bids and by previous governments, to simply to convey a message to those governments with whom we do not normally have regular, systematic bilateral engagement.

The Deputy Leader of the Opposition asked me specifically about what multilateral meetings ministers, including myself, had attended. My answer to that is: a truck load. I would be very happy not to attend many of them, but this is part and parcel of the consequences which flow once you undertake seriously a bid (Extension of time granted). The attendance at such multilateral meetings provides for an opportunity to participate in the full multilateral debate as well as engaging bilaterally with various governments.

If I could give the honourable member an example. Last Friday I was in the United Nations in New York where Australia did an excellent job in co-chairing the UN General Assembly high level conference on HIV-AIDS. That conference had the representation from several dozen heads of government from around the world, 40 or 50 foreign ministers as well as the permanent representatives right across the United Nations system. We were there to do a substantive piece of work—we did. I would draw her attention to the final declaration of the UN General Assembly. It achieved significant progress particularly in one area, committing the nations of the world to a new and I believe deliverable target if we could all collectively get our act together: to reduce maternal to child transmission of HIV-AIDS to zero by 2015,
and through the proper deployment of antiretrovirals around the world we are capable of doing that.

Why have I used this as an example? Simply because not only have we done substantive good work in that multilateral conference, and I pay particular commendation to our permanent representative Gary Quinlan for his first-class work, it has the consequence in terms of Australia's credentials to undertake other responsibilities within the United Nations system that people look long and hard at what Australia has done and say this is a commendable multilateral effort.

The Deputy Leader of the Opposition raised the question of GAVI. I attended the launch of the GAVI, Global Alliance for Vaccines and Immunisation, in London on Saturday. This was a conference convened by the British Conservative Prime Minister David Cameron. The British government together with Australia are two governments around the world which are currently increasing their overseas development assistance, contrary to the trend that you see in many other European countries off the back of the global financial crisis, and I publicly commended the British government for so doing. British ODA currently stands at 0.56 of GNI; Australia's has now risen to 0.35 of GNI. Particularly on this initiative of the Global Alliance for Vaccines and Immunisation, Britain announced a further contribution of $1.3 billion at the conference, which I attended, while I indicated that Australia would increase its allocation from a previously announced A$60 million to A$200 million, which is now worth a bit more in US dollars, as we all around this place know full well.

The impact is terrific: this is one of the most effective aid delivery mechanisms around. The experts in the field advise that, through the contribution of A$200 million we fund 7.1 million vaccinations; that is, by interventions on the normal trajectory of these diseases that are covered across the pentavalent spectrum and the new vaccine categories dealing with pneumococcal against pneumonia and secondly rotavirus against diarrhoea we through the Australian effort will save the lives of 200,000 children. The next time you go to the MCG, look at all those faces at the ground and multiply it by two. That is the number of kids whose lives are being saved through these Australian taxpayer dollars. The further question by the Deputy Leader of the Opposition goes to my authorisation for making such an allocation. That lies within the discretion of the minister responsible for Australia's international aid budget, and I so exercised that discretion and I believed exercised it in the correct direction.

The fourth set of questions which the Deputy Leader of the Opposition asked goes to the matter of Fiji. Fiji is a complex challenge for Australian diplomacy. I think both my predecessor in this position, Stephen Smith, and his predecessor, well known to the Deputy Leader of the Opposition, found it a continuing challenge. Namely, how do you maintain global and regional democratic norms against a military coup which has done the following: first, suspended the constitution; second, sacked the independent judiciary; third, incarcerated various people who give the regime difficulty; fourth, suspended elections and said that they might hold them in 2014; and fifth, on top of that, breaking up conferences of religious leaders because they are seen to be a threat to the regime. We continue to maintain contact with the Fijian regime through the normal channels. The Deputy Leader of the Opposition said that our policy is isolated. It is one which is supported in terms of the suspension of Fiji from the Pacific Islands Forum and from the Commonwealth (Time expired).
Mr MELHAM (Banks) (17:31): Minister, in January this year, southern Sudan voted to secede from the north amongst violence and much political tension. How did the Australian government assist the southern Sudanese in their push for independence and are they receiving any ongoing support?

Mr RUDD (Griffith—Minister for Foreign Affairs) (17:31): I thank the honourable member for Banks for his question, because Southern Sudan will be born into the international community of nations as a new nation state early next month on 9 July. This follows a protracted period of more than half a century of civil war in the Sudan between what is essentially a Muslim north and a Christian south—an Arab north and an African south. This has been the dividing line of tensions within that country for decades. As a consequence, a peace process was initiated over the course of the last decade which finally resulted in a resolution on which the community of the southern Sudanese, from memory some 10 million voters, voted both within Sudan and included the Sudanese community around the world. By the way, in the great tradition of Australian democracy, the Sudanese community here were the single largest voting bloc of Sudanese citizens outside of Sudan. The bloc here voted like they did in Sudan: 99.9 per cent for an independent state of southern Sudan, and we are still tracking down the others. As a consequence, this new nation state is coming into being.

On the practical ways of assistance we have done the following: $136 million in humanitarian development assistance since 2004 to Sudan as a whole with $71 million for Darfur, $50 million for the southern Sudan and $13 million for neighbours who have had to absorb refugees from Sudan. We have also contributed to UN peacekeeping operations with 17 ADF and 10 AFP deployed with the UN mission in Sudan, UNMIS. Eight ADF were committed but not deployed to the African Union-UN hybrid operation in Darfur because we have never been able to resolve visa issues with the regime in Khartoum. Furthermore we will continue our bilateral and multilateral diplomatic efforts. In addition, in 2010-11 Australia contributed $23 million to southern Sudan: $4 million for the conduct of the referendum; $3 million to the UNDP; $1 million to the International Organization for Migration; and also some assistance for Sudanese voting within Australia. On the humanitarian front, we have invested $19 million: $5 million to UNICEF; $4 million to the UN Common Humanitarian Fund; and $10 million for international and Australian NGOs.

We in Australia wish this new and emerging state of Southern Sudan all the best for its future. As with all new and emerging fragile states, we wish to be its partners for long-term development and for long-term peace and we will continue to stand by them. In conclusion, it should be borne in mind that a number of the southern Sudanese who have been taken in as asylum seekers in this country, have been granted permanent residency status and have been educated in Australian institutions will now be returning to Sudan to form parts of the administration of this newly emerging democracy.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (17:34): I remind the Minister for Foreign Affairs of the question about the visiting of the Pacific Islands since his appointment. I also ask why he has only travelled to three of the 10 ASEAN countries since the election.

I began some questions on PNG health and would like to finish those. In the 2011-12 portfolio budget statement the government listed health services in PNG as a priority area for
development. I asked a series of questions about the closing down of the tuberculosis clinics, so I ask the foreign affairs minister to answer those questions. Is it correct that the Queensland government is seeking an additional $15 million to continue to treat sick PNG nationals? If so, when did the Queensland government first raise with this government its need for additional funding for that purpose? Is the foreign affairs minister aware that the Queensland Nurses Union wrote to the Minister for Health and Ageing in February 2009 with their concerns about a lack of clarity as to whether the federal government intended to increase funding to Queensland Health in order to meet the needs of PNG nationals? If that is in fact the case, why has no decision been taken by the government after such a long time on what is an extremely crucial issue? Would the minister explain why the government is seemingly refusing an additional $15 million to help PNG nationals seeking medical assistance yet the minister was able to use his discretion to commit an extra $140 million to the Global Alliance on Vaccines and Immunisation.

It has also been reported that officials from the Department of Immigration and Citizenship are under pressure to turn away PNG nationals who arrive on the islands in need of medical assistance. Is the foreign affairs minister aware of that? Is the minister able to advise how many PNG nationals have been turned away for that reason? Has the minister received any representation, or is he aware that the government or the department has received any representation, from the PNG government about this decision to refuse access to medical treatment for PNG nationals?

Mr Rudd (Griffith—Minister for Foreign Affairs) (17:36): I thank the Deputy Leader of the Opposition for her questions. They go, I think, in a sequence from ministerial travel to PNG health, with all the subsets around what she asked about PNG health.

On the question of travel, I think it is important to put in context the travel in which I have engaged in recent times in the region and the travel which has been engaged in by my Parliamentary Secretary for Pacific Island Affairs, the Hon. Richard Marles. In terms of my own travel in the Pacific, in recent years I have travelled to Papua New Guinea twice. I have travelled to the Solomon Islands once. I have travelled to Niue. I have obviously travelled to New Zealand on a number of occasions. I travelled to Niue and Cairns for the Pacific Islands Forum, and as a consequence I have spent a lot of time engaging with South Pacific colleagues in regional deliberations.

Secondly, regarding the period I have been Minister for Foreign Affairs, I have mentioned before my engagements with the Papua New Guinea Prime Minister, Sir Michael Somare. I am also seeing the Prime Minister of Samoa in about 20 minutes time. I have been to New Zealand for discussions with my counterpart, Murray McCully, as well as with New Zealand Prime Minister John Key just after the New Zealand earthquake, where much of our discussion focused on developments in the South Pacific, including in Fiji.

I would also draw attention to the fact that, in the South Pacific, the first country that I visited abroad as Prime Minister, I believe, was Papua New Guinea. I did so quite deliberately to emphasise the critical and strategic importance of that country to Australia.

In terms of our engagement across the region, the honourable member may not be aware that a core priority for us has been the following: to renegotiate all of our aid relationships with the Pacific island countries in what we now call Pacific Partnerships for Development. What are they? We have changed the inputs measurements that we have traditionally attached
to our aid relations with the Pacific island countries into outcomes measures, which in turn align with the Millennium Development Goals. The truth is that, when the government secured office at the end of 2007, most of the South Pacific region was performing appallingly against the Millennium Development Goals, so we had to make some changes there. On the question of ASEAN: over the last several years I think I have visited certainly the majority of ASEAN countries. As foreign minister I have visited, I believe, most recently, Indonesia on a number of occasions. Certainly I have spent time in Vietnam. I have also spent time in Singapore. I have also used regional meetings to catch up with the foreign ministers or deputy foreign ministers of most other regional countries. The foreign minister of the Philippines will be here tomorrow in Canberra, and I look forward to catching up with him as well. We attach high priority to our relationships with the ASEANs.

On the question of PNG health which the honourable member raises, I simply refer to advice provided to me by the department. I understand that the department provides $4 million a year to Queensland Health to offset the costs associated with providing cross-border health assistance to PNG nationals in the Torres Strait. This includes the management of about 60 PNG nationals with tuberculosis. In addition, $13.8 million over four years was committed to the Torres Strait Health Protection Strategy in the 2009-10 budget. The only sustainable solution is to improve the capacity of health services on the PNG side of the border, PNG remaining one of our most substantial recipients of Australian ODA. The Australian government works closely with PNG to improve health services in the Western Province of PNG. A comprehensive approach to the management of TB and other communicable diseases is being developed. Improving TB services at Daru General Hospital is a priority. AusAID is now investing $40 million each year to improve health services within PNG, and this investment is delivering results. The national TB detection rate has increased from 22 to 31 per cent.

Finally, the honourable member asked me about the relative prioritisation of what we do with the Global Alliance for Vaccines and Immunisation and our health priorities within PNG. The bilateral program with PNG is already substantial. (Extension of time granted) I think it is the second largest recipient of our ODA. And it receives vaccination assistance as well.

Ms SAFFIN (Page) (17:42): Minister, I take the opportunity to raise Australia's efforts to reduce nuclear risks—that is, risks posed by nuclear weapons as well as by civil nuclear accidents. My question is in two parts, and it is quite detailed. I note in this respect that Australia and Japan created and closely supported the work of the International Commission on Nuclear Non-proliferation and Disarmament. The report of this commission made a timely and valuable contribution to shaping outcomes from the 2010 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons. I would be interested to know the specific follow-up action taken by the government to implement recommendations from the NPT review conference.

On the second part, about civil nuclear accidents, I note also that Japan suffered a serious accident at a civilian nuclear facility—we all noticed; the whole world noticed—earlier this year and that the effects of that accident continue to plague that country. This incident has amply demonstrated, 25 years after Chernobyl, that more needs to be done to improve nuclear safety standards and crisis response mechanisms. Before I get to the question, I would just...
like to add that today I met with diplomats from the Japanese mission. They were doing courtesy calls in the parliament to thank us for how we had responded throughout the crisis that they have suffered, which was very nice.

Mr Rudd interjecting —

Ms Saffin: Hold on, I haven't finished the question. In this regard, the second part of the question —

Mr Rudd interjecting —

Ms Saffin: Hold your horses! The second part of the question is this. I read an article by you, Minister, in the Australian on 2 May —

Mr Rudd interjecting —

Ms Saffin: Yes, I did read it — in which you outlined some forward-leaning proposals for international action. Could you please advise how you will seek to advance and advocate for those proposals?

Mr Rudd (Griffith — Minister for Foreign Affairs) (17:44): I thank very much the member for Page for her continued engagement in Australia's foreign policy broadly and its international development assistance policy more narrowly. She asked two sets of questions, one concerning non-proliferation disarmament and the second concerning civil nuclear safety. On the first, the honourable member would be aware that in 2008 the Australian government, together with the Japanese government, commissioned a report by the International Commission on Nuclear Non-proliferation and Disarmament, which goes by the remarkably attractive acronym 'ICNND' — and if I ever track down the diplomat who gave it that acronym we will have an appropriate exchange! ICNND now has a certain international status and, of course, one of the co-chairman of ICNND was Gareth Evans, the former foreign minister of Australia.

For those honourable members interested in the whole challenge of nuclear non-proliferation and disarmament, this report represents the single most comprehensive bible on the non-proliferation, arms control and disarmament agenda worldwide. It is not just thoughtful, it is practical. Unlike many such reports, it goes down to the nuts and bolts of what changes need to be made through the established mechanisms of the international community — for example, the Committee on Disarmament et cetera. But most critically it contributed to the conference which the honourable member referred to, which was the 2010 review conference of the Non-Proliferation Treaty. The ICNND report was of great significance in focusing the debate at the NPT review conference, to the extent that it assisted in shaping 64 sets of recommendations adopted unanimously — remarkably — by the international community meeting at that conference.

Of course, the problem then becomes one of how these recommendations are to be acted upon and actioned in the international community — and those who have followed arms control and disarmament negotiations around the world will know that it often ends up as a process of 'watching paint dry'. However, together with the Japanese government again, at the last meeting of the UN General Assembly in New York in September last year we commissioned a new group made up of foreign ministers from middle powers — Australia, Japan, Korea, Germany, Poland and a range of others — to advance the recommendations put forward by the NPT review conference. We have met on two occasions — once in September...
and secondly at a meeting co-convened by us and German Foreign Minister Westerwelle in Berlin a month or two ago.

There are two specific outcomes that we are now working on, and one relates to the Fissile Material Cutoff Treaty. The FMCT is a treaty which deal specifically with how we bring to an absolute halt worldwide the production of nuclear fissile material and nuclear weapons material more broadly. That is what the FMCT seeks to do, and there is a reference for it to achieve this ambitious proposal through the Conference on Disarmament, which meets in Geneva. Enter, the Conference on Disarmament—at a gallop; it has basically been in a stationary position for 15 years. If you go into the Conference on Disarmament and ask what has been on the agenda recently, the answer is not much. In fact, it is one of the rolling disgraces of the international community. And the reason is that consensus has not been achieved in bringing specific recommendations from elsewhere in the international community, such as the NPT review conference, onto the formal agenda of that body. So what we have done, through the non-proliferation and disarmament initiative group of foreign ministers co-chaired by me and my Japanese colleague, is issue a statement making it plain to the rest of the international community that, if the CD does not achieve an outcome on this by year's end, we will formally seek to move the FMCT negotiations to a different forum. This does not often happen in the international community, but that is what we are proposing to do—whether it is the UN First Committee or elsewhere.

The second recommendation goes to the development of a standard nuclear reporting form by the nuclear weapons states so that, consistent with the international obligations they have given under various disarmament obligations around the world, they provide a regular report card on the current status of their stockpile. And we will be presenting that as a joint effort between ourselves and the Japanese soon.

Ms GAMBARO (Brisbane) (17:49): Minister, when will you release your response to the independent panel of review into AusAID and do you expect the 2011-12 budget to be revised upwards as a result of the independent panel of review into AusAID?

Also, I would like to continue with some more questions on PNG. What will be spent by AusAID specifically in PNG on health infrastructure and programs? What will be spent by AusAID in the western province to prevent PNG nationals with TB coming to the Torres Strait? Has Queensland Health provided AusAID with information on the patients with TB and cholera who up until now they have been managing? What does the minister expect the additional cost to AusAID will be as a result of Queensland Health closing the clinic in the Torres Strait?

On the issue of scholarships now, I would like to note that $362 million has been allocated in the 2011-12 budget for education scholarships. This is separate to $480 million on basic and secondary education. How were these scholarships awarded? Recently an ANAO report on 26 May noted that:

… nine of the top 20 recipients of country program aid did not have approved country strategies.

Why were scholarships awarded to countries that do not have an approved country strategy in the aid program? Can the minister detail the decision-making process in which countries are chosen or how individuals are awarded scholarships? What post-scholarship follow-up is undertaken to make certain that the individual returns to their country of origin and what monitoring processes are in place to evaluate the total effectiveness of the scholarship
program and also individual effectiveness? What are the completion rates of these scholarships? Are there countries that have lower completion rates? What processes are put in place to address low completion rates? I also note that there has been a decrease in aid funding to Burma. That has been reduced in the budget. Yet aid to Latin America has increased by 23 per cent. What programs are expected to be undertaken and what will be delivered for this massive increase? What will be the result of the program cuts to Burma?

On the question of UN Women, $19 million has been allocated to UN Women over three years. Does Australia currently have a position on the board of UN Women? If not, do we expect to have one soon after investing $19 million? How will we advance the cause for women in our region without a place on the board? What activities will the money be spent on this year? Who administers the particular money associated with UN Women? Is there an expectation that there will be a reasonable input from Australia and the Pacific region in the process, given particularly that in the Pacific region only two per cent of all elected leaders are women? Recently ACFID called for the creation of an ambassador for women's rights. Has the department considered this particular position?

Back to scholarships, how many were awarded in 2010-11 and how many do you expect to award in 2011-12? I do not think I asked for recipient countries. Who are they?

Mr Rudd (Griffith—Minister for Foreign Affairs) (17:53): Firstly, the honourable member asks about the independent review of aid effectiveness. I thank her for her question. The government commissioned this independent review because there has not been such an independent review conducted of the entire Australian aid budget since 1996. Fifteen years is a long time between drinks and we thought it was time to have a go at this and put together a body which would evaluate the program from top to tail. It has presented its report to the government. We expect to make our response to the report known in due course after we have examined all of its recommendations and what it means for any structural changes in the future direction of the aid portfolio.

It is an important exercise. I thank Sandy Hollway in particular for chairing it and also acknowledge participation from the likes of Margaret Reid, a former senator of the Australian parliament and President of the Senate and a distinguished representative of the Liberal Party. We look forward to making our response to the independent review of aid effectiveness in, as I said, due season. The second part of the honourable member's question goes to whether it would result in adjustments to the currently budgeted aid allocation for 2011-12. We do not foresee that occurring. We have indicated what we would do in the budget. We have obviously made provision for the one thing which often presents us with real challenges in a given year, which is the spate and intensity of natural disasters that are always unpredictable. But absent something catastrophic occurring within that category, we propose to adhere to the budget which is already outlined in the budget papers.

Thirdly, the honourable member asked again about Papua New Guinea health and I appreciate and share her concern on that matter—as a loyal son in my case and daughter in her case of Queensland. This has been an historical challenge faced by successive federal and Queensland governments dealing with the health policy issues that arise with the number of PNG nationals entering the Torres Strait at a given time. Her specific question to me related to the investment which we are making into health services within PNG. My understanding is that we are investing in the vicinity of $40 million within the overall framework of a program
between $400 million and $500 million to PNG. I stand to be corrected on whether that amount includes the significant program we have on HIV-AIDS.

As the honourable member will be aware, there are significant HIV-AIDS infection rates, particularly in the west of the country in and around the mining communities. It is very difficult to obtain official statistics other than that infection rates there are potentially frightening. I have said this in the past, when I was on the other side of the aisle and Foreign Minister Downer was in office, that I make no particular criticism of the challenges which have been encountered on the ground in the implementation of the HIV-AIDS program in particular under the period of the conservative government and under our government. This is difficult and hard work, because we are dealing with fundamental attitudinal changes particularly on the part of males.

The next set of questions which the Deputy Leader of the Opposition raised went to the question of scholarships. She would be familiar with the robust and honourable history of the Colombo Plan. We actually think, though this was established by 'Pig-Iron Bob', this was a very good thing for Australia. Most things are fully accounted for in the full course of history; this was a good thing. It started in the 1950s under Menzies and was rolled out through until effectively the end of the 1970s. The problem was subsequent to that, and this is no criticism either of the previous Liberal or Labor governments, it languished.

This is what we sought to do: in a policy statement by me as Prime Minister in 2009 we launched what is called the Australia Awards. The Australia Awards are the next generation Colombo Plan awards. Our intention is to make Australia Awards available across all countries which meet DAC eligibility, because it is the simplest and most effective means to provide support world wide to countries that can benefit from an award program. They are designed to be flexible with shorter term and longer term scholarships. We see this as a very effective form of assisting with capacity building within these countries and developing good relationships with Australia across the generations.

Ms RISHWORTH (Kingston) (17:58): I have a question for the foreign minister. Globally around 30 per cent of women and children experience physical or sexual violence during their lifetime. The Australian government has zero tolerance for violence against women and has committed to reducing violence against women in Australia as well as contributing to international efforts to end violence against women in our region and globally. I know from conversations with the foreign minister that he personally has taken a big interest in this area. Can the foreign minister provide examples of how Australian aid affects women on the ground in developing countries.

Mr RUDD (Griffith—Minister for Foreign Affairs) (17:59): I thank the honourable member for Kingston for her question. It is an important question in the overall task of development.

Mr Pyne interjecting—

The DEPUTY SPEAKER (Mr S Georganas): Order! The member for Sturt will cease interjecting.

Opposition members interjecting—

The DEPUTY SPEAKER: Order! Members to my left will cease interjecting and interrupting the proceedings of the chamber.

MAIN COMMITTEE
Mr Pyne interjecting—

The DEPUTY SPEAKER: The member for Sturt is warned!

Mr RUDD (Griffith—Minister for Foreign Affairs) (18:00): I thank the honourable member for her question. Firstly, if we are concerned about international development we must be equally concerned about the role of women in development, and that is across the entire spectrum.

Opposition members interjecting—

Mr RUDD: It is true. I do not say this as a partisan comment. I am just saying it is real and central, because unless you have women and girls educated then, frankly, the international community and developing countries are deprived of a huge asset in economic productivity, employment growth and overall economic development. Secondly, that will never happen unless girls are properly educated, and they are not being properly educated in so many developing countries around the world. Thirdly, it does not happen if women and girls suffer either the threat of or the reality of physical and sexual violence. This is a problem of great significance across many countries which are recipients of Australia's overseas development assistance.

It therefore is in these critical areas that the Australian government seeks to focus its funding not just through the institution which was mentioned before by the honourable member for Brisbane—that is, UN Women; in fact, that forms a very small part of what we seek to do globally. But within our bilateral programs and in a range of other UN programs, we are supporting this on the ground. For example, if we are to look at the particular challenges of women and violence in the South Pacific, we are seeking to augment our programs in that region, as we are in Africa. When I visited the African Union at the beginning of this year and met with the executive of the United Nations operation for East Africa and with the woman who leads that organisation, I indicated then that we would be expanding our assistance for their operations in Africa so that she would have the resources to deal with the program responsibilities which she has on paper but lacks the effective resources to go out and do. So we intend to partner with her and her institution into the future.

More broadly, we also will be engaged with a range of other international institutions to deal with, as I said, violence against women, to deal with education of girls and also to deal with the challenge and opportunities of women and development. On the question of education of girls, which relates to empowering women with the knowledge of how to deal with threats of violence as well, the Australian government's current allocation is something like 18 to 19 per cent of the entire aid portfolio allocation for education. We regard this as No. 1 in terms of what Australia can productively do in the world, and within that the education of girls is right up there.

For example, if we are looking at threats of physical and sexual violence, let us look at one particular example of young girls growing up in certain parts of regional Indonesia. That is why we are rolling out a $1 billion program, begun by the Howard government, to construct 4,000 schools to invest massively in the teacher training associated with those schools, in training the principals of those schools, as well as in reforming the curriculums of those schools, in partnership with Indonesian national organisations such as Muhammadiyah and Nahdlatul Ulama, because this fundamentally affects the empowerment of girls and women in
our next-door neighbour: Indonesia, population 240 million plus, half of whom are women. And so many girls in parts of rural Indonesia are not given any opportunities at all. If those girls and those women are empowered by giving them for the first time the opportunity for an education, it affects their ability to also stand on their own two feet in dealing with challenges of violence as well. Therefore, our response must be holistic. Economic empowerment through microfinance and microcredit is also important.

For honourable members interested in this subject, I would draw their attention to an excellent article in the Sydney Morning Herald of a couple of months ago which pictures a beautiful young girl aged 13, 14 or 15 for the first time entering a secondary school funded by Australia under this program—under Howard, under us. It is the right thing for Australia, because unless we get the challenge of girls and women around the world right on violence, on sexual violence, on trafficking, on education, as well as empowerment through governance and women obtaining greater positions of responsibility, the development challenge of our world will not be met.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (18:04): My final question to the foreign minister relates to the World Conference against Racism and in particular the third meeting of the World Conference against Racism which is to be held in New York later this year. Is the minister aware that the United States administration has recently announced that it will boycott this conference. Given that the previous two conferences, known as Durban I and Durban II, have been marred by anti-Semitic speeches and bias against Israel and that keynote speakers have included Colonel Gadaffi and President Ahmadinejad, will the government also boycott this conference, presumably to be known as Durban III? If so, when will the government make that decision and when will it be made public?

Mr RUDD (Griffith—Minister for Foreign Affairs) (18:05): I thank the Deputy Leader of the Opposition for her question. I have not yet been advised of Colonel Gadaffi's travel plans for the upcoming conference! On the question of this conference against racism, as the Deputy Leader of the Opposition rightly says, it has an appalling history, Durban I and Durban II. In consultation with our good friends around the world, our friends and allies, including Israel, our attitude to the Durban II conference was to attend up until such time as we could not bring practical influence to bear to change the conference documents decisively. I think it is generally regarded and accepted by participating countries, including a number which the honourable member has just referred to, that the influence which Australia had on the early parts of the draft of the declaration of Durban II, any positive influence was exercised by us physically around the table. However, when the inimitable and inevitable Ahmadinejad took to the podium Australia did, as we have always done, withdraw from the gathering. What we do at the UN General Assembly each year is that when Ahmadinejad stands up and as soon as he begins a racist attack on the Jewish people we, together with other Western states, participate in a walkout. In fact, we usually lead the walkout. Certainly in the case of the Durban conference, once Ahmadinejad took to the stage I am advised, given that I was not there, that we not only exited the conference on that occasion, we exited the conference period. I stand to be corrected on the absolute detail.

The point of the honourable member's question goes to the upcoming Durban III conference. We have not made a decision at this stage but our approach will be very much the
same as Durban II. We will seek to work with the process and will seek to influence and shape it to the extent that we can. If it heads in the same direction as last time we will exit the process as we did last time. I do not believe that Australia's efforts in that particular respect were subject of any legitimate criticism by those around the world who defend the interests of the government of Israel and the Jewish people. As I said, we have taken no firm decisions on this that I am aware of and I will certainly keep the Deputy Leader of the Opposition well informed.

**The DEPUTY SPEAKER (Ms Vamvakinou):** The debate on this portfolio is adjourned until the next sitting in accordance with the agreed order of consideration of portfolios.

**Education, Employment and Workplace Relations Portfolio**

Proposed expenditure, $6,636,901,000

**Mr PYNE (Sturt—Manager of Opposition Business) (18:08):** I am pleased to be in the Main Committee for the consideration in detail with the next leader of the Labor Party. I do not think the member for Hotham ever got the chance he deserved as leader of the opposition. I certainly supported him back then against the member for Werriwa but it looks like he will get the chance next time and I am very pleased. He was the only Labor leader never to be able to face an election and was a very cruel cutting-down too early in an otherwise glittering political career. So I look forward to his opportunity to rise to the top of the podium.

Today is for consideration in detail of education matters so I will not delay the House. I do have a series of questions and the minister might choose to answer them today or take them on notice and respond accordingly. I think the time limit for each of these contributions is five minutes, and I will probably take more like about 10. Maybe it will be five, but I will get started. These questions are about the Building the Education Revolution program, which the minister represents in the House of Representatives. The first question relates to the Building the Education Revolution Implementation Taskforce interim report of August 2010. Recommendation 1 of that report was:

In the interest of transparency and public accountability, the Taskforce recommends that each education authority publish school specific project cost data related to BER P21 in a nationally common structure with consistent definitions.

The department, in response, indicated that the government would:

… put in place a nationally common structure with consistent definitions. If education authorities agree, this structure will be published by December 2010.

My first question is: when will this data be published? My second question is: if data has not been published as recommended by the taskforce, why has it not been published and when is it expected to be published? My third question is: if any education authorities did not agree to publish the data, could the minister indicate which education authorities have not agreed to publish it? Finally, why will the minister not put the data on the My School website? Do you want to answer them one after the other, Minister, and then I will come back? Or do you want me to ask all my questions now?

**The DEPUTY SPEAKER (Ms Vamvakinou):** Does the minister wish the member for Sturt to continue asking questions so that he may respond in total, or are you happy to—

**Mr Pyne:** Perhaps I will keep going?
Mr Crean: We might get lost. He started off all over the place. He might end up the same way, given that his obvious talents—

Mr Pyne: Who is lost now?

Mr Crean: —were never recognised by the Howard government in promoting him to what he obviously considered was a well-deserved position on the front bench and in the ministry.

Mr Pyne: Fair comment.

Mr Crean: It is a fair comment in your assessment. Obviously there were better judges in charge of the way portfolios were allocated. But I am delighted to see that he has at least made the front bench in opposition and well may he stay there for some considerable time.

The DEPUTY SPEAKER: The minister has indicated that he would like—

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:12): I was the minister at the time the August report of the taskforce was handed down. As the member would probably be aware, we accepted all of the recommendations of the Orgill report. There was an issue at the time—Victoria was resistant to putting information out. Its argument was that the information Brad Orgill was seeking was commercial-in-confidence or could have affected the contracts—I forget which specific reason they gave. Nevertheless, at the time I insisted that Victoria make that information available and they did.

Thereafter, the question for Mr Orgill was: once you have it, why do you not simply publish it in the raw form? His argument was that it needed to be put in a form that would enable proper comparisons. I know, for example, that comparisons were made about what one hall cost versus another. But if you actually looked at the detail, whilst both might have been referred to as 'gymnasiums', some places chose, because of the sort of work that they were doing, to have sprung floors—they were entitled to have that provided it fitted within the budget. So the unit cost of that type of thing compared with another was clearly going to be different. What Mr Orgill was very keen to do was to make sure that he got a nationally consistent position. I have not held the portfolio since then, but I am advised that the framework was published in January and that the costs for 3,200 schools have been published so far. All 22 education entities have published and will continue to do so.

Mr PYNE (Sturt—Manager of Opposition Business) (18:14): There are 3,500 schools that have been published, but there are 9,500 schools across Australia that would be affected. I look forward to the minister providing further information about the other 6,000. My next question is also about the BER. Recommendation 8 by the task force suggested:

The Taskforce has not been satisfied by the various explanations as to how value for money has been calculated by many jurisdictions. The Taskforce recommends that a forum of education authorities be convened to develop a more consistent set of definitions and measures of value for money.

The department indicated in response:

The Government will develop through the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) a set of national definitions and measures of value for money for education infrastructure.

And:
DEEWR, through the new unit, will develop a paper for the Minister to take to MCEECDYA in the new year. The paper will examine the issue of value for money, the variety of definitions that currently exist and a possible way forward.

I have four questions. Has the minister taken a paper to MCEECDYA? If so, what is the date this was raised? How have MCEECDYA decided to develop the nationally consistent definitions? When will this occur?

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:16): I will have to take those on notice and come back to the member as to the specifics about what has gone to the committee.

Mr MURPHY (Reid) (18:16): I bring to members' attention something which is very close to my heart and to my constituents' hearts. Specifically, it picks up on an answer you gave in question time today. Yesterday, the Industrial Relations Amendment (Public Sector Conditions of Employment) Bill 2011 went through the New South Wales upper house after a very truncated debate. In fact it was gagged, which is unprecedented in New South Wales history, and it is set to be rammed through the lower house and become law very shortly.

I followed the New South Wales election campaign very closely and did not see where Premier O'Farrell received any mandate to declare jihad on hard-working public servants in New South Wales. I see that Premier O'Farrell has no mandate to gut the security of hard-working teachers, fire fighters, bus drivers and nurses in New South Wales. I see that the Premier of New South Wales has no mandate to gut the power of the New South Wales Industrial Relations Commission to set wages. Nor do I see Premier O'Farrell having a mandate from the people of New South Wales for his government to have the power to stipulate public sector wages and conditions and then require the IRC to consent to government policy. This is a national disgrace, and I know that the minister understands that clearly.

Plainly, from the feedback that I have received on what has happened in New South Wales, the conservatives have learnt nothing from the verdict which was given at the federal election in 2007, when the industrial relations agenda of the Howard government was repudiated. Minister, I would be very interested to know your views, on behalf of the government, on the draconian legislation that is set to become law in New South Wales, that will go to the heart and soul of hard-working public servants in New South Wales and that will severely affect their security. I would be very grateful if the minister would bring us up to speed, because I see that the conservatives have learnt absolutely nothing. They would doubtless return to that agenda if they were ever to occupy the treasury bench in this place in future.

The DEPUTY SPEAKER: Before I call the minister, I want the member for Sturt and the member for Farrer to know that there is a lot of noise coming in this direction and that I had difficulty hearing the member for Reid because of their conversation. I do not want to impede the conversation, but I want to inform you that the level of noise is significantly high enough to prevent hearing. I am informing you, that is all.

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:19): I just observe, Madam Deputy Speaker, that there is always noise coming from that direction, regardless of where he sits. We are used to the prattle, not worried by the content, just unfortunately—

An honourable member: Neither are they.
Mr CREAN: I do not think they are, and I think that is why he never got to the front bench when they were there with a government.

I thank the member for Reid, because I know his concern. He has raised this with me. Whilst I would not go so far as to say it is a national disgrace at this stage, it is certainly a state disgrace. It has the potential to become a national disgrace if the same crowd ever sit on the treasury bench in the national parliament. I think it is really important to understand the significant policy reforms that have been put in place by this government to lift the prosperity of the people who work but also to secure and sustain the prosperity of the nation. One cannot do that unless one makes the investments in the essential drivers of productivity—in education, in skills, in infrastructure. We came to office with a massive deficiency on all these three fronts and we set about redressing that. The global financial crisis gave us a very important opportunity through the stimulus package to put money into these areas that underpin the growth of a nation—importantly, into training, infrastructure and skills development.

But it is also important that we have harmony in the workplace. Labor governments have consistently sought a framework in which that partnership is encouraged in the workplace through the enterprise, and that requires core fundamentals in terms of the industrial relations framework. It requires the recognition of the right of employees to collectively bargain. It requires the recognition that, in a bargaining framework, that bargaining must take place in the spirit of good faith. And it requires, if it is to really work, that in the absence of agreement through bargaining in good faith there is resort to an independent umpire. They are fundamentals, and we will fight till the last drop of our blood to ensure that those principles are always secured.

Unfortunately, whilst this has demonstrated itself to be an important benefit to the nation, it does not have bipartisan support. We saw that when the Howard government were last in office, because they introduced Work Choices, which did not recognise the requirement to bargain in good faith, did not recognise the role of the independent umpire and did not really recognise the right to collectively bargain. They were defeated, and an essential element of the cause of their defeat was Work Choices. People woke up to what it was doing. It was taking away their dignity. It was stripping their standards of living. We campaigned on the basis of changing it and we won. We set about changing it and introduced Fair Work Australia. Since that time, despite their dire predictions of job losses, wage outbreaks and breakouts in industrial disputes, none of it has happened. In fact, the opposite has happened: strong job growth and strong reduction in industrial disputes.

But the O'Farrell government, in the member for Reid's own state, despite never having sought the mandate on changing the arrangements, are setting about restoring Work Choices mark 2, doing it at the state level and doing it with their own employees—and that is a disgrace. They are seeking to introduce a piece of legislation that will allow them, by regulation, to determine the conditions, stripping away the right to collectively bargain and turning the independent umpire essentially into a rubber stamp. That needs to be fought in the state of New South Wales, but we will ensure that this government exposes the opposition for what it really believes in. It says Work Choices is dead, buried and cremated but given half a chance would bring it back tomorrow.
Mr Pyne: I rise on a point of order. I simply point out that this is supposed to be consideration in detail of the federal government's appropriations and I am not sure why talking about industrial matters at the state level could be regarded as being relevant to this debate. While I understand that the minister is filling up his time with these kinds of irrelevancies in order to avoid having to be questioned about the budget, I would ask you as chair to draw him back to the fact that this is consideration in detail of the government's appropriations bill. I would not have pointed it out except that he was so unkind to me at the beginning of his last contribution! I was prepared to let it go before that!

The DEPUTY SPEAKER: I am inclined to ask the member for Sturt to proceed with his questions.

Mr PYNE (Sturt—Manager of Opposition Business) (18:25): I have two other questions. The third is that recommendation 9 by the task force suggested:

If comprehensive historic benchmarking data about cost of school building construction had been available, it would have provided a valuable resource to assist in the assessment of value for money. The database, BER-CAM, being built by the Taskforce to provide data about the cost of BER projects should be housed long-term with an appropriate custodian (such as a university) to ensure that it is available to assist in future benchmarking. The Commonwealth should support and fund the implementation of this initiative.

The minister's department responded:
The government will commit up to $3 million to support the BER-CAM database at a university to be determined through an open tender process. Funding for this commitment will be fully absorbed by DEEWR, consistent with federal Labor's commitment to return the budget to surplus by 2013. We note that historic benchmarking is a complex exercise and would need to take into account regional variations, and DEEWR has commenced preparation of documentation for the open tender process to determine the custodian of the BER-CAM database. The handover will coincide with the termination of the task force in 2011.

My questions are, first, has $3 million been committed for the development of the BER-CAM database, or has more funding been allocated for this purpose? Second, has an open tender commenced? Third, how many tenders have been received to date? Fourth, when will the tender close? Fifth, when will the project commence? Sixth, when will the database be completed? Seventh, which authorities will have access to the database?

Because of the perfidy of the member for Reid in taking my time before, I will ask my next question, in case we run out of time. Recommendation 12 by the task force suggested:

The Taskforce was impressed by school master planning clarity at many non-government schools, which focused on educational outcomes and stood them in good stead to more rapidly commence BER projects. The Taskforce recommends that the government education authorities review their approach to school master planning and engagement of school communities in this process.

The minister's department responded:
The government will encourage this review of approaches through MCEECDYA and its national reform agenda for Empowering Local Schools and DEEWR, through the new unit, will develop a paper for the minister to take to MCEECDYA in the new year.

First, has the minister taken a paper to MCEECDYA? Second, what was the date this was raised? Third, did MCEECDYA agree to review their approach to school master planning and
engagement of school communities? Fourth, what was agreed or decided? Finally, when will this occur?

**Mr CREAN** (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:28): In terms of the member's preamble to that series of questions I would point out that it is a serious matter of detail if our industrial relations system has the potential to be undermined, given that what we have put in place has served the country well, as is evidenced by the 740,000 increase in jobs, by the reduction in industrial disputes, by the fact that even though we are the only developed country in the world to have avoided the recession we have still been able to sustain effective non-inflationary growth, and, thirdly and fourthly, we have also been able to do it by lifting the living standards of workers. If that detail causes concern to the other side, there is something wrong with them. But it is also a level of detail that is seriously under threat because of the pattern of behaviour by the same political party that sits in New South Wales and that sits opposite us in the opposition.

**Mr Pyne:** Madam Deputy Speaker, on a point of order: if it puts the minister out of his misery, given that he clearly does not know the answers to these questions, I am happy for him to come back and report to the House on the detailed answers to what are, admittedly, questions that take some knowledge of the portfolio; it is quite possible that he does not have that knowledge.

**The DEPUTY SPEAKER (Ms Vamvakinou):** I think the member for Sturt has made his point of order. I also remind the member for Sturt that the previous Deputy Speaker has warned the member for Sturt—that is just a reminder.

**Mr CREAN:** And I would make the point that his question was prefaced by this very point. He also said that the only reason he was forced to make those comments was that I was being unkind to him. Well, I always thought that accurate descriptions were very kind, and I think that the member should reflect.

Let me go to the questions. I have now got the answer to the one that was asked before that. There has been a discussion with the education authorities—the government has met with all 22 education authorities—and a paper is being finalised for tabling later this year. On recommendation 8, the EOI or expression of interest is at market now, and DEEWR has absorbed the costs.

As for his final question, in relation to recommendation 12, the master planning: the paper is under development. It has been discussed with the education authorities during early drafting. I might say that that was a recommendation I was particularly interested in. I think it is fair to say that the best value for money was obtained in circumstances in which there was active engagement between school communities and the appropriate education authorities. If one looks at what happened in Tasmania, or in South Australia—the member's own state—and mostly in the state of Victoria and certainly in Western Australia, this sort of engagement was very effective in getting value for money. I think it is also fair to say, in terms of the reports, that, where problems existed, they were mostly in New South Wales. We think it is a very important part of the ongoing process to engage the school communities, but there has to be an overall framework in terms of what we expect them to respond to. So that is the paper that is being discussed. I would also just point out that, of the 9½ thousand schools and the 24,000 projects, only a little over 300 complaints were received by the task force set up for
the whole purpose of investigating complaints and recommending to government how the program could be improved for the future.

Mr MURPHY (Reid) (18:33): In response to the member for Sturt's barb about not giving him the floor in this chamber: firstly, I make the point that all of us are entitled to ask the minister questions relating to the budget. That is the very reason we are here. Secondly, for the benefit of the member for Sturt, if he checks the *Hansard* record he will see that I extended him the courtesy, before I jumped, of giving him the benefit of two jumps in his series of questions which were directed to the minister. Thirdly, if he checks the *Hansard* he will see that I did not absorb all my five minutes, which I was entitled to absorb, when I made my speech and asked my questions of the minister.

I will now move to a couple of questions I want to ask the minister, directly related to the budget. They concern the Building Australia's Future Workforce package, which was announced in the budget and was very well received in my electorate of Reid. Firstly, I would like the minister to outline for the benefit of the House the government's thinking behind that initiative. Secondly, I note that that package includes changes to allow jobseekers on youth allowance to keep more of what they earn, and some adjustments to the taper rates for Newstart allowance, and I would be grateful if the minister could elucidate how that works.

Mr CREAN (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:34): I again thank the member for Reid for his question. I talked before about the stimulus package that we as a government entered into and which saw this economy, the only developed country in the world, avoid the recession. Part of the reason for that stimulus package was to invest in activities that in part were about creating job activity. The BER program was an important part of that, comprising some $16 billion of the $42 billion that was spent.

I make that point because investing in education is one of the most important investments a country can make. As a government we have made a commitment to lift year 12 retention rates and we have made a commitment to lift the proportion of people with diploma qualifications and with higher education qualifications. Why are we doing this? Because all the evidence suggests that a nation lifts its productivity if it lifts its educational attainment. There is a productivity dividend for such an investment. So physical infrastructure is very important because these are the buildings in which people get taught and learn. It is not just the BER program and the big investment through the secondary schools in science and language labs, which you would be aware within your own electorate, but also the trade training centres, which the minister who will come after this session will be able to talk about as well.

In this budget we also committed to an important package for skills development. We invested $560 million in the National Workforce Development Fund, which will give industry a decision making capacity for substantial Australian government investment in workforce development. Why is this important? Because we know that, having avoided the recession and still on the wave of a significant resources boom, one of the capacity constraints we have to avoid is skill shortages. If we do not equip ourselves to train people properly here, the only other alternative is to look at doing it through migration programs. It is far better for a country to use the physical facilities to invest in the training activities being undertaken. This is a significant investment in working with industry to identify the skill shortage areas and then
seeking to address them. I might also say that in my portfolio responsibility of regional development we want to take that exercise local. So there will be active engagement by Regional Development Australia, the bodies at the regional level, to help us identify what the skill shortages are in the particular regions and develop packages accordingly. That is a very important development.

I was also asked about the changes to allow job seekers on youth allowance to keep more of what they earn. I can advise the House that the initiatives presented in the budget included allowing young job seekers on youth allowance to keep more of what they earn through increasing the income free area from $62 to $143 per fortnight, increasing the working credit from $1,000 to $3,500 and in addition providing a more generous income test taper rate for single principal carers on Newstart allowance from 1 January 2013. This means that parents will be able to earn up to $400 per fortnight, on top of the $946 per fortnight that they currently earn before their income support payment is taken out.

In relation to the problem of young people who are neither working nor studying, we do not want young people to be unemployed. The option for them is either work or training. Unemployment should not be an option. There are important new initiatives in this budget that will help secure that outcome for them—good for them; good for the nation.

Ms LEY (Farrer) (18:39): I would like to ask the minister about a specific budget announcement contained in Budget Paper No. 2, page 32 for reference. It concerns the Building Australia's Future Workforce program, which we have mentioned in this session, and in particular the wage subsidy for the very long-term unemployed. This announcement states that employers will be encouraged to hire the very long-term unemployed—two-plus years—by offering to give employers the amount of Newstart payment that the job seeker would have otherwise received, and this payment will be offset for six months.

Minister, I have a couple of questions around this issue of payment to the employer the sum total of a Newstart payment for a six-month period. What assurances can you give us that this will not involve the turning over, the churning, of workers given that we see these examples all around us now with traineeships being suddenly abandoned after the necessary—usually six-month—period is over. The amount of money that will be offered, this six months of Newstart, is quite significant. My first question concerns assurances that there will be something to prevent exploitation of what could be seen as quite a lucrative exercise for some unscrupulous employers.

My second question concerns part-time work. Are the provisions for this employment under this program to be for part-time work or would the employer that took advantage of it have to hire the person on a full-time basis? Let us assume that there is provision for part-time employment: will the payment be pro rata or will the business still receive the full wage subsidy at the rate of Newstart for six months? It is simply not clear. If you hire a part-time worker or a three-quarter-time worker, would you get a similar pro rata amount of Newstart? There are my three questions around this particular budget measure.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (18:42): Thank you for your questions. We are incredibly proud of the measures in this budget which are specifically aimed at the very long-term unemployed. We know that when we head towards projections of a 4.5 per cent
unemployment rate it spells great promise for many Australians, but we want to make sure that people are not left out.

As you correctly identified, there is some $227.9 million in this budget aimed specifically at the cohort of the very long-term unemployed, those who have been out of work for some two years or more. One of those measures is the provision of 35,000 wage subsidies. I think I will take the second question first. The amount will be the equivalent of the Newstart payment approximately, but it is flexible and we can work with those needs around part time and full time and for how long that subsidy is required.

Your other question was: how do we ensure that there are not turnovers? We already operate wage subsidies at the moment. We operate wage subsidies under the JSA model and we have in place a series of protections. We obviously monitor the employers who are accessing this. We monitor the job seeker, where they go and how they continue post wage subsidy. We have in place strict protections to make sure that we do not see the sort of turnover which the member referred to. Does that mean that every job seeker continues on in that role in the long term after the subsidy ends? No, it does not. Some of them do not see it through for the six months. But it does mean that we monitor that through our department. We put in place every protection that we can.

The other thing that I should say on these wage subsidies which I think is significant is that we have extended these subsidies so that they are available to job seekers who are going through both Job Services Australia and also the Disability Employment Services. This is really important and it comes back to the question around part time and full time and the capacity to work. We will have these subsidies at an equivalent rate. It works out at around $6,000 for each job seeker. The way that that is put in place is obviously going to differ from position to position. The other measure which complements this is the $133 million which we have put into increased participation requirements on the very long-term unemployed. We know that not everybody is job ready, not everybody has maintained the skills, the confidence, the discipline and the whole range of things they need in order to step straight into employment. That is why we are extending the participation from six months to 11 months. We want to make sure that we are training up, that we are skilling, that we are preparing and getting job ready all of these job seekers. We know that the wage subsidies have been proven, through the model that already exists and through the wage subsidies that we already operate, as being one of the most effective ways that we can move the very long-term unemployed into employment.

Ms LEY (Farrer) (18:45): Picking up where the minister left off, which concerns the changed requirements for the very long-term unemployed and their being given work activities for 11 months: given those increased participation requirements that are due to commence in the middle of 2012, would you expect that job service providers will have to commence increased Work for the Dole activities? How might that be funded and how might it work in practice? The current level of Work for the Dole activities—as I will call them generically—is extremely low. If not, what types of work experience activities do you think will be utilised to make sure that that number of long-term unemployed job seekers actually does have an opportunity to meet their mutual obligation requirements?

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (18:46): Going back a tiny bit, I think it probably helps
members if I just expand on the fact that when we moved from the Job Network to Job Services Australia, we introduced into the system a whole lot more flexibility, so that employment providers could judge what is best and what best suits the needs of each individual job seeker. I know that the opposition like to speak about Work for the Dole as the participation requirement. Under our system, Work for the Dole is one option, and it means that in addition to Work for the Dole people can participate through skills-based work experience. My colleague has already talked about the major investment that we are making in skills. People can participate in job trials, they can participate in work experience or they can participate in Work for the Dole. That will be funded through $133 million. We recognise that it does take money to provide participation activities, which is why we are providing that money per job seeker who will be accessing that. We expect that, of course, some of that money will go towards Work for the Dole.

I might take this opportunity to point out some of the statistics that we have about Work for the Dole since we have moved to Job Services Australia. We do know that, whilst we continue absolutely to support Work for the Dole, our focus is on making sure that we are getting people off income support and into jobs and that we are using the best activity and the best participation requirements to get them to do that. December 2010 data indicates that over 60 per cent of job seekers who have undertaken education and training activities are in a job or studying three months after completing that activity. By comparison, only 35 per cent of job seekers who have participated in Work for the Dole have moved into work or further study. So we think it is really important that we actually look at the evidence and that we recognise that Work for the Dole has an important role and it will continue to have an important role, but it is not a one-size-fits-all solution and we need to make sure that there is flexibility in the system for employment providers to come up with the best activity to match those needs. That is the reason why this money will be provided in the same flexible way that the employment service providers will be able to absolutely direct that money into Work for the Dole, or they will be able to choose to direct it into other participation activities which they think might be more beneficial to that job seeker.

Mr PERRETT (Moreton) (18:49): I have some questions flowing on from the earlier comments from both ministers dealing with the Building Australia's Future Workforce package and the particular reference they have made to the youth allowance. I commend both ministers on their endeavours in this area, particularly their faith in that labour market and understanding it is, after a downtime, to make sure people are prepared to come out of the bad times so that the labour market is trained and ready to go. I think we have learnt from some of those errors in the past—rather than just let the market rip. It is good to see that people in this parliament do have faith in markets as the way to achieve some of these things. I say that particularly as a Queenslander, because certainly some of the Beattie government's focus on that 'earning and learning' message is something that has translated into actions in this parliament.

I particularly note Minister Ellis's comments on the long-term unemployed. Some of those figures are a shock to see. Whilst we are the envy of the globe in terms of having unemployment with a four in front of it, some of those long-term unemployment figures are still going up, which is obviously something we need to change. We need to move the dignity of work into the households in some of our poorer suburbs. I can think of suburbs in my
electorate where people are almost getting into the third generation of unemployment. There are no positive role models, no opportunities to break free.

With that preamble, I want to ask Minister Crean a question about these measures touched on in the youth allowance. They have been designed to confront the problem of young people who are neither working or studying; what figure does the government have to show the extent of the problem in these respects?

**Mr CREAN** (Hotham—Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts) (18:51): I thank the member for his question. The very long-term unemployed have been a nagging problem for this country. I was the minister responsible in the Keating government, and the Working Nation program was actively engaged in getting these people back into a workforce, while the nation was recovering from a recession. This exercise should be relatively easy in comparison, given that we have had no recession—in fact, we are the only developed country that avoided the recession. Nevertheless, these figures still show that there is a consistent problem there with people who have not had engagement with the workforce. It presents another barrier to engagement with the workforce.

So we have this conundrum. We have a potential skills shortage looming. We have a demand side and we have a potential supply side. To give you an idea of the extent of the figures: as at October 2010, 10.7 per cent of 15- to 24-year-olds were not in employment, education or training. That is around 320,000 people. Of those 320,000 people, 170,000 have not been in employment, education or training for 12 months. That is a wasted resource, given the challenge that we are facing.

In the Indigenous population, it is around 10 per cent—that is, 10 per cent of those not in employment, education or training are Indigenous. Of those figures that I have talked about, the over 11 per cent youth unemployment is much higher than the national average, as you pointed out. Almost half of young Australians who left youth allowance in September 2010 have been on these payments for more than a year.

So the challenge for us is: how do we better match that supply potential with the demand? That is why the budget concentrated on these measures to improve study and work incentives. There has been, as a result of the budget, greater incentive to work. I talked about that increase in youth allowance recipients in the income-free area. There will be greater incentive to study. That is important because we want to lift the retention rates. There will be more responsibility to complete year 12. We think again it comes back to this concept of mutual obligation. If we are prepared to commit the resources, those for whom they are targeted have a responsibility to take them up; they do not have the responsibility to stay away from work opportunities or training. We also have more incentives in there to give people the chance to attain basic skills. There will be more support out of this budget to transition to employment; there will be more support to manage the challenge of teen parenting, because this becomes an important issue in terms of family relationships; and there will be more support for families with children to help them stay at school.

This is a truly comprehensive package. We are doing it for two reasons. We are doing it because we believe that everyone should have the opportunity not just to enter the workforce but to be equipped with the skills to have a greater array of choice when they are exercising the opportunities for employment. So it is important for opportunity for the individual, but it
is also important for the nation. If we are to avoid the constraint of skill shortages which have bedevilled us in the past, it is an absolute requirement for government to ensure that, for everyone who is capable of working, who wants to work, or who cannot work because they do not have the skills, every one of those categories is covered, and the suite of measures contained in this budget do just that.

The DEPUTY SPEAKER (Ms Vamvakinou): Time is an issue, and the Committee will now consider the tertiary education and skills and school education, early childhood and youth segment of the portfolio in accordance with the agreed order of consideration.

Mr PYNE (Sturt—Manager of Opposition Business) (18:56): I am pleased to have the minister in the chamber to consider the budget in detail, as I did with the previous minister, who did not answer my questions in detail but preferred to engage in rhetoric, which was unfortunate. I assume that this minister will have a better grasp of the portfolio than his predecessor in the consideration in detail. I have so many questions I could ask the minister about his unravelling portfolio, but I intend to start with the Australian Baccalaureate. I have a series of questions which I will ask for five minutes, and then he might want to answer them or take them on notice and answer them all at the end. Each minister usually makes their own decision about how they wish to handle it.

The fact sheet on the Australian Baccalaureate, 'A world class qualification for a world class education', claims that this certificate is needed for 'high-performing students who want an internationally recognised qualification that measures a variety of achievements'. My questions are: was a research report, feasibility study or any other type of report commissioned before this announcement was made that a new certificate for high-performing students was needed? Secondly, how is this certificate intended to benefit students? Thirdly, why is an Australian Baccalaureate needed when there is an International Baccalaureate offered by schools for high-performing students, and won't the Australian Baccalaureate compete for the same cohort of students that currently undertake the International Baccalaureate?

Under this initiative, high-performing students would be 'electing to be certified for the award, similar to the way students can currently elected to undertake the International Baccalaureate'. My questions are: has there been any contact between the government and the International Baccalaureate's head office in Geneva to obtain details on how students elect to undertake the IB? Secondly, have any potential patent issues been discussed if the Australian Baccalaureate is to emulate the IB in this respect or any other respect?

The concept of one national senior secondary certificate is not a new idea. In 2006, a detailed research report to government, Australian Certificate of Education: exploring a way forward, examined the feasibility options for the introduction of a national senior certificate. The report looked at various options, including whether such a national certificate should be modelled on the International Baccalaureate. The ACER recommended against developing a baccalaureate-style certification in Australia, given the 'obvious implications for current state and territory certificates':

Schools and students wishing to go on to tertiary study would be faced with a choice between the ACE, the state/territory certificate, and the IB ... Program. If the ACE were to become a preferred qualification for university-bound students across Australia, then existing state certificates are likely to
take on a lower status as qualifications for other students participating in the senior years of school. Such an outcome may be undesirable.

My questions are as follows. First, has the nature of expert advice provided to government changed since 2006 such that it has led your government to decide that a baccalaureate-style certificate in Australia is desired? Second, how will the government ensure that existing state and territory qualifications are not be seen to be of a lower status after the Australian baccalaureate is introduced? Third, if the Australian baccalaureate is to provide at a price tag of $7.3 million rigorous certificates that are academic in nature only for high-achieving students, what are the benefits for other young people, who do not intend to pursue tertiary study?

Fourth, the ACER found in 2006 that it was unlikely that an Australian certificate of education would ever become an international certificate in the sense of an IB diploma program, so my question is: how is the AB proposed to be internationally recognised—formally or informally and with what countries?

Fifth, it appears that I am not alone in having difficulty understanding why this new voluntary baccalaureate-style qualification is needed. The Australian Secondary Principals Association's president, Sheree Vertigan, said:

… she was unsure if the certificate would flow naturally within the school system.

"The certificate has been developed for students looking to further their academic learning and is designed for high-achieving students’ …

Specifically, she asked, and I ask on her behalf, why doesn't the national curriculum address that need rather than introducing another thing on top?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (19:01): I thank the honourable member for his question. I think that our commitment to introduce an Australian baccalaureate and our reasons for wanting to do that go to the heart of the significant and bold education reforms that this government is undertaking.

I turn to the specific questions that the shadow minister has put to me. I will take on notice the questions about research and patent information and whether there has been interaction between the department, the government and others and the baccalaureate organisation in Geneva.

On the shadow minister's other questions, I make the following points. I was recently lucky enough to spend time with principals and teachers who are very aware of the fact that in years 11 and 12 they have students who are contemplating study at institutions or universities in other parts of the world and/or who have been subject to moving from country to country over time. It is the case that baccalaureates are offered here which have an international component but which do not specifically link in with the curriculum that we have in Australia and that an Australian baccalaureate is seen as being an extremely important initiative in order to meet that structural deficiency. The Australian baccalaureate will be developed by ACARA, and the shadow minister would be aware of ACARA's achievements to date—they are considerable. They will develop that baccalaureate in partnership with the state and territory education authorities.

Opposition members interjecting—
Mr GARRETT: Have you sorted yourselves out over there?

Mr Pyne: We're very well sorted out.

Mr GARRETT: If you pay some attention, you might get some understanding of this answer. Pay some attention over there, Chris.

Mr Pyne interjecting—

Mr GARRETT: Pay some attention. As I was saying before I picked up on the hubbub coming from the shadow minister, the fact is that ACARA will work in partnership with existing state and territory education authorities, and the qualification will sit alongside existing senior secondary school qualifications. That will mean that Australian secondary students are able to acquire a credential of international standard similar to national certificates such as the British A-level and the French baccalaureate.

I say to the member opposite that I am a great respecter of the research of ACER. I also know that the complete suite of measures that we have in place as a government are about our developing a national approach to education which suits our national needs. The fact is that, for many long years in government, the now opposition had the opportunity to take a national approach to education, and they fudged it completely—they missed doing it altogether. Our commitment, on the other hand, is a significant one in terms of doing that. As the shadow minister knows, we now have a national curriculum underway. We now have national standards for teachers. We now have the provision of an unparalleled level of information for the Australian public, who have a great interest in education and how their kids are progressing, through the My School website and the continuation of NAPLAN testing. We also have a most significant investment—nearly double the investment that we saw previously under the coalition—across a suite of education measures which were introduced by the Prime Minister when she was Deputy Prime Minister and Minister for Education, and it is my great pleasure to be able to continue with those reforms.

Now, the fact is that the Australian Baccalaureate is not intended to replace existing state and territory certification and credentialling systems; it will operate alongside them. It will not replace existing qualifications such as the HSC but it will enable Australian students, particularly those who are contemplating further study in other countries, to have a certificate which reflects their legitimate desires. I think this is something which most reasonable people listening to this debate would recognise as a very worthy measure.

Mr ZAPPIA (Makin) (19:06): Minister, on Sunday night I attended a multifaith church service at St Marks Anglican Church in Golden Grove where five new chaplains were commissioned for schools in the electorate of Makin. I spoke to almost everyone there on the night, and there were probably 100 people. Without exception, they all applauded the government's commitment of an additional $200 million-plus to the School Chaplaincy Program and were very pleased to know that the program is to be continued for the next three years. Minister, firstly, how is the program being received? But perhaps more importantly, what kind of feedback are you getting in respect of the chaplaincy service that is being provided in the schools and what kind of demand is coming back to you in respect of that service?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (19:07): I thank the member for Makin for his question, which goes to the heart of the
government's significant commitment of some $222 million to provide the opportunity for some 1,000 schools, including schools in remote areas, schools with high Indigenous populations and schools in disadvantaged areas, to take up the opportunities that the National School Chaplaincy Program provides. My experience reflects the member's experience, which is that there is a strong demand for this program. It is a voluntary program and schools need to determine whether or not they wish to secure the services of a chaplain. When they do that, the guidelines make it very clear that it is not the purpose of the chaplain to proselytise a particular position, dogma or faith but, rather, to provide pastoral support to students and additional support for teachers. A teacher may encounter students within the school community who are experiencing troubling times at home or whatever it might be, and the chaplains are there to take some of that burden from the teachers. The teachers are there to teach and the chaplains are there to provide pastoral support.

I was interested to see that, after the experience that the people in Queensland went through when they had the terrible flooding last year, we received some requests for additional chaplaincy services to be provided in schools in Queensland, particularly those where some of the kids were suffering trauma and upset as a consequence of the floods. The program is well supported and it provides pastoral care and support to students within the school environment, which is appropriate.

We have some 2,675 schools Australia-wide that are funded under the program, and around 43 per cent of them are located in regional and remote Australia. From 1 January next year we will extend that program to up to 3,700 schools, which I think is a significant contribution by the government. It is the case that a review of the chaplaincy program is underway, and I will consider carefully the advice that comes through to me in terms of the consultations that have fed into the review. One of the things I think it is important to say is that the work of chaplains should be seen as something complementary to, not a replacement for, the work of others involved in the school and looking after the wellbeing of students and school communities. It is important to make sure that schools are supported in looking after the wellbeing of their students, and that is what this program does.

I want to make one more point before my time expires. This government has provided specific additional support focused on schools which are in what we describe as low-SES communities, through the Smarter Schools National Partnerships, where we want to specifically identify the kinds of investments that can help teachers in those schools teach the students that are there more effectively. There are a range of initiatives that schools have undertaken. For example, in schools with a high proportion of students with English as a second language, some principals have chosen to use some of that support from the government to increase the number of ESL teachers. Some schools that have people who have recently arrived in Australia, people who may have come from really difficult home countries, where there may be conflict, difficulty and suffering, provide appropriate counselling and liaison with those communities. There are schools where making sure that kids have the opportunity to be able to read and write effectively as they come through their primary school and into high school—but they have not been read to a great deal at school—to provide support for these kids and to take them through personalised learning and reading.

All of these investments have been specifically targeted to make sure that we lift up all of these kids in Australia and give them the best possible opportunities to have a great education.
The chaplaincy program provides pastoral support in those schools that choose to have it and enables those teachers to do that other very good work.

**Ms LEY** (Farrer) (19:12): I have two questions for the minister for child care. One I do not expect an answer to because I have written to you about this, but I am concerned enough about it to raise it here. The other concerns the childcare rebate.

Regarding the first matter, I would like to quote from an email from one of my constituents, an email that was received by your department, DEWR, regarding his childcare contracts which are due to expire on 30 June and there is a new funding deed from 1 July:

Further to our conversation a couple of weeks ago, I wanted to let you know that due to some system problems, we have not been able to produce the variations to existing budget based funded services yet. From the information I have on-hand, it is my understanding that we are likely to send variations out mid next week, only if our IT problems are resolved.

Minister, I am sure you would agree that is completely unsatisfactory. The new contract is due to commence in just over 15 days time. I ask you to expedite the process and note that I have written to you. Given that we have members here asking questions, I do not expect an answer to that.

My second question is quite specific. The budget papers appear to make no reference to the childcare rebate. My understanding is that the rebate is now $7,941 per annum. Does the government intend to reintroduce legislation to cap the CCR at $7,500 or will the rebate stay at $7,941 until it is indexed next financial year?

**Ms KATE ELLIS** (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (19:13): On the first point: I am more than happy to chase up the IT issues on the contracts. I would agree that we absolutely want to ensure that the contracts are finalised. The member would be aware that such is our commitment to these budget base funded services that we massively increased the funding for them in last year's budget. We want to make sure that we lift the quality of care right across Australia, and this includes where these budget base funded services operate, which is in the most disadvantaged, most at-risk communities. So I will personally look into why those contracts have not been finalised. But I want to put on the record that this government has shown through last year's budget that we recognise that these services need to be improved. We want to make sure they are improved. We know that this is the best start in life that many of these children have. For members who are not aware, the budget based funded services are services which the government funds in their entirety. We build them, we pay all of the fees, and that is because we know, through all of the international and domestic research, that this is one of the best opportunities that we have to break the cycle of disadvantage. So our commitment there is strong.

With regard to childcare rebate funding in the budget, members should see that the forward estimates indicate that we anticipate spending some $20 billion over the next four years on early childhood education and child care. To put this into perspective, this is some $13 billion more than the Howard government committed. It is quite phenomenal that there has been a massive increase. We are proud of this. We know that it is really important in order to assist families with affordability and accessibility of child care at the same time as we are going about lifting the quality of child care across Australia.
In relation to our earlier announced election commitment with regard to the childcare rebate cap, the government policy remains in place. We have not had any changes of policy to that, and there have been no announcements that go along with that, so we would anticipate that that is where the government's resolve remains.

Mr MURPHY (Reid) (19:16): I would like to pick up, firstly, the question by the member for Sturt in relation to the Australian Baccalaureate and also the member for Makin's question to you, Minister, about the National School Chaplaincy Program. I would like to record the deep appreciation of the constituents of Reid, whom I represent in this place, for those initiatives. I would also like to say how appreciative my constituents were in relation to other initiatives that were announced in this place just over five weeks ago. Specifically I am referring to the government's More Support for Students with Disabilities program. I have a number of children in my electorate who have been suffering disabilities, some profoundly so. The principals of those children's schools and the families of the students of those schools have expressed to me their deep appreciation for the assistance that our government is giving to them. Also in terms of the payments for great teachers, I think that for a long time teachers who have done such a great job in educating the future citizens of our country have probably felt that they have been neglected by governments of all persuasions. That has been very gratefully received, as has the Teach Next program and any number of initiatives in terms of our Indigenous Australians and the efforts by governments to improve their education and employment opportunities.

I know we have a very short time, and I do not need to say much more, but I would like to know what feedback you have received through your department, through your ministerial office and also from your electorate when you have been out and about. I well remember when you visited our vocational trade training centre in Burwood last year, which is a state of the art trade training centre which was converted from a Christian Brothers college by the Catholic Education Office last year. Subsequent to your visit—I do not know whether you are aware—the Prime Minister also visited the centre, and the Catholic Education Office cannot speak more highly of then Prime Minister Rudd and Minister Gillard's initiatives in terms of that investment. If you could deal with those in the short time that you have got and give us an update on how we are going, I would greatly appreciate it.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (19:19): I would like to thank the member for Reid for that question and I am very pleased to be able to provide him with an update. I must say that I very much enjoyed the opportunity to visit the Southern Cross Catholic Vocational College trade training centre with the member on 4 November. We were able to see the extensive facilities that were being put in place to help these kids realise their dreams of working in vocations that they had a great desire for and a great interest in. That facility was particularly interesting to me because it was one where the Catholic system had also provided a significant contribution so that they could maximise the benefit of the investment that the Commonwealth had provided through the trade training centre program itself. They had looked at a suite of training potentials for their students and they had delivered not only a hospitality area but also a tremendous performing arts space. I was particularly impressed with the way in which they had worked closely with other fellow schools in their system. The Southern Cross trade training centre will provide a tremendous opportunity for kids who decide that they do want to go into higher education or
who are not necessarily going straight into the workforce. They will be able to go into areas of skills and trades which will then allow them to go on and build sustainable working lives for themselves once they leave school. That is really important.

Members listening would know that there is an issue about apprenticeship completion. We do have a lot of young Australians who decide to go down a particular skills route. They might do a couple of certs; they might get halfway through the apprenticeship and then we may not see successful completion. The government addressed that in the budget, which had a very strong skills focus, by providing some $200 million—I think $101 million for the mentoring package for apprentices and another $100 million for the accelerated package. That is a way of really focusing on this particular issue. We do know that a better skilled Australian workforce provides us with enduring foundations for long-term sustainability; but it is also important for young people coming into the workforce who perhaps encounter issues or obstacles that they did not quite realise were there. To have mentoring in that situation would be terrifically useful.

The fact is that the facilities at Southern Cross Catholic Vocational College in the electorate of the member Reid are amongst the best I have seen in Australia. But all of the trade training centre facilities that I have seen thus far have been of a very high order. It does mean that the training that takes place in the school environment is training which can be immediately applied and used as people go on to their vocational training journey.

Just quickly also to pick up on the member's question to me, I was extremely pleased that we were able to see over half a billion dollars worth of initiatives in this budget. In particular there was $200 million of new funding for support for students with disabilities and special needs. Everybody listening to the broadcast of parliament and everybody reading the record of this debate will know that one of the greatest needs in our school system at this point in time is that felt by the school community wanting to be able to provide the necessary support in the classroom for kids with special needs and disabilities. I think that $200 million was one of the great moments of the education budget in 2011. It has been extremely positively received right across the education sectors from all of those who work in this area and who realise how important it is.

Some $425 million was committed to national awards for great teachers. We know that the teacher is the most important person inside the school gate when it comes to providing an effective education for kids. They are the single most important figure there. To develop a nationally consistent performance management system and recognise effective teachers I think is an absolute boon to the profession and it shows that we understand how important providing a great education is. There were many measures in this budget which showed our commitment to providing a great education, and we are proud of all of them. *(Time expired)*

Ms MARINO (Forrest—Opposition Whip) (19:24): Minister, students and families in my electorate have been very badly impacted by the changes to youth allowance and we are in an area that has been defined as inner-regional. As a result, we have families that are now trying to get two jobs, students actively deciding not to pursue higher education or training and those who have had to give up their higher education dreams and come home because they cannot actually afford to be in training or at university.

I really need to know: how many students from inner regional defined areas who have to move to study are receiving the full independent youth allowance payment? How do these...
figures compare to the numbers prior to the changes to youth allowance? Of the additional students now accessing independent youth allowance, how many are from inner regional areas and are actually receiving full youth allowance payments? What proportion of the new students accessing youth allowance are receiving independent versus dependent youth allowance?

I refer the minister to the review by Professor Kwong Lee Dow and want to know whether this will be reported by July, as promised? I also refer the minister to comments made by the member for Parramatta on 30 May that the government is committed to removing eligibility distinctions between inner regional and outer regional students by 1 January 2012: will this happen, and when? And will it be available to current gap year students?

Finally: yesterday the Assistant Treasurer stated that the government is also looking at changing eligibility criteria for youth allowance so that our young people who are 20 and 21 will get youth allowance rather than the unemployment benefit if they are at home. Will this come from the existing pool of funding for youth allowance or will additional funding be applied to the youth allowance program? And will this have an impact on the number of students able to access youth allowance and the actual amount they receive? Thank you.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (19:26): On the question of the specific request for numbers that the member has made, it would be appropriate for us to take that question on notice. As to the general content of her questions I will just make the following points.

In relation to the specific question that the member asked around the review that is being chaired by Professor Kwong Lee Dow: this review will report by 1 July 2012, and the report will be tabled in both houses within 10 sitting days. Members should be aware--

Ms Marino: In 2011?

Mr McCormack: Kwong Lee Dow is in 2011?

Mr GARRETT: 2011–I beg your pardon. It will be tabled in both houses within 10 sitting days. Members should be aware that Professor Lee Dow has conducted a number of consultations around Australia. Of the 21 roundtables scheduled, two-thirds of those have been held in regional areas. So organisations, students and families, including those from regional areas, have had a good opportunity to contribute to the review either by attending the consultations themselves or by making a written submission.

Following the review, I can advise that the government will bring legislation to the parliament this year to implement new eligibility arrangements for youth allowance, removing the regional eligibility distinctions with effect from 1 January 2012. We always said we would review the most appropriate mechanism for determining the eligibility. In fact, we did legislate for that.

I can also advise the member that we have seen significantly improved financial assistance to students from low socio-economic backgrounds, including regional students, as a consequence of the government's reforms. We know that the latest statistics show that there has already been a 29 per cent increase in higher education in dependent youth allowance recipients from rural and regional areas, and that the government's reforms have benefited more than 85,000 young people who now receive the maximum rate of youth allowance, a
higher rate of youth allowance or a payment of youth allowance for the first time. For the member's benefit, this includes almost 29,000 young people from rural and regional areas.

I will make an additional point here to the member that there are a number of initiatives underway. You know what some of them are, including the additional students who are receiving scholarships. There are about 190,000 or so of those, with around 44,000 from rural and regional areas. We have additional initiatives which operate for regional students for improving their university participation: removing the cap in the number of students who can enrol in undergraduate degrees, which means that more students from rural and regional backgrounds will have the opportunity to attend university; establishing a new regional priorities round of the Education Investment Fund; and completing the Structural Adjustment Fund to assist universities, particularly in those regional and outer metropolitan areas, to adapt to the reforms in the demand driven funding system that we have in place. It needs to be clearly stated that the government has also established the $20 million Rural Tertiary Hardship Fund which will provide additional financial assistance to country kids from disadvantaged backgrounds—the first round to be distributed.

The point here is that not only are we conducting significant reform through the tertiary sector to provide greater opportunities for students right around Australia to take up the benefits of a university education but also those reforms significantly provide opportunities for rural and regional students.

Ms Marino: But not for the families in my electorate.

Mr Garrett: With the interjections coming from opposite, the fact is that you presided for a decade or more over a university system where the participation of regional students declined. That is a fact that needs to be acknowledged in this House. Let us remember that regional participation rates actually fell in 2007, they didn't go up. Here you are: you went to the 2010 election wanting to cut hundreds of millions of dollars from funding, which was actually going to get low income students coming into universities, capping the participation and equity programs, and so on—(Time expired).

The DEPUTY SPEAKER: The member for Riverina—sorry, I will go this side.

Opposition members interjecting—

The DEPUTY SPEAKER: I will decide, thank you.

Mr Pyne: You have already called the member for Riverina.

The DEPUTY SPEAKER: I have just made a decision. Thank you, I have tried to be fair to both sides. I was incorrect in calling the member for Riverina. I want to be fair to this side as well. I call the member for Robertson.

Ms O'Neill: We are continuing?

The DEPUTY SPEAKER: Please. If the committee wishes to continue, it will continue.

Ms O'Neill (Robertson) (19:32): Minister, obviously the trade training centres, which you have addressed to some degree, are critical in the reformation of access to education that is really engaging and relevant for young people. It has been a privilege to have the trade training centre in our area begin to do that work of engaging young people, who are finding talents in areas that might not traditionally be found in a school context. Your visit to the Central Coast over the last week has been well received. We also have a wonderful
performing arts centre that has been provided at Green Point Christian College. But as a member who lives in the city and nearby region to a city, I am very interested in how trade training centres are changing access to opportunities for people from regional areas. I would be interested to hear what you have to say.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (19:33): I would like to thank the member for Robertson for that question. I am mindful of the time that we have at our disposal so I will be brief in my response. I very much appreciated the opportunity to visit Green Point Christian College with the member and to experience an extraordinary range of performances from students not only from Green Point but from Terrigal High and other schools in the area as well. There was some fabulous talent on the Central Coast that I heard on Friday last week.

If we are going to be serious with equipping young Australians for a lifetime of work and participation, they need to have the opportunity to develop those skills when they are still at school. The trade training centre program, which represents a $2.5 billion investment over 10 years by this government, is one of the most significant investments in vocational education and training that we have ever seen. At every single one of those centres that I visit I see firsthand what a difference it is making to students such as at the Southern Cross Catholic Vocational College that I referred to earlier. I was also able to visit the Bendigo trade training centre at Bendigo Senior Secondary College quite recently. These centres all show how the provision of first-class infrastructure and training facilities will enable kids to get on that trade training journey, whether it is in automotive, in electrical, in hospitality or in the creative areas. The fact is that these trades training centres provide the opportunity for us to meet the skills challenges that we will face in the future. In this budget we have significant investment in skills, including Building the Future Workforce, a $3 billion investment over six years. As well as that, we are equipping these young students with every opportunity to go out into a trade and build a fantastic life for themselves and their families and their communities. I very much applaud the approach that has been taken by these schools in making sure that they partner together and deliver a cooperative group to put in for a trades training centre. I appreciate very much the cooperation that we have seen from small business and the business sector generally in making sure that, when kids come from school and continue their training or go into employment, businesses have already been involved with the kids as they have been working and learning in the trades training centres.

In conclusion, as we develop the national trade cadetship we will see that we have a national cadetship which provides kids with every opportunity to think about how they want to train within a school, then go onto an apprenticeship, then go into a business and build a working career for themselves over their lifetime. We place a lot of focus on skills and participation in the 2011-12 budget, and that is because we know that the opportunities that come with training and learning are absolutely necessary and essential not only to make sure that Australian citizens have got meaningful, good, sustainable work but that we build prosperity in the future. We want to make sure that kids can gain skills that are relevant to the workplace when they are in these trades training centres, and the outstanding level of support that we have had from schools right around Australia tells me that this policy is one that is absolutely to be commended.

Proposed expenditure agreed to.
Debate adjourned.

**BUSINESS**

Mr MELHAM (Banks) (19:37): I move:

That further proceedings on orders of the day Nos 3, 5 and 10, private members’ business, be conducted in the House.

Question agreed to.

Main Committee adjourned at 19:38.